

# Social Security Programs Throughout the World: Asia and the Pacific, 2012



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## Preface

This second issue in the current four-volume series of *Social Security Programs Throughout the World* reports on the countries of Asia and the Pacific. The combined findings of this series, which also includes volumes on Europe, Africa, and the Americas, are published at six-month intervals over a two-year period. Each volume highlights features of social security programs in the particular region.

The information contained in these volumes is crucial to our efforts, and those of researchers in other countries, to review different ways of approaching social security challenges that will enable us to adapt our social security systems to the evolving needs of individuals, households, and families. These efforts are particularly important as each nation faces major demographic changes, especially the increasing number of aged persons, as well as economic and fiscal issues.

*Social Security Programs Throughout the World* is the product of a cooperative effort between the Social Security Administration (SSA) and the International Social Security Association (ISSA). Founded in 1927, the ISSA is a nonprofit organization bringing together institutions and administrative bodies from countries throughout the world. The ISSA deals with all forms of compulsory social protection that, by legislation or national practice, are an integral part of a country's social security system.

Previous editions of this report, which date back to 1937, were issued as one volume and were prepared by SSA staff. With the introduction of the four-volume format in 2002, however, the research and writing has been contracted out to the ISSA. The ISSA has conducted the research largely through its numerous country-based correspondents, as well as its social security databases and a myriad of other types of data that must be drawn together to update this report. Members of the ISSA's Social Security Observatory analyzed the information and revised the publication to reflect detailed changes to each social security program. *Social Security Programs Throughout the World* is based on information available to the ISSA and SSA with regard to legislation in effect in July 2012, or the last date for which information has been received. Starting with the 2012–2013 series, Turkey is in the Europe volume. Two countries were added to this volume: Qatar and Tajikistan.

Barbara Kritzer and John Jankowski managed the preparation of this report. Staff of the Division of Information Resources edited the report and prepared the print and web versions for publication.

Your suggestions and comments on this report are welcome. Any suggestions, comments, or questions about the report should be e-mailed to [ssptw@ssa.gov](mailto:ssptw@ssa.gov). Corrections, updated information, and copies of relevant documentation and legislation are also welcome and may be sent to:

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This report and other publications are available at <http://www.socialsecurity.gov/policy>. For additional copies of this report or to be removed from our print mailing list, please e-mail [op.publications@ssa.gov](mailto:op.publications@ssa.gov).

Manuel de la Puente  
Associate Commissioner  
for Research, Evaluation, and Statistics  
March 2013

***Errata Policy***

If there are any additions or corrections to the data published herein, they will be posted as errata on the web at <http://www.socialsecurity.gov/policy/docs/progdesc/ssptw/2012-2013/asia/index.html>.

# Contents

## *Guide to Reading the Country Summaries*

|                                                                            |    |
|----------------------------------------------------------------------------|----|
| Sources of Information .....                                               | 1  |
| <b>Types of Programs</b>                                                   |    |
| Employment-Related .....                                                   | 2  |
| Universal .....                                                            | 3  |
| Means-Tested .....                                                         | 3  |
| Other Types of Programs .....                                              | 3  |
| <b>Format of Country Summaries</b>                                         |    |
| Old Age, Disability, and Survivors .....                                   | 4  |
| Sickness and Maternity .....                                               | 8  |
| Work Injury .....                                                          | 11 |
| Unemployment .....                                                         | 13 |
| Family Allowances .....                                                    | 15 |
| <b>Tables</b>                                                              |    |
| 1. Types of social security programs .....                                 | 17 |
| 2. Types of mandatory systems for retirement income .....                  | 19 |
| 3. Demographic and other statistics related to social security, 2012 ..... | 21 |
| 4. Contribution rates for social security programs, 2012 .....             | 23 |

## *Country Summaries*

|                        |     |                        |     |
|------------------------|-----|------------------------|-----|
| Armenia .....          | 27  | Micronesia .....       | 141 |
| Australia .....        | 32  | Nepal .....            | 143 |
| Azerbaijan .....       | 41  | New Zealand .....      | 146 |
| Bahrain .....          | 47  | Oman .....             | 153 |
| Bangladesh .....       | 51  | Pakistan .....         | 155 |
| Brunei .....           | 53  | Palau .....            | 158 |
| Burma (Myanmar) .....  | 56  | Papua New Guinea ..... | 160 |
| China .....            | 59  | Philippines .....      | 162 |
| Fiji .....             | 66  | Qatar .....            | 168 |
| Georgia .....          | 69  | Samoa .....            | 170 |
| Hong Kong .....        | 72  | Saudi Arabia .....     | 172 |
| India .....            | 77  | Singapore .....        | 175 |
| Indonesia .....        | 83  | Solomon Islands .....  | 180 |
| Iran .....             | 86  | South Korea .....      | 182 |
| Israel .....           | 91  | Sri Lanka .....        | 188 |
| Japan .....            | 100 | Syria .....            | 190 |
| Jordan .....           | 108 | Taiwan .....           | 193 |
| Kazakhstan .....       | 112 | Tajikistan .....       | 201 |
| Kiribati .....         | 117 | Thailand .....         | 204 |
| Kuwait .....           | 119 | Turkmenistan .....     | 210 |
| Kyrgyzstan .....       | 122 | Uzbekistan .....       | 214 |
| Laos .....             | 127 | Vanuatu .....          | 220 |
| Lebanon .....          | 131 | Vietnam .....          | 222 |
| Malaysia .....         | 134 | Yemen .....            | 227 |
| Marshall Islands ..... | 139 |                        |     |



## Guide to Reading the Country Summaries

This second issue in the current four-volume series of *Social Security Programs Throughout the World* reports on the countries of Asia and the Pacific. The combined findings of this series, which also includes volumes on Europe, Africa, and the Americas are published at six-month intervals over a two-year period. Each volume highlights features of social security programs in the particular region.

This guide serves as an overview of programs in all regions. A few political jurisdictions have been excluded because they have no social security system or have issued no information regarding their social security legislation. In the absence of recent information, national programs reported in previous volumes may also be excluded.

In this volume on Asia and the Pacific, the data reported are based on laws and regulations in force in July 2012 or on the last date for which information has been received.<sup>1</sup> Information for each country on types of social security programs, types of mandatory systems for retirement income, contribution rates, and demographic and other statistics related to social security is shown in Tables 1–4 beginning on page 17.

The country summaries show each system's major features. Separate programs in the public sector and specialized funds for such groups as agricultural workers, collective farmers, or the self-employed have not been described in any detail. Benefit arrangements of private employers or individuals are not described in any detail, even though such arrangements may be mandatory in some countries or available as alternatives to statutory programs.

The country summaries also do not refer to international social security agreements that may be in force between two or more countries. Those agreements may modify coverage, contributions, and benefit provisions of national laws summarized in the country write-ups. Since the summary format requires brevity, technical terms have been developed that are concise as well as comparable and are applied to all programs. The terminology may therefore differ from national concepts or usage.

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<sup>1</sup> The names of the countries in this report are those used by the U.S. Department of State. The term *country* has been used throughout the volume even though in some instances the term *jurisdiction* may be more appropriate.

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### Sources of Information

Most of the information in this report was collated from the Social Security Programs Throughout the World survey conducted by the International Social Security Association (ISSA) under the sponsorship of the U.S. Social Security Administration (SSA). This information was supplemented by data collected from the ISSA's Social Security Observatory. Empirical data were also provided by numerous social security officials throughout the world. (For a listing of countries and jurisdictions that responded to the survey, see page 2.) Important sources of published information include the ISSA Documentation Service; the legislative database of the International Labour Office; and official publications, periodicals, and selected documents received from social security institutions. Information was also received from the Organisation for Economic Co-operation and Development, the World Bank, the International Monetary Fund, and the United Nations Development Programme. During the compilation process, international analysts at both SSA and the ISSA examined the material for factual errors, ambiguous statements, and contradictions in material from different sources.

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### Types of Programs

The term social security in this report refers to programs established by statute that insure individuals against interruption or loss of earning power and for certain special expenditures arising from marriage, birth, or death. This definition also includes allowances to families for the support of children.

Protection of the insured person and dependents usually is extended through cash payments to replace at least a portion of the income lost as the result of old age, disability, or death; sickness and maternity; work injury; unemployment; or through services, primarily hospitalization, medical care, and rehabilitation. Measures providing cash benefits to replace lost income are usually referred to as income maintenance programs; measures that finance or provide direct services are referred to as benefits in kind.

Three broad approaches to coverage provide cash benefits under income-maintenance programs; namely, employment-related, universal, and means-tested systems. Under both the employment-related and the

universal approaches, the insured, dependents, and survivors can claim benefits as a matter of right. Under means-tested approaches, benefits are based on a comparison of a person's income or resources against a standard measure. Some countries also provide other types of coverage.

### **Employment-Related**

Employment-related systems, commonly referred to as social insurance systems, generally base eligibility for pensions and other periodic payments on length of employment or self-employment or, in the case of family allowances and work injuries, on the existence of the employment relationship itself. The amount of pensions (long-term payments, primarily) and of other periodic (short-term) payments in the event of unemployment, sickness, maternity, or work injury is usually related to the level of earnings before any of these contingencies caused earnings to cease. Such programs are financed entirely or largely from contributions (usually a percentage of earnings) made by employers, workers, or both and are in most instances compulsory for defined categories of workers and their employers.

The creation of notional defined contributions (NDC) is a relatively new method of calculating benefits. NDC schemes are a variant of contributory social insurance that seek to tie benefit entitlements more closely to contributions. A hypothetical account is created for each insured person that is made up of all contributions during his or her working life and, in some cases, credit for unpaid activity such as caregiving. A pension is calculated by dividing that amount by the average life expectancy at the time of retirement and indexing it to various economic factors. When benefits are due, the individual's notional account balance is converted into a periodic pension payment.

Some social insurance systems permit voluntary affiliation of workers, especially the self-employed. In some instances, the government subsidizes such programs to encourage voluntary participation.

The government is, pro forma, the ultimate guarantor of many benefits. In many countries, the national government participates in the financing of employment-related as well as other social security programs. The government may contribute through an appropriation from general revenues based on a percentage of total wages paid to insured workers, finance part or all of the cost of a program, or pay a subsidy to make

### **Countries in Asia and the Pacific that Responded to the Social Security Programs Throughout the World Survey**

|                 |                  |                 |
|-----------------|------------------|-----------------|
| Australia       | Kazakhstan       | Samoa           |
| Azerbaijan      | Kiribati         | Saudi Arabia    |
| Bahrain         | Kuwait           | Singapore       |
| Brunei          | Kyrgyzstan       | Solomon Islands |
| Burma (Myanmar) | Laos             | South Korea     |
| China           | Lebanon          | Sri Lanka       |
| Fiji            | Malaysia         | Taiwan          |
| Georgia         | Micronesia       | Tajikistan      |
| Hong Kong       | Nepal            | Thailand        |
| India           | New Zealand      | Turkmenistan    |
| Indonesia       | Oman             | Vanuatu         |
| Iran            | Palau            | Vietnam         |
| Israel          | Papua New Guinea | Yemen           |
| Japan           | Philippines      |                 |
| Jordan          | Qatar            |                 |

up any deficit of an insurance fund. In some cases, the government pays the contributions for low-paid workers. These arrangements are separate from obligations the government may have as an employer under systems that cover government employees. Social security contributions and other earmarked income are kept in a dedicated fund and are shown as a separate item in government accounts. (For further details on the government's role in financing social security, see source of funds under Old Age, Disability, and Survivors.)

### **Universal**

Universal programs provide flat-rate cash benefits to residents or citizens, without consideration of income, employment, or means. Typically financed from general revenues, these benefits may apply to all persons with sufficient residency. Universal programs may include old-age pensions for persons over a certain age; pensions for workers with disabilities, widow(er)s, and orphans; and family allowances. Most social security systems incorporating a universal program also have a second-tier earnings-related program. Some universal programs, although receiving substantial support from income taxes, are also financed in part by contributions from workers and employers.

### **Means-Tested**

Means-tested programs establish eligibility for benefits by measuring individual or family resources against a calculated standard usually based on subsistence needs. Benefits are limited to applicants who satisfy a means test. The size and type of benefits awarded are determined in each case by administrative decision within the framework of the law.

The specific character of means, needs, or income tests, as well as the weight given to family resources, differ considerably from country to country. Such programs, commonly referred to as social pensions or equalization payments, traditionally are financed primarily from general revenues.

Means-tested systems constitute the sole or principal form of social security in only a few jurisdictions. In other jurisdictions, contributory programs operate in tandem with income-related benefits. In such instances, means- or income-tested programs may be administered by social insurance agencies. Means-tested programs apply to persons who are not in covered employment or whose benefits under employment-related programs, together with other individual or family resources, are inadequate to meet subsistence or special needs. Although means-tested

programs can be administered at the national level, they are usually administered locally.

In this report, when national means-tested programs supplement an employment-related benefit, the existence of a means-tested program is generally noted, but no details concerning it are given. When a means-tested program represents the only or principal form of social security, however, further details are provided.

### **Other Types of Programs**

Three other types of programs are those delivered, mainly through financial services providers (individual accounts, mandatory occupational pensions, and mandatory private insurance), publicly operated provident funds, and employer-liability systems.

#### **Programs Delivered by Financial Services Providers**

*Individual account.* Applies to a program where covered persons and/or employers contribute a certain percentage of earnings to the covered person's individual account managed by a contracted public or private fund manager. Participation may be mandatory or voluntary. The responsibility to establish membership in a scheme and the option to choose a fund manager lie with the individual. The accumulated capital in the individual account is normally intended as a source of income replacement for the contingencies of retirement, disability, ill health, or unemployment. It may also be possible for eligible survivors to access the accumulated capital in the case of the insured's death.

Contributions are assigned to an employee's individual account. The employee, and sometimes the employer, must pay administrative fees for the management of the individual account and usually purchase a separate policy for disability and survivors insurance.

*Mandatory occupational pension.* Applies to a program where employers are mandated by law to provide occupational pension schemes financed by employer, and in some cases, employee contributions. Benefits may be paid as a lump sum, annuity, or pension.

*Mandatory private insurance.* Applies to a program where individuals are mandated by law to purchase insurance directly from a private insurance company.

**Provident Funds.** These funds, which exist primarily in developing countries, are essentially compulsory savings programs in which regular contributions withheld from employees' wages are enhanced, and often matched, by employers' contributions. The

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contributions are set aside and invested for each employee in a single, publicly managed fund for later repayment to the worker when defined contingencies occur. Typically, benefits are paid in a lump sum with accrued interest, although in certain circumstances drawdown provisions enable partial access to savings prior to retirement or other defined contingencies. On retirement, some provident funds also permit beneficiaries to purchase an annuity or opt for a pension. Some provident funds provide pensions for survivors.

**Employer-Liability Systems.** Under these systems, workers are usually protected through labor codes that require employers, when liable, to provide specified payments or services directly to their employees. Specified payments or services can include the payment of lump-sum gratuities to the aged or disabled; the provision of medical care, paid sick leave, or both; the payment of maternity benefits or family allowances; the provision of temporary or long-term cash benefits and medical care in the case of a work injury; or the payment of severance indemnities in the case of dismissal. Employer-liability systems do not involve any direct pooling of risk, since the liability for payment is placed directly on each employer. Employers may insure themselves against liability, and in some jurisdictions such insurance is compulsory.

### **Format of Country Summaries**

Each country summary discusses five types of programs:

- Old age, disability, and survivors;
- Sickness and maternity;
- Work injury;
- Unemployment; and
- Family allowances.

### **Old Age, Disability, and Survivors**

Benefits under old age, disability, and survivor programs usually cover long-term risks, as distinct from short-term risks such as temporary incapacity resulting from sickness and maternity, work injury, or unemployment. The benefits are normally pensions payable for life or for a considerable number of years. Such benefits are usually provided as part of a single system with common financing and administration as well as interrelated qualifying conditions and benefit formulas.

The laws summarized under Old Age, Disability, and Survivors focus first on benefits providing

pensions or lump-sum payments to compensate for loss of income resulting from old age or permanent retirement. Such benefits are usually payable after attaining a specified statutory age. Some countries require complete or substantial retirement to become eligible for a pension; other countries pay a retirement pension at a certain age regardless of whether workers retire or not.

The second type of long-term risk for which pensions are provided is disability (referred to in some countries as invalidity). Disability may be generally defined as long-term and more or less total work impairment resulting from a nonoccupational injury or disease. (Disability caused by a work injury or occupational disease is usually compensated under a separate program; see Work Injury.)

The third type of pension is payable to dependents of insured workers or pensioners who die. (Pensions for survivors of workers injured while working are usually provided under a separate Work Injury program.)

**Coverage.** The extent of social security coverage in any given country is determined by a number of diverse factors, including the kind of system, sometimes the age of the system, and the degree of economic development. A program may provide coverage for the entire country or some portion of the workforce.

In principle, universal systems cover the entire population for the contingencies of old age, disability, and survivorship. A person may have to meet certain conditions, such as long-term residence or citizenship. Many countries exclude aliens from benefits unless there is a reciprocal agreement with the country of which they are nationals.

The extent of employment-related benefits is usually determined by the age of the system. Historically, social security coverage was provided first to government employees and military personnel, then to workers in industry and commerce, and eventually extended to the vast majority of wage earners and salaried employees through a general system. As a result, public employees (including military personnel and civil servants), teachers, and employees of public utilities, corporations, or monopolies are still covered by occupation-specific separate systems in many countries.

In many countries, special occupational systems have been set up for certain private-sector employees, such as miners, railway workers, and seamen. Qualifying conditions and benefits are often more liberal

than under the general system. The risk involved in an occupation, its strategic importance for economic growth, and the economic and political strength of trade unions may have had a role in shaping the type and size of benefits offered by the particular program.

Groups that might be considered difficult to administer—family workers, household workers, day workers, agricultural workers, and the self-employed—were often initially excluded from coverage. The trend has been to extend coverage to these groups under separate funds or to bring them gradually under the general system. In some countries, noncovered workers become eligible for the right to an eventual pension if they make voluntary contributions at a specified level. Some systems also provide voluntary coverage for women who leave the labor force temporarily to have children or to raise a family, or for self-employed persons not covered by a mandatory program. Some developed countries with younger programs have constructed a unified national program, thus largely bypassing the need for developing separate industrial or agricultural funds.

Most developing countries have extended coverage gradually. Their first steps toward creating a social security system have commonly been to cover wage and salary workers against loss of income due to work injury, and then old age and, less commonly, disability.

In a number of developing countries, particularly in those that were once British colonies, this initial step has come via the institutional form of provident funds. Most provident funds provide coverage for wage and salary workers in the government and private sector. A few funds have exclusions based on the worker's earnings or the size of the firm. Funds that exclude employees with earnings above a certain level from compulsory coverage may in some cases give them the option to affiliate or continue to participate voluntarily.

**Source of Funds.** The financing of benefits for old-age, disability, and survivor programs can come from three possible sources:

- A percentage of covered wages or salaries paid by the worker,
- A percentage of covered payroll paid by the employer, and
- A government contribution.

Almost all pension programs under social insurance (as distinct from provident funds or universal systems) are financed at least in part by employer and employee contributions. Many derive their funds

from all three sources. Contributions are determined by applying a percentage to salaries or wages up to a certain maximum. In many cases the employer pays a larger share.

The government's contribution may be derived from general revenues or, less commonly, from special earmarked or excise taxes (for example, a tax on tobacco, gasoline, or alcoholic beverages). Government contributions may be used in different ways to defray a portion of all expenditures (such as the cost of administration), to make up deficits, or even to finance the total cost of a program. Subsidies may be provided as a lump sum or an amount to make up the difference between employer/employee contributions and the total cost of the system. A number of countries reduce or, in some cases, eliminate contributions for the lowest-paid wage earners, financing their benefits entirely from general revenues or by the employer's contribution.

The contribution rate apportioned between the sources of financing may be identical or progressive, increasing with the size of the wage or changing according to wage class. Where universal and earnings-related systems exist side by side, and the universal benefit is not financed entirely by the government, separate rates may exist for each program. In other instances, flat-rate weekly contributions may finance basic pension programs. These amounts are uniform for all workers of the same age and sex, regardless of earnings level. However, the self-employed may have to contribute at a higher rate than wage and salary workers, thereby making up for the employer's share.

For administrative purposes, a number of countries assess a single overall social security contribution covering several contingencies. Benefits for sickness, work injury, unemployment, and family allowances as well as pensions may be financed from this single contribution. General revenue financing is the sole source of income in some universal systems. The contribution of the resident or citizen may be a percentage of taxable income under a national tax program. General revenues finance all or part of the means-tested supplementary benefits in many countries.

Contribution rates, as a rule, are applied to wages or salaries only up to a statutory ceiling. A portion of the wage of highly paid workers will escape taxation but will also not count in determining the benefit. In a few cases, an earnings ceiling applies for the determination of benefits but not for contribution purposes. In some countries, contribution rates are applied not to

actual earnings but to a fixed amount that is set for all earnings falling within a specified range or wage class.

**Qualifying Conditions.** Qualifying to receive an old-age benefit is usually conditional on two requirements: attainment of a specified pensionable age and completion of a specified period of contributions or covered employment. Another common requirement is total or substantial withdrawal from the labor force. In some instances, eligibility is determined by resident status or citizenship.

Old-age benefits generally become payable between ages 60 and 65. In some countries, length-of-service benefits are payable at any age after a certain period of employment, most commonly between 30 and 40 years. In recent years, several countries have increased the age limit for entitlement, in part because of budgetary constraints arising as a consequence of demographic aging.

Many programs require the same pensionable age for women as for men. Others permit women to draw a full pension at an earlier age, even though women generally have a longer life expectancy. Although the norm has been for the differential to be about five years, there is now an emerging international trend toward equalizing the statutory retirement age.

Many programs offer optional retirement before the statutory retirement age is reached. A reduced pension, in some instances, may be claimed up to five years before the statutory retirement age. Some countries pay a full pension before the regular retirement age if the applicant meets one or more of the following conditions: work in an especially arduous, unhealthy, or hazardous occupation (for example, underground mining); involuntary unemployment for a period near retirement age; physical or mental exhaustion (as distinct from disability) near retirement age; or, occasionally, an especially long period of coverage. Some programs award old-age pensions to workers who are older than the statutory retirement age but who cannot satisfy the regular length-of-coverage requirement. Other programs provide increments to workers who have continued in employment beyond the normal retirement age.

Universal old-age pension systems usually do not require a minimum period of covered employment or contributions. However, most prescribe a minimum period of prior residence.

Some old-age pension systems credit periods during which persons, for reasons beyond their control, were not in covered employment. Credits can be awarded for reasons such as disability, involuntary

unemployment, military service, education, child raising, or training. Other systems disregard these periods and may proportionately reduce benefits for each year below the required minimum. Persons with only a few years of coverage may receive a refund of contributions or a settlement in which a proportion of the full benefit or earnings is paid for each year of contribution.

The majority of old-age pensions financed through social insurance systems require total or substantial withdrawal from covered employment. Under a retirement test, the benefit may be withheld or reduced for those who continue working, depending on the amount of earnings or, less often, the number of hours worked. Universal systems usually do not require retirement from work for receipt of a pension. Provident funds pay the benefit only when the worker leaves covered employment or emigrates.

Some countries provide a number of exemptions that act to eliminate the retirement condition for specified categories of pensioners. For instance, the retirement test may be eliminated for workers who reached a specified age above the minimum pensionable age or for pensioners with long working careers in covered employment. Occupations with manpower shortages may also be exempted from the retirement test.

The principal requirements for receiving a disability benefit are loss of productive capacity after completing a minimum period of work or having met the minimum contribution requirements. Many programs grant the full disability benefit for a two-thirds loss of working capacity in the worker's customary occupation, but this requirement may vary from one-third to 100 percent.

The qualifying period for a disability benefit is usually shorter than for an old-age benefit. Periods of three to five years of contributions or covered employment are most common. A few countries provide disability benefits in the form of an unlimited extension of ordinary cash sickness benefits.

Entitlement to disability benefits may have age limitations. The lower limit in most systems is in the teens, but it may be related to the lowest age for social insurance or employment or to the maximum age for a family allowance benefit. The upper age limit is frequently the statutory retirement age, when disability benefits may be converted to old-age benefits.

For survivors to be eligible for benefits, most programs require that the deceased worker was a pensioner, completed a minimum period of covered employment, or satisfied the minimum contribution conditions. The qualifying contribution period is often

the same as that for the disability benefit. The surviving spouse and orphans may also have to meet certain conditions, such as age requirements.

**Old-Age Benefits.** The old-age benefit in most countries is a wage-related, periodic payment. However, some countries pay a universal fixed amount that bears no relationship to any prior earnings; others supplement their universal pension with an earnings-related pension.

Provident fund systems make a lump-sum payment, usually a refund of employer and employee contributions plus accrued interest. In programs that have individual accounts, options for retirement include purchasing an annuity, making withdrawals from an account regulated to guarantee income for an expected lifespan (programmed withdrawals), or a combination of the two (deferred annuity).

Benefits that are related to income are almost always based on average earnings. Some countries compute the average from gross earnings, including various fringe benefits; other countries compute the average from net earnings. Alternatively, some countries have opted to use wage classes rather than actual earnings. The wage classes may be based on occupations or, for administrative convenience, on earnings arranged by size using the midpoint in each step to compute the benefit.

Several methods are used to compensate for averages that may be reduced by low earnings early in a worker's career or by periods without any credited earnings due, for example, to unemployment or military service, and for the effects of price and wage increases due to inflation. One method is to exclude from consideration a number of periods with the lowest (including zero) earnings. In many systems the period over which earnings are averaged may be shortened to the last few years of coverage, or the average may be based on years when the worker had his or her highest earnings. Other systems revalue past earnings by applying an index that usually reflects changes in national average wages or the cost of living. Some assign hypothetical wages before a certain date. Alternatively, others have developed mechanisms for automatic adjustment of workers' wage records based on wage or price changes.

A variety of formulas are used in determining the benefit amount. Instead of a statutory minimum, some systems pay a percentage of average earnings—for instance, 35 percent or 50 percent—that is unchanged by length of coverage once the qualifying period is met. A more common practice is to provide a basic rate—for example, 30 percent of average

earnings—plus an increment of 1 percent or 2 percent of earnings either for each year of coverage or for each year in excess of a minimum number of years. Several countries have a weighted benefit formula that returns a larger percentage of earnings to lower-paid workers than to higher-paid workers.

Most systems limit the size of the benefit. Many do so by establishing a ceiling on the earnings taken into account in the computation. Others establish a maximum cash amount or a maximum percentage of average earnings set, for example, at 80 percent. Some systems combine these and other, similar methods.

Most systems supplement the benefit for a wife or child. The wife's supplement may be 50 percent or more of the basic benefit, although in some countries the supplement is payable only for a wife who has reached a specified age, has children in her care, or has a disability. It may also be payable for a dependent husband.

Minimum benefits are intended to maintain a minimum standard of living in many countries, although that objective is not always achieved. A maximum that reduces the effect large families have on benefits is commonly used to limit total benefits, including those of survivors, in the interest of the financial stability of the program.

In some countries, benefits are automatically adjusted to reflect price or wage changes. In other countries, the process is semiautomatic—the adequacy of pensions is reviewed periodically by an advisory board or other administrative body that recommends a benefit adjustment to the government, usually requiring legislative approval.

**Disability Benefits.** Under most programs, provisions for disability benefits for persons who are permanently disabled as the result of nonoccupational causes are very similar to those for the aged. The same basic formula usually applies for total disability as for old age—a cash amount usually expressed as a percentage of average earnings. Increments and dependents' supplements are generally identical under the total disability and old-age programs. For persons with total disabilities, a constant-attendance supplement, for instance, 50 percent of the benefit, may be paid to those who need help on a daily basis. Partial disability benefits, if payable, are usually reduced, according to a fixed scale. The system may also provide rehabilitation and training. Some countries provide higher benefits for workers in arduous or dangerous employment.

**Survivor Benefits.** Most systems provide periodic benefits for survivors of covered persons or

pensioners, although some pay only lump-sum benefits. Survivor benefits are generally a percentage of either the benefit paid to the deceased at death or the benefit to which the insured would have been entitled if he or she had attained pensionable age or become disabled at that time.

Survivor benefits are paid to some categories of widows under nearly all programs. The amount of a widow's benefit usually ranges from 50 percent to 75 percent of the deceased worker's benefit or, in some cases, 100 percent. In some countries, lifetime benefits are payable to every widow whose husband fulfills the necessary qualifying period. More commonly, the provision of widows' benefits is confined to widows who are caring for young children, are above a specified age, or have a disability.

Lifetime benefits are ordinarily payable to aged and disabled widows. Those awarded to younger mothers, however, are usually terminated when all children have passed a certain age, unless the widow has reached a specified age or has a disability. Most widows' benefits also terminate on remarriage, although a final lump-sum grant may be payable under this circumstance. Special provisions govern the rights of the divorced. Age limits for orphan's benefits are in many cases the same as for children's allowances. Many countries fix a somewhat higher age limit for orphans attending school or undergoing an apprenticeship or for those who are incapacitated. The age limit is usually removed for orphans with disabilities as long as their incapacity continues. Most survivor programs distinguish between half orphans (who have lost one parent) and full orphans (who have lost both parents), with the latter receiving benefits that are 50 percent to 100 percent larger than those for half orphans. Special payments are also made to orphans under the family allowance programs of some countries.

Benefits are payable under a number of programs to widowers of insured workers or pensioners. In many instances, a widower must have been financially dependent on his wife and either disabled or old enough to receive an old-age benefit at her death. A widower's benefit is usually computed in the same way as a widow's benefit.

Many systems also pay benefits to other surviving close relatives, such as parents and grandparents, but only in the absence of qualifying widows, widowers, or children. The maximum total benefit to be split among survivors is usually between 80 percent and 100 percent of the benefit of the deceased.

**Administrative Organization.** Responsibility for administration generally rests with semiautonomous institutions or funds. These agencies are usually subject to general supervision by a ministry or government department but otherwise are largely self-governing, headed by a tripartite board that includes representatives of workers, employers, and the government. Some boards are bipartite with representatives of workers and employers only or of workers and the government. Where coverage is organized separately for different occupations, or for wage earners and salaried employees or self-employed workers, each program usually has a separate institution or fund. In a few cases, the administration of benefits is placed directly in the hands of a government ministry or department.

### **Sickness and Maternity**

Sickness benefit programs are generally of two types: cash sickness benefits, which are paid when short-term illnesses prevent work, and health care benefits, which are provided in the form of medical, hospital, and pharmaceutical benefits. Some countries maintain a separate program for cash maternity benefits, which are paid to working mothers before and after childbirth. In most countries, however, maternity benefits are administered as part of the cash sickness program. (Benefits provided as a result of work injury or occupational disease are provided either under work injury or sickness programs. Details of the benefits are discussed under Work Injury.)

Cash sickness and maternity benefits as well as health care are usually administered under the same branch of social security. For this reason, these programs are grouped together in the country summaries.

An important reason for grouping these numerous benefits together is that each deals with the risk of temporary incapacity. Sometimes, such benefits are furnished as part of a single system with common financing and administration. Most countries provide medical care services for sickness and maternity as an integral part of the health insurance system and some link those services directly with the provision of cash benefits. In some instances, however, maternity cash grants are covered under family allowance programs. In many cases, medical care services are provided under a public health program, independent of the social insurance system. Where this dual approach is followed, it has been indicated in the summaries.

Where health care is dispensed directly by the government or its agencies and the principal source

of funds is general revenue, the cash benefit program usually continues to be administered on an insurance basis, funded by payroll contributions, and merged in some instances with other aspects of the social insurance system such as old age and disability. However, countries that deliver health care primarily through private facilities and private funding are also likely to have developed separate programs. Where the social security program operates its own medical facilities, both types of benefits are usually administered jointly.

Benefits designed to assist in the provision of long-term care, often at home, are generally supported by a special tax. Benefit levels are normally set to the level of care required. These benefits may be payable in cash, as care services, or as a combination of the two.

**Coverage.** The proportion of the population covered by sickness programs varies considerably from country to country, in part because of the degree of economic development. Coverage for medical care and cash benefits is generally identical in countries where both types of benefits are provided through the same branch of social insurance. In a number of systems, particularly in developing countries, health care insurance extends only to employees in certain geographic areas. A common procedure is to start the program in major urban centers, then extend coverage gradually to other areas. Both cash sickness and health care programs may exclude agricultural workers, who, in some countries, account for a major proportion of the working population. Where a health insurance system (as distinguished from a national health service program) exists, most workers earning below a certain ceiling participate on a compulsory basis. Others, such as the self-employed, may be permitted to affiliate on a voluntary basis. In several countries, higher-paid employees are specifically excluded from one or both forms of sickness insurance, although some voluntary participation is usually permitted.

Many countries include pensioners as well as other social security beneficiaries under the medical care programs, in some cases without cost to the pensioner. Elsewhere, pensioners pay a percentage of their pension or a fixed premium for all or part of the medical care coverage. Special sickness insurance systems may be maintained for certain workers, such as railway employees, seamen, and public employees.

Where medical care coverage is provided through a national health service rather than social insurance, the program is usually open in principle to virtually all residents. However, restrictions on services to aliens may apply.

**Source of Funds.** Many countries have merged the financing of sickness programs with that of other social insurance benefits and collect only a single contribution from employees and employers. More commonly, however, employees and employers contribute directly to a separate program that includes both health care and cash benefits for sickness and maternity. Some countries also provide a government contribution. Where medical care is available to residents, generally through some type of national health service, the government usually bears at least the major part of the cost from general revenues.

**Qualifying Conditions.** Generally, a person becoming ill must be gainfully employed, incapacitated for work, and not receiving regular wages or sick-leave payments from the employer to be eligible for cash sickness benefits. Most programs require claimants to meet a minimum period of contribution or to have some history of work attachment prior to the onset of illness to qualify. Some countries, however, have eliminated the qualifying period.

The length of the qualifying period for cash sickness benefits may range from less than one month to six months or more and is ordinarily somewhat longer for cash maternity benefits. Usually the period must be fairly recent, such as during the last six or 12 months. In the case of medical benefits, a qualifying period is usually not required. In instances where such a requirement does exist, it is generally of a short duration. Most programs providing medical services to dependents of workers, as well as to the workers themselves, do not distinguish in their qualifying conditions between the two types of beneficiaries. A few programs require a longer period of covered employment before medical services are provided to dependents.

**Cash Benefits.** The cash sickness benefit is usually 50 percent to 75 percent of current average earnings, frequently with supplements for dependents. Most programs, however, fix a maximum benefit amount or do so implicitly through a general earnings ceiling for contributions and benefits. Benefits may be reduced when beneficiaries are hospitalized at the expense of the social insurance system.

A waiting period of two to seven days is imposed under most cash sickness programs. As a result, benefits may not be payable if an illness or injury lasts for only a few days. Similarly, in the case of a prolonged inability to work, benefits may not be payable for the first few days. Under some programs, however,

benefits are retroactively paid for the waiting period when the disability continues beyond a specified time, commonly two to three weeks. A waiting period reduces administrative and benefit costs by excluding many claims for short illnesses or injuries during which relatively little income is lost and can also help reduce the potential for the inappropriate use of the system by workers. In other programs, employers are required to pay benefits for a certain number of days before social insurance payments begin.

The period during which a worker may receive benefits for a single illness or injury, or in a given 12-month period, is ordinarily limited to 26 weeks. In some instances, however, benefits may be drawn for considerably longer and even for an unlimited duration. A number of countries permit the agency to extend the maximum entitlement period to 39 or 52 weeks in specific cases. In most countries, when cash sickness benefits are exhausted, the recipient is paid a disability benefit if the incapacity continues.

Cash maternity benefits are usually payable for a specified period, both before and after childbirth. A woman is almost always required to stop working while receiving maternity benefits, and usually she must use the prenatal and postnatal medical services provided by the system. In some countries, cash maternity benefits are also payable to working men who stay home to care for a newborn child while the mother returns to work. Cash payments may also be available for a parent, usually the mother, who is absent from work to care for a sick child under a specified age.

The proportion of earnings payable as a cash maternity benefit differs considerably from country to country but, like cash sickness benefits, is usually between 50 percent and 75 percent of current earnings. However, in a number of countries, maternity benefits are set at 100 percent of wages. Benefit payments usually start approximately six weeks before the expected date of childbirth and end six to eight weeks afterward.

A nursing allowance—usually 20 percent or 25 percent of the regular maternity benefit and payable for up to six months or longer—may be provided in addition to the basic cash maternity benefit. A grant for the purchase of a layette—clothes and other essentials for the newborn baby—or the provision of a layette itself is furnished under some programs. Finally, a lump-sum maternity grant may be paid on the birth of each child. The wives of insured men may be eligible for this grant. Similar benefits may be provided under the family allowance program.

**Medical Benefits.** Medical services usually include at least general practitioner care, some hospitalization, and essential drugs. Services of specialists, surgery, maternity care, some dental care, a wider range of medicine, and certain appliances are commonly added. Transportation of patients and home-nursing services may be included.

There are three principal methods of meeting the cost of health care: direct payment to providers by the public system or its agents, reimbursement of patients, and direct provision of medical care. These methods may be used in different combinations and may be varied for different kinds of services.

Under direct payment, the social security or public medical care system pays providers directly for services. Patients usually have little or no direct financial dealings with the care provider. Payments for care are commonly made based on contracts with service providers or the professional groups representing them, such as practitioner or hospital associations. Remuneration may take the form of a specified fee for each service, a capitation payment in return for providing all necessary services to a given group of persons, or a salary.

Under the reimbursement method, the patient makes the initial payment and is reimbursed by social security for at least part of the cost. A maximum is sometimes placed on the refund, expressed as a percentage of the bill or a flat amount that can vary with the nature of the service as stipulated in a schedule of fees. The ceiling on medical bills can be placed on the provider when presenting the bill or on the patient when applying for reimbursement. In the latter case, the patient may be reimbursed for only a small portion of the bill.

Under the direct-provision method, the social security system or the government owns and operates its own medical facilities, largely manned by salaried staff. Countries using this method may contract for services of public or private providers. The patient normally pays no fee for most of these services, except insofar as part of the social security contribution may be allotted toward health care funding.

Regardless of the funding method used, all national health care programs provide for at least a small degree of cost-sharing by patients, usually on the assumption that such charges discourage overuse. Thus, the patient either pays part of the cost to the provider or social security agency or receives less than full reimbursement. Even under the direct-provision method, with its emphasis on basically free medical

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services to the whole population, patients are generally required to pay a small fixed fee per medical treatment or prescription or per day of hospitalization.

Some health care systems have no limit on how long medical care may be provided. Other systems fix a maximum, such as 26 weeks, for services provided for any given illness. Some set limits only on the duration of hospitalization paid for by social security. Where time limits are imposed, they may be extended.

**Maternity Care.** Prenatal, obstetric, and postnatal care for working women is provided in most countries under the medical services program. Obstetric care is sometimes limited to the services of a midwife, although a doctor is usually available in case of complications. Care in a maternity home or hospital, as well as essential drugs, are ordinarily furnished where necessary.

**Medical Care for Dependents.** When medical benefits for insured workers are provided through social insurance, similar services are typically furnished to their spouse and young children (and, in some cases, other adults or young relatives living with and dependent on the insured). Maternity care is generally provided to the wife of an insured man.

In some countries, however, medical services available to dependents are more limited than those provided to insured workers or heads of families. Dependents may be subject to a shorter maximum duration for hospital stays, for example, and may have to pay a larger percentage of the cost of certain services such as medicine.

**Administrative Organization.** The administrative organization for the sickness and maternity program is similar to that of the old-age, disability, and survivor program in many countries. Most commonly, such programs are administered by some form of national social security institution. Under some systems, social security agencies own and operate their own medical facilities, furnishing at least part of the services available under their programs.

In most countries with a national health insurance program, responsibility for detailed administration lies with semiautonomous, nongovernment health funds or associations. All workers covered by the program must join one of these funds.

Each health fund usually requires government approval and must satisfy certain requirements. Workers and, in some countries, employers participate in the election of governing bodies. The funds normally collect contributions within minimum and maximum limits. Funds may also receive government subsidies

related to their expenditures or to the number of affiliated members.

National law usually prescribes the minimum (and, in some cases, the maximum) cash benefits and medical services the health funds may provide. In a few countries, individual funds may determine what specific health care benefits and services to provide and arrange to furnish medical care to their members. This arrangement can involve delivery through contracts with care and service providers in the region.

Less commonly, government departments are responsible for the actual provision of medical services, usually through a national health service program. The administrative responsibility for delivering medical services in some countries is often separated from the administration of cash benefit programs, which tend to be linked with other types of social security benefits.

### **Work Injury**

The oldest type of social security—the work injury program—provides compensation for work-connected injuries and occupational illnesses. Such programs usually furnish short- and long-term benefits, depending on both the duration of the incapacity and the age of survivors. Work injury benefits nearly always include cash benefits and medical services. Most countries attempt to maintain separate work injury programs that are not linked directly with other social security measures. In some countries, however, work injury benefits are paid under special provisions of the general social security programs. Both types of programs are dealt with under Work Injury.

**Types of Systems.** There are two basic types of work injury systems: social insurance systems that use a public fund, and various forms of private or semiprivate arrangements required by law. In most countries, work injury programs operate through a central public fund, which may or may not be part of the general social insurance system. All employers subject to the program must pay contributions to the public carrier, which in turn pays the benefits.

Countries that rely primarily on private arrangements require employers to insure their employees against the risk of employment injury. However, in some of these countries, only private insurance is available. In the remainder, a public fund does exist, but employers are allowed the option of insuring with either a private carrier or the public fund.

The premiums charged by private or mutual insurance companies for work injury protection usually

vary according to the experience of work accidents in different undertakings or industries, and the cost of protection may vary widely. In some countries, however, experience rating has been eliminated, and all employers contribute to the program at one rate.

In other instances, workers' compensation laws simply impose on employers a liability to pay direct compensation to injured workers or their survivors. Employers covered under such laws may simply pay benefits from their own funds as injuries occur or may voluntarily purchase a private or mutual insurance contract to protect themselves against risk.

**Coverage.** Work injury programs commonly cover wage and salary workers and exclude the self-employed. The programs of some of the more highly industrialized nations cover practically all employees. However, many countries either exclude all agricultural employees or cover only those who operate power-driven machinery. Some programs also exclude employees of small enterprises.

**Source of Funds.** Work injury benefits are financed primarily by employer contributions, reflecting the traditional assumption that employers should be liable when their employees suffer work injuries. Where certain elements of the work injury program are meshed with one or more of the other branches of the social insurance system, however, financing usually involves contributions from employees, employers, and the government. Another exception occurs in countries that provide medical treatment for work-connected illnesses under their ordinary public medical care programs.

**Work Injury Benefits.** Work injury programs provide cash benefits and medical benefits. Cash benefits under work injury programs may be subdivided into three types: benefits for temporary disability, those for permanent total disability, and those for permanent partial disability. No qualifying period of coverage or employment is ordinarily required for entitlement to work injury benefits. The concept of work-connected injury has gradually been liberalized in a number of countries to cover injuries occurring while commuting to and from work.

Temporary disability benefits are usually payable from the start of an incapacity caused by a work injury, though some programs require a waiting period of one to three days. Benefits normally continue for a limited period, such as 26 to 52 weeks, depending on the duration of incapacity. If incapacity lasts longer, the temporary disability benefit may be replaced by a permanent disability benefit. In some systems, temporary benefits may continue for an extended period,

particularly if the temporary and permanent benefit amounts are identical.

The temporary benefit is nearly always a fraction of the worker's average earnings during a period immediately before injury, usually at least one-third to one-half. A ceiling may be placed on the earnings considered in computing a benefit. Temporary benefits under work injury programs may be significantly higher than in the case of ordinary sickness. Benefits are reduced under some programs when a worker is hospitalized.

The second type of cash work injury benefit is provided in cases of permanent total disability. Generally, it becomes payable immediately after the temporary disability benefit ceases, based on a medical evaluation that the worker's incapacity is both permanent and total. The permanent total disability benefit is usually payable for life, unless the worker's condition changes. A minority of programs, however, pay only a single lump-sum grant of several years of wages.

The permanent total disability benefit usually amounts to two-thirds to three-fourths of the worker's average earnings before injury, somewhat higher than for ordinary disability benefits. In addition, unlike ordinary disability benefits, the rate usually does not vary based on the length of employment before the injury. Supplements may be added for dependents and for pensioners requiring the constant attendance of another person, in which case benefits may exceed former earnings. In some countries, the benefits of apprentices or new labor force entrants who become permanently disabled as a result of work-connected injury or disease are based on hypothetical lifetime wages or on the wage of an average worker in the particular industry. This mechanism overcomes the problem of establishing a lifetime benefit based on a very low starting wage.

The third type of cash work injury benefit is provided when permanent partial disability results in a worker's loss of partial working or earning capacity. It is usually a portion of the full benefit corresponding to the percentage loss of capacity. Alternatively, permanent partial disability benefits may be paid in the form of a lump-sum grant. Partial disability payments are generally smaller and are usually stipulated in a schedule of payments for particular types of injuries. Some systems pay the benefit as a lump sum when the extent of disability is below a stated percentage, such as 20 percent.

Medical and hospital care and rehabilitation services are also provided to injured workers. Nearly

always free, they may include a somewhat wider range of services than the general sickness program. Ordinarily, they are available until the worker recovers or the condition stabilizes. In some countries, however, free care is limited, the amount being based on the duration of services or their total cost.

**Survivor Benefits.** Most work injury programs also provide benefits to survivors. These benefits are customarily payable to a widow, regardless of her age, until her death or remarriage; to a widower with a disability; and to orphans below specified age limits. If the benefit is not exhausted by the immediate survivors' claims, dependent parents or other relatives may be eligible for small benefits. No minimum period of coverage is required.

Survivor benefits are computed as a percentage of either the worker's average earnings immediately before death or the benefit payable (or potentially payable) at death. These percentages are typically larger than those for survivor benefits under the general program and do not normally vary with the length of covered employment. They are usually about one-third to one-half of the worker's average earnings for a widow, about half as much for each half orphan, and about two-thirds as much for each full orphan. A limit is commonly placed on the combined total of survivor benefits.

Not all countries, however, provide work injury benefits to survivors, and some do not differentiate between survivors in this category and survivors entitled to benefits under other social insurance programs. Some schemes pay only a lump sum equal to the worker's earnings over a specified number of years. Most systems also pay a funeral grant equivalent to a fixed sum or a percentage of the worker's earnings.

**Administrative Organization.** The functions involved in administering work injury programs differ widely between countries in which employers are not required to insure or can insure with private carriers and those in which a public agency or fund has sole responsibility for both collecting contributions and paying benefits.

### **Unemployment**

Benefits in this category provide compensation for the loss of income resulting from involuntary unemployment. In some countries, these programs are independent of other social security measures and may be closely linked with employment services. In other countries, the unemployment programs are included with social security measures covering other short-term risks, although employment services

may continue to verify unemployment and assist in a job search.

Unemployment programs, which exist mainly in industrialized countries, are compulsory and fairly broad in scope in many countries. Some countries restrict benefits to those who satisfy a means or income test. In addition to the programs offering scheduled payments, a number of countries provide lump-sum grants, payable by either a government agency or the employer; other countries provide individual severance accounts, providing total benefits equal to the value of accumulated capital in the individual account. In addition, employers in many instances are required to pay lump-sum severance indemnities to discharged workers.

**Coverage.** About half of the compulsory unemployment programs cover the majority of employed persons, regardless of the type of industry. Coverage under the remaining programs is limited to workers in industry and commerce. A few exclude salaried employees earning more than a specified amount. Some have special provisions covering temporary and seasonal employees. Several countries have special occupational unemployment programs, most typically for workers in the building trades, dockworkers, railway employees, and seafarers.

Voluntary insurance systems are limited to industries in which labor unions have established unemployment funds. Membership in these funds is usually compulsory for union members in a covered industry and may be open on a voluntary basis to nonunion employees. Uninsured workers, such as recent school graduates or the self-employed, for example, may be eligible for a government-subsidized assistance benefit when they become unemployed.

**Source of Funds.** The methods used to finance unemployment insurance are usually based on the same contributory principles as for other branches of social insurance—contributions amounting to a fixed percentage of covered wages are paid on a scheduled basis. In many cases, the government also grants a subsidy, particularly for extended benefits.

Unemployment insurance contributions are shared equally between employees and employers in many countries. Alternatively, the entire contribution may be made by the employer. However, government subsidies may be quite large, amounting to as much as two-thirds of the program's expenditures. Means-tested unemployment assistance programs are financed entirely by governments, with no employer or employee contribution.

**Qualifying Conditions.** To be entitled to unemployment benefits, a worker must be involuntarily unemployed and have completed a minimum period of contributions or covered employment. The most common qualifying period is six months of coverage within the year before employment ceased. In a number of industrialized countries, however, students recently out of school who are unable to find jobs may be eligible for unemployment benefits, even without a work record. This benefit provides a transition from school to work, particularly in periods of recession.

Nearly all unemployment insurance programs, as well as those providing unemployment assistance, require that applicants be capable of, and available for, work. An unemployed worker, therefore, is usually ineligible for unemployment benefits when incapacitated or otherwise unable to accept a job offer. Usually, the unemployed worker must register for work at an employment office and report regularly for as long as payments continue. This close linkage between unemployment benefits and placement services ensures that benefits will be paid only after the person has been informed of any current job opportunities and been found unsuitable.

An unemployed worker who refuses an offer of a suitable job without good cause usually will have benefits temporarily or permanently suspended. Most programs stipulate that the job offered must have been suitable for the worker. The definitions of suitable employment vary considerably. Generally, the criteria include the rate of pay for the job being offered in relation to previous earnings; distance from the worker's home; relationship to the worker's previous occupation, capabilities, and training; and the extent to which the job may involve dangerous or unhealthy work. In some countries, long-term unemployed workers may also be obliged to undertake employment retraining programs. Some countries also provide the unemployed with access to educational placements. If an unemployed worker refuses a place on a retraining program or fails, without good cause, to attend an educational placement, benefits can be temporarily or permanently suspended.

An unemployed worker may satisfy all of the qualifying conditions for a benefit but still be temporarily or permanently disqualified. Nearly all unemployment systems disqualify a worker who left voluntarily without good cause, was dismissed because of misconduct, or participated in a labor dispute leading to a work stoppage that caused the unemployment. The period of disqualification varies considerably, from a few weeks to permanent disqualification.

**Unemployment Benefits.** Weekly benefits are usually a percentage of average wages during a recent period. A system of wage classes rather than a single fixed percentage is used in some countries. The basic rate of unemployment benefits is usually between 40 percent and 75 percent of average earnings. However, a ceiling on the wages used for benefit computations or maximum benefit provisions may considerably narrow the range within which the basic percentage of wages applies.

Flat-rate amounts are sometimes payable instead of graduated benefits that vary with past wages and customarily differ only according to the family status or, occasionally, the age of the worker. Supplements for a spouse and children are usually added to the basic benefit of unemployed workers who are heads of families. These supplements are either flat-rate amounts or an additional percentage of average earnings.

Most countries have a waiting period of several days before unemployment benefits become payable to reduce the administrative burden of dealing with a very large number of small claims. Most waiting periods are between three and seven days. Some programs have a waiting period for each incident of unemployment, and others limit eligibility to once a year. Longer waiting periods may be prescribed for certain workers, such as the seasonally employed.

Most countries place a limit on the period during which unemployment benefits may be continuously drawn. Typically, this limit varies from eight to 36 weeks but may be longer in certain cases.

Duration of benefits may also depend on the length of the preceding period of contribution or coverage under the program. That criterion may reduce the maximum duration of unemployment benefits for workers with brief work histories. However, workers with a long history of coverage may, under some programs, have their benefit period extended well beyond the ordinary maximum.

Many unemployed workers who exhaust the right to ordinary benefits continue to receive some assistance, provided their means or incomes are below specified levels. Recipients are usually required to continue registering and reporting at an employment exchange. Some countries that have unemployment assistance but no insurance program do not place any limit on the duration of payments. A number of countries require that insured workers approaching retirement age who have been out of work for a specified period be removed from the unemployment rolls and granted a regular old-age benefit.

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**Administrative Organization.** Unemployment insurance systems may be administered by government departments or self-governing institutions that are usually managed by representatives of insured persons, employers, and the government.

Unemployment insurance and placement service programs usually maintain a close administrative relationship that ensures that benefits are paid only to workers who are registered for employment. At the same time, this liaison increases the effectiveness of the placement services by providing an incentive, through payment of benefits, for unemployed persons to register and report regularly.

Some countries have merged the administration of unemployment insurance and employment service programs, especially at the lower administrative levels where claims are received and benefits are paid by the local employment office. Other countries require persons to register with a local employment office, but the receipt of claims and payment of benefits are handled by a separate insurance office.

In addition to providing an income for the unemployed, many governments have elaborate measures to prevent or counteract unemployment. The typical procedure is for government employment services to work with industry to promote occupational and geographic mobility of labor and to minimize unemployment caused by economic or technological developments; they do that by subsidizing the retraining and relocation of workers in industries that are declining or being restructured. Governments may grant tax and other incentives to industry to locate in areas of high unemployment, or they may allocate funds to create jobs in anticipation of periods of seasonal unemployment.

### **Family Allowances**

The general purpose of family allowance programs is to provide additional income for families with young children to meet at least part of the added costs of their support. These programs may either be integrated with other social security measures or kept entirely separate. In this report, family allowances primarily include regular cash payments to families with children. In some countries, they also include school grants, birth grants, maternal and child health services, and allowances for adult dependents.

Most industrialized countries have family allowance programs that originated in Europe in the 19th century when some large companies began paying premiums to workers with large families. The idea spread gradually, and several European countries

enacted programs during the 1920s and 1930s. Most programs in operation today, however, have been in place since 1945.

**Types of Systems and Coverage.** Family allowance programs are of two types: universal and employment-related. The first category, in principle, provides allowances to all resident families with a specified number of children. The second category provides allowances to all wage and salary workers and, in some cases, the self-employed. A few systems cover some categories of nonemployed persons as well. Most employment-related programs continue to pay family allowances to insured persons with dependent children in their care when they retire or are temporarily off the job and receiving sickness, unemployment, work injury, disability, or other benefits. Employment-related family programs also pay allowances to widows of social security beneficiaries.

**Source of Funds.** The differences in family allowance programs are reflected in the methods used for financing. In universal systems, the entire cost is usually covered by general revenue. By contrast, countries linking eligibility with employment meet the cost of allowances entirely or in considerable part from employer contributions, usually at a uniform percentage-of-payroll rate. If employer contributions do not cover the entire cost, the remainder is usually met from a government subsidy. Few countries require an employee contribution toward family allowances, although some require self-employed persons to contribute.

**Eligibility.** Eligibility is commonly related to the size of the family and, in some cases, to family income. Many countries pay allowances beginning with the first child. In addition, some countries pay an allowance for a nonemployed wife or other adult dependent, even if there are no children.

In some countries, families with only one child are ineligible. Age requirements vary but are usually tied to the last year of school or the minimum working age, which are often the same and fall somewhere between ages 14 and 18. Under most programs, the continuation of schooling, apprenticeship, or vocational training qualifies a child for an extension of the age limit. In the case of children with disabilities, many countries extend the age limit beyond that for continued education or pay allowances indefinitely.

**Benefits.** Whether a program pays a uniform rate for all children or an increasing or decreasing amount for each additional child may reflect the history or the intent of the program. The allowance structure may

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vary, for example, depending on whether the primary intent is to provide assistance or stimulate population growth. The allowance in most countries is a uniform amount for every child, regardless of the number of children in a family. The allowance in most of the other countries increases for each additional child; the payment for a fifth child, for example, may be considerably larger than that for the first or second child. In a few countries, the allowance per child diminishes or ceases with the addition of children beyond a certain number. In some countries, family allowances (and tax exemptions for dependent family members) have been replaced or supplemented by credits or other forms of a negative income tax.

**Administrative Organization.** In countries where family allowances are available to all families and financed from general revenues, the program is usually administered by a government department. Where allowances are payable mainly to families of employed persons and financed primarily from employer contributions, the administration may be by a semiautonomous agency under public supervision. Equalization funds may handle the program's financial operations. Each employer pays family allowances to its employees with their wages. The firm then settles with the local fund only the surplus or deficit of contributions due, after deducting allowances the firm has paid. A similar procedure of settling only surpluses or deficits is followed by the local funds in relation to the regional equalization funds under whose supervision they operate. The equalization process makes it possible to fix a uniform contribution rate for all employers, regardless of the number of children in their employees' families. It also eliminates any effect allowances might have on inducing employers to discriminate in hiring workers with children.

**Table 1.**  
**Types of social security programs**

| Country          | Old age,<br>disability,<br>and<br>survivors | Sickness and maternity       |                                                    | Work<br>injury | Unemployment | Family<br>allowances |
|------------------|---------------------------------------------|------------------------------|----------------------------------------------------|----------------|--------------|----------------------|
|                  |                                             | Cash<br>benefits<br>for both | Cash<br>benefits plus<br>medical care <sup>a</sup> |                |              |                      |
| Armenia          | X                                           | X                            | X                                                  | X              | X            | X                    |
| Australia        | X                                           | X                            | X                                                  | X              | X            | X                    |
| Azerbaijan       | X                                           | X                            | X                                                  | X              | X            | X                    |
| Bahrain          | X                                           | b                            | b                                                  | X              | X            | b                    |
| Bangladesh       | c                                           | X                            | X                                                  | X              | b            | b                    |
| Brunei           | X                                           | b                            | d                                                  | X              | b            | b                    |
| Burma (Myanmar)  | b                                           | X                            | X                                                  | X              | b            | b                    |
| China            | X                                           | X                            | X                                                  | X              | X            | X                    |
| Fiji             | X                                           | b                            | b                                                  | X              | b            | X                    |
| Georgia          | X                                           | X                            | X                                                  | X              | b            | X                    |
| Hong Kong        | X                                           | X                            | X                                                  | X              | X            | X                    |
| India            | X                                           | X                            | X                                                  | X              | X            | b                    |
| Indonesia        | X                                           | b                            | d                                                  | X              | b            | b                    |
| Iran             | X                                           | X                            | X                                                  | X              | X            | X                    |
| Israel           | X                                           | X                            | X                                                  | X              | X            | X                    |
| Japan            | X                                           | X                            | X                                                  | X              | X            | X                    |
| Jordan           | X                                           | e                            | b                                                  | X              | X            | b                    |
| Kazakhstan       | X                                           | X                            | X                                                  | X              | X            | X                    |
| Kiribati         | X                                           | b                            | b                                                  | X              | b            | b                    |
| Kuwait           | X                                           | b                            | b                                                  | f              | b            | b                    |
| Kyrgyzstan       | X                                           | X                            | X                                                  | X              | X            | X                    |
| Laos             | X                                           | X                            | X                                                  | X              | b            | b                    |
| Lebanon          | X                                           | b                            | d                                                  | X              | b            | X                    |
| Malaysia         | X                                           | b                            | d                                                  | X              | b            | b                    |
| Marshall Islands | X                                           | b                            | d                                                  | b              | b            | b                    |
| Micronesia       | X                                           | b                            | b                                                  | b              | b            | b                    |
| Nepal            | X                                           | b                            | d                                                  | X              | b            | b                    |
| New Zealand      | X                                           | X                            | X                                                  | X              | X            | X                    |
| Oman             | X                                           | b                            | b                                                  | X              | b            | b                    |
| Pakistan         | X                                           | X                            | X                                                  | X              | b            | b                    |

(Continued)

**Table 1.**  
**Types of social security programs—Continued**

| Country          | Old age,<br>disability,<br>and<br>survivors | Sickness and maternity       |                                                    | Work<br>injury | Unemployment | Family<br>allowances |
|------------------|---------------------------------------------|------------------------------|----------------------------------------------------|----------------|--------------|----------------------|
|                  |                                             | Cash<br>benefits<br>for both | Cash<br>benefits plus<br>medical care <sup>a</sup> |                |              |                      |
| Palau            | X                                           | b                            | b                                                  | b              | b            | b                    |
| Papua New Guinea | X                                           | b                            | d                                                  | X              | b            | b                    |
| Philippines      | X                                           | X                            | X                                                  | X              | b            | b                    |
| Qatar            | X                                           | b                            | b                                                  | b              | b            | b                    |
| Samoa            | X                                           | b                            | d                                                  | X              | b            | b                    |
| Saudi Arabia     | X                                           | b                            | b                                                  | X              | b            | b                    |
| Singapore        | X                                           | X                            | X                                                  | X              | b            | X                    |
| Solomon Islands  | X                                           | b                            | b                                                  | X              | f            | b                    |
| South Korea      | X                                           | b                            | d                                                  | X              | X            | b                    |
| Sri Lanka        | X                                           | b                            | d                                                  | X              | b            | X                    |
| Syria            | X                                           | b                            | b                                                  | X              | b            | b                    |
| Taiwan           | X                                           | X                            | X                                                  | X              | X            | b                    |
| Tajikistan       | X                                           | X                            | X                                                  | b              | X            | b                    |
| Thailand         | X                                           | X                            | X                                                  | X              | X            | X                    |
| Turkmenistan     | X                                           | X                            | X                                                  | X              | X            | f                    |
| Uzbekistan       | X                                           | X                            | X                                                  | X              | X            | X                    |
| Vanuatu          | X                                           | b                            | b                                                  | b              | b            | b                    |
| Vietnam          | X                                           | X                            | X                                                  | X              | X            | b                    |
| Yemen            | X                                           | b                            | b                                                  | X              | b            | b                    |

SOURCE: Based on information in the country summaries in this volume.

- a. Coverage is provided for medical care, hospitalization, or both.
- b. Has no program or information is not available.
- c. Old-age benefits only.
- d. Medical benefits only.
- e. Maternity benefits only.
- f. Coverage is provided under other programs or through social assistance.

**Table 2.**  
**Types of mandatory systems for retirement income**

| Country          | Flat-rate      | Earnings-related | Means-tested | Flat-rate universal | Provident funds | Occupational retirement schemes | Individual retirement schemes |
|------------------|----------------|------------------|--------------|---------------------|-----------------|---------------------------------|-------------------------------|
| Armenia          | X <sup>a</sup> | X <sup>a</sup>   | X            |                     |                 |                                 |                               |
| Australia        |                |                  | X            |                     |                 | X                               |                               |
| Azerbaijan       | X <sup>a</sup> | X <sup>a</sup>   | X            |                     |                 |                                 |                               |
| Bahrain          |                | X                |              |                     |                 |                                 |                               |
| Bangladesh       |                |                  | X            |                     |                 |                                 |                               |
| Brunei           | X              |                  |              | X                   | X               |                                 | X                             |
| Burma (Myanmar)  | b              |                  |              |                     |                 |                                 |                               |
| China            | X <sup>a</sup> | X <sup>a</sup>   |              |                     |                 |                                 | X                             |
| Fiji             |                |                  | X            |                     | X               |                                 |                               |
| Georgia          |                |                  |              | X                   |                 |                                 |                               |
| Hong Kong        |                |                  | X            | X                   |                 | X                               |                               |
| India            |                | X                | X            |                     | X               |                                 |                               |
| Indonesia        |                |                  |              |                     | X               |                                 |                               |
| Iran             |                | X                |              |                     |                 |                                 |                               |
| Israel           | X              |                  | X            |                     |                 |                                 |                               |
| Japan            | X              | X                |              |                     |                 |                                 |                               |
| Jordan           |                | X                |              |                     |                 |                                 |                               |
| Kazakhstan       | X              | X                |              |                     |                 |                                 | X                             |
| Kiribati         |                |                  |              |                     | X               |                                 |                               |
| Kuwait           |                | X                |              |                     |                 |                                 |                               |
| Kyrgyzstan       | X <sup>a</sup> | X <sup>a</sup>   |              |                     |                 |                                 | X                             |
| Laos             |                | X                |              |                     |                 |                                 |                               |
| Lebanon          |                | X                |              |                     |                 |                                 |                               |
| Malaysia         |                |                  |              |                     | X               |                                 |                               |
| Marshall Islands |                | X                |              |                     |                 |                                 |                               |
| Micronesia       |                | X                |              |                     |                 |                                 |                               |
| Nepal            |                |                  |              | X                   | X               |                                 |                               |
| New Zealand      |                |                  | X            | X                   |                 |                                 |                               |
| Oman             |                | X                |              |                     |                 |                                 |                               |
| Pakistan         |                | X                |              |                     |                 |                                 |                               |

(Continued)

**Table 2.**  
**Types of mandatory systems for retirement income—Continued**

| Country          | Flat-rate      | Earnings-related | Means-tested | Flat-rate universal | Provident funds | Occupational retirement schemes | Individual retirement schemes |
|------------------|----------------|------------------|--------------|---------------------|-----------------|---------------------------------|-------------------------------|
| Palau            |                | X                |              |                     |                 |                                 |                               |
| Papua New Guinea |                |                  |              |                     |                 | X                               |                               |
| Philippines      | X <sup>a</sup> | X <sup>a</sup>   |              |                     |                 |                                 |                               |
| Qatar            |                | X                |              |                     |                 |                                 |                               |
| Samoa            |                |                  |              | X                   | X               |                                 |                               |
| Saudi Arabia     |                | X                |              |                     |                 |                                 |                               |
| Singapore        |                |                  |              |                     | X               |                                 |                               |
| Solomon Islands  |                |                  |              |                     | X               |                                 |                               |
| South Korea      |                | X                | X            |                     |                 |                                 |                               |
| Sri Lanka        |                |                  |              |                     | X               |                                 |                               |
| Syria            |                | X                |              |                     |                 |                                 |                               |
| Taiwan           | X <sup>a</sup> | X <sup>a</sup>   |              |                     |                 |                                 |                               |
| Tajikistan       |                | X                |              |                     |                 |                                 |                               |
| Thailand         |                | X                |              |                     |                 |                                 |                               |
| Turkmenistan     |                | X                |              |                     |                 |                                 |                               |
| Uzbekistan       |                | X                | X            |                     |                 |                                 | X                             |
| Vanuatu          |                |                  |              |                     | X               |                                 |                               |
| Vietnam          |                | X                |              |                     |                 |                                 |                               |
| Yemen            |                | X                |              |                     |                 |                                 |                               |

SOURCE: Based on information in the country summaries in this volume.

NOTE: The types of mandatory systems for retirement income are defined as follows:

**Flat-rate pension:** A pension of uniform amount or one based on years of service or residence but independent of earnings. It is financed by payroll tax contributions from employees, employers, or both.

**Earnings-related pension:** A pension based on earnings. It is financed by payroll tax contributions from employees, employers, or both.

**Means-tested pension:** A pension paid to eligible persons whose own or family income, assets, or both fall below designated levels. It is generally financed through government contributions, with no contributions from employers or employees.

**Flat-rate universal pension:** A pension of uniform amount normally based on residence but independent of earnings. It is generally financed through government contributions, with no contributions from employers or employees.

**Provident funds:** Employee and employer contributions are set aside for each employee in publicly managed special funds. Benefits are generally paid as a lump sum with accrued interest.

**Occupational retirement schemes:** Employers are required by law to provide private occupational retirement schemes financed by employer and, in some cases, employee contributions. Benefits are paid as a lump sum, annuity, or pension.

**Individual retirement schemes:** Employees and, in some cases, employers must contribute a certain percentage of earnings to an individual account managed by a public or private fund manager chosen by the employee. The accumulated capital in the individual account is used to purchase an annuity, make programmed withdrawals, or a combination of the two and may be paid as a lump sum.

a. The benefit formula contains a flat-rate component as well as an element based on earnings or years of coverage.

b. No mandatory system for retirement income.

**Table 3.**  
**Demographic and other statistics related to social security, 2012**

| Country          | Total population (millions) | Percentage 65 or older | Dependency ratio <sup>a</sup> | Life expectancy at birth (years) |       | Statutory pensionable age |       | Early pensionable age <sup>b</sup> |       | GDP per capita (US\$) |
|------------------|-----------------------------|------------------------|-------------------------------|----------------------------------|-------|---------------------------|-------|------------------------------------|-------|-----------------------|
|                  |                             |                        |                               | Men                              | Women | Men                       | Women | Men                                | Women |                       |
| Armenia          | 3.1                         | 11.1                   | 45.6                          | 71.0                             | 77.3  | 63                        | 63    | c                                  | c     | 5,279                 |
| Australia        | 22.3                        | 13.4                   | 48.0                          | 79.9                             | 84.3  | 65                        | 64.5  | c                                  | c     | 39,539                |
| Azerbaijan       | 9.2                         | 6.6                    | 37.8                          | 68.0                             | 73.7  | 63                        | 58.5  | 57                                 | 52    | 9,638                 |
| Bahrain          | 1.262                       | 2.1                    | 28.4                          | 74.7                             | 76.1  | 60                        | 55    | d                                  | d     | 27,700                |
| Bangladesh       | 148.7                       | 4.6                    | 56.0                          | 68.5                             | 70.2  | 65                        | 62    | c                                  | c     | 1,416                 |
| Brunei           | 0.398                       | 3.5                    | 42.1                          | 76.0                             | 80.6  | 55                        | 55    | c                                  | c     | 49,500                |
| Burma (Myanmar)  | 48.0                        | 5.1                    | 44.4                          | 64.1                             | 67.9  | e                         | e     | e                                  | e     | 1,300                 |
| China            | 1,341.3                     | 8.2                    | 38.2                          | 72.1                             | 75.6  | 60                        | 55    | c                                  | c     | 6,828                 |
| Fiji             | 0.861                       | 4.9                    | 51.3                          | 66.9                             | 72.3  | 55                        | 55    | c                                  | c     | 4,526                 |
| Georgia          | 4.4                         | 14.3                   | 44.7                          | 70.5                             | 77.3  | 65                        | 60    | c                                  | c     | 4,774                 |
| Hong Kong        | 7.1                         | 12.7                   | 32.0                          | 80.2                             | 86.4  | 65                        | 65    | 60                                 | 60    | 43,229                |
| India            | 1,224.6                     | 4.9                    | 55.1                          | 64.4                             | 67.6  | 55                        | 55    | c                                  | c     | 3,296                 |
| Indonesia        | 239.9                       | 5.6                    | 48.3                          | 68.3                             | 71.8  | 55                        | 55    | c                                  | c     | 4,199                 |
| Iran             | 74.0                        | 5.2                    | 39.2                          | 71.5                             | 75.3  | 60                        | 55    | c                                  | c     | 11,558                |
| Israel           | 7.4                         | 10.4                   | 60.4                          | 79.6                             | 84.2  | 70                        | 67.33 | c                                  | c     | 27,656                |
| Japan            | 126.5                       | 22.7                   | 56.4                          | 80.1                             | 87.1  | 65                        | 65    | 60                                 | 60    | 32,418                |
| Jordan           | 6.2                         | 3.9                    | 70.7                          | 72.2                             | 75.2  | 60                        | 55    | 50                                 | 50    | 5,597                 |
| Kazakhstan       | 16.0                        | 6.8                    | 45.5                          | 62.3                             | 72.8  | 63                        | 58    | 55                                 | 55    | 11,510                |
| Kiribati         | 0.102                       | 3.8                    | 58.5                          | 62.4                             | 67.3  | 50                        | 50    | 45                                 | 45    | 2,432                 |
| Kuwait           | 2.7                         | 2.5                    | 41.3                          | 74.0                             | 75.9  | 50                        | 50    | c                                  | c     | 41,700                |
| Kyrgyzstan       | 5.3                         | 4.4                    | 52.6                          | 64.3                             | 72.4  | 63                        | 58    | c                                  | c     | 2,283                 |
| Laos             | 6.2                         | 3.9                    | 62.3                          | 66.4                             | 69.4  | 60                        | 60    | 55                                 | 55    | 2,255                 |
| Lebanon          | 4.2                         | 7.3                    | 47.3                          | 70.7                             | 75.1  | 64                        | 64    | d                                  | d     | 13,070                |
| Malaysia         | 28.4                        | 4.8                    | 54.1                          | 72.5                             | 76.9  | 55                        | 55    | c                                  | c     | 14,012                |
| Marshall Islands | 0.068                       | 3.1                    | 69.2                          | 69.9                             | 74.3  | 60                        | 60    | 55                                 | 55    | 2,500                 |
| Micronesia       | 0.106                       | 3.1                    | 56.4                          | 69.8                             | 73.9  | 65                        | 65    | 60                                 | 60    | 3,088                 |
| Nepal            | 30.0                        | 4.2                    | 67.7                          | 68.1                             | 70.1  | 58                        | 58    | c                                  | c     | 1,155                 |
| New Zealand      | 4.4                         | 13.0                   | 50.4                          | 78.9                             | 82.8  | 65                        | 65    | c                                  | c     | 28,993                |
| Oman             | 2.8                         | 2.6                    | 42.3                          | 71.4                             | 76.4  | 60                        | 55    | 45                                 | 45    | 27,600                |
| Pakistan         | 173.6                       | 4.3                    | 65.8                          | 64.9                             | 66.9  | 60                        | 55    | 55                                 | 50    | 2,609                 |

(Continued)

**Table 3.**  
**Demographic and other statistics related to social security, 2012—Continued**

| Country          | Total population (millions) | Percentage 65 or older | Dependency ratio <sup>a</sup> | Life expectancy at birth (years) |       | Statutory pensionable age |       | Early pensionable age <sup>b</sup> |       | GDP per capita (US\$) |
|------------------|-----------------------------|------------------------|-------------------------------|----------------------------------|-------|---------------------------|-------|------------------------------------|-------|-----------------------|
|                  |                             |                        |                               | Men                              | Women | Men                       | Women | Men                                | Women |                       |
| Palau            | 0.021                       | 6.6                    | 38.2                          | 68.9                             | 75.4  | 60                        | 60    | c                                  | c     | 8,100                 |
| Papua New Guinea | 6.9                         | 2.8                    | 71.9                          | 61.2                             | 65.5  | 55                        | 55    | d                                  | d     | 2,281                 |
| Philippines      | 93.260                      | 3.6                    | 64.1                          | 66.0                             | 72.6  | 60                        | 60    | c                                  | c     | 3,542                 |
| Qatar            | 1.8                         | 1.0                    | 17.0                          | 78.7                             | 78.2  | 60                        | 55    | 40                                 | 40    | 91,379                |
| Samoa            | 0.183                       | 4.9                    | 74.3                          | 69.9                             | 76.0  | 55                        | 55    | c                                  | c     | 4,405                 |
| Saudi Arabia     | 27.4                        | 3.0                    | 49.9                          | 73.2                             | 75.6  | 60                        | 55    | d                                  | d     | 23,480                |
| Singapore        | 5.086                       | 9.0                    | 35.9                          | 78.9                             | 83.7  | 55                        | 55    | c                                  | c     | 50,633                |
| Solomon Islands  | 0.5                         | 3.2                    | 75.2                          | 67.0                             | 70.0  | 50                        | 50    | 40                                 | 40    | 2,547                 |
| South Korea      | 48.183                      | 11.1                   | 38.1                          | 77.3                             | 84.0  | 60                        | 60    | 55                                 | 55    | 27,100                |
| Sri Lanka        | 20.9                        | 8.2                    | 49.3                          | 72.1                             | 78.4  | 55                        | 50    | c                                  | c     | 4,772                 |
| Syria            | 20.410                      | 3.9                    | 69.1                          | 74.5                             | 77.7  | 60                        | 55    | d                                  | d     | 4,730                 |
| Taiwan           | 23.2                        | 11.3                   | 35.2                          | 75.7                             | 81.5  | 60                        | 60    | 55                                 | 55    | 37,700                |
| Tajikistan       | 6.879                       | 3.5                    | 68.0                          | 64.8                             | 71.2  | 63                        | 58    | c                                  | c     | 1,972                 |
| Thailand         | 69.1                        | 8.9                    | 41.7                          | 71.1                             | 77.8  | 55                        | 55    | c                                  | c     | 7,995                 |
| Turkmenistan     | 5.042                       | 4.1                    | 50.1                          | 61.2                             | 69.4  | 62                        | 57    | c                                  | c     | 7,242                 |
| Uzbekistan       | 27.4                        | 4.4                    | 50.9                          | 65.7                             | 71.9  | 60                        | 55    | c                                  | c     | 2,875                 |
| Vanuatu          | 0.240                       | 3.3                    | 71.4                          | 69.5                             | 73.6  | 55                        | 55    | c                                  | c     | 4,438                 |
| Vietnam          | 87.8                        | 6.0                    | 42.1                          | 73.4                             | 77.4  | 60                        | 55    | c                                  | c     | 2,953                 |
| Yemen            | 24.107                      | 2.5                    | 88.3                          | 64.5                             | 67.7  | 60                        | 55    | d                                  | d     | 2,470                 |

SOURCES: United Nations Population Division, Department of Economic and Social Affairs. *World Population Prospects: The 2010 Revision Population Database*, available at [http://esa.un.org/unpd/wpp/unpp/panel\\_indicators.htm](http://esa.un.org/unpd/wpp/unpp/panel_indicators.htm) (2010); *Human Development Report 2011*, prepared for the United Nations Development Programme (Gordonville VA: Palgrave Macmillan, 2011); U.S. Central Intelligence Agency. *The World Factbook, 2012* (Washington D.C.: Central Intelligence Agency, 2012), available at <https://www.cia.gov/library/publications/the-world-factbook/index.html>.

NOTES: Information on statutory and pensionable ages is taken from the country summaries in this volume.

GDP = gross domestic product.

- a. Population aged 14 or younger plus population aged 65 or older, divided by population aged 15–64.
- b. General early pensionable age only; excludes early pensionable ages for specific groups of employees.
- c. The country has no early pensionable age, has one only for specific groups, or information is not available.
- d. Regardless of age but subject to other requirements.
- e. No mandatory old-age pension system.

**Table 4.**  
**Contribution rates for social security programs, 2012 (in percent)**

| Country                       | Old age, disability, and survivors |                        |                    | All social security programs <sup>a</sup> |                      |                     |
|-------------------------------|------------------------------------|------------------------|--------------------|-------------------------------------------|----------------------|---------------------|
|                               | Insured person                     | Employer               | Total              | Insured person                            | Employer             | Total               |
| Armenia                       | 3 <sup>b</sup>                     | flat rate <sup>b</sup> | 3 <sup>b</sup>     | 3                                         | flat rate            | 3 <sup>c</sup>      |
| Australia <sup>d</sup>        | 0                                  | 9                      | 9 <sup>e</sup>     | 0                                         | 9 <sup>f</sup>       | 9 <sup>e</sup>      |
| Azerbaijan                    | 3 <sup>b</sup>                     | 22 <sup>b</sup>        | 25 <sup>b</sup>    | 3                                         | 22 <sup>f</sup>      | 25                  |
| Bahrain <sup>d</sup>          | 6                                  | 9                      | 15                 | 7                                         | 13                   | 20                  |
| Bangladesh                    | 0                                  | 0                      | 0 <sup>e</sup>     | 0                                         | 0 <sup>f,g</sup>     | 0 <sup>e</sup>      |
| Brunei <sup>d</sup>           | 8.5                                | 8.5                    | 17 <sup>h</sup>    | 8.5                                       | 8.5 <sup>i</sup>     | 17                  |
| Burma (Myanmar) <sup>d</sup>  | 0                                  | 0                      | 0                  | 1.5                                       | 3.5                  | 5                   |
| China <sup>d</sup>            | 8                                  | 20                     | 28                 | 11                                        | 29 <sup>f,g</sup>    | 40 <sup>c</sup>     |
| Fiji                          | 8                                  | 8                      | 16                 | 8                                         | 8 <sup>f</sup>       | 16 <sup>c</sup>     |
| Georgia                       | 0                                  | 0                      | 0 <sup>h</sup>     | 0                                         | 0 <sup>i</sup>       | 0 <sup>c</sup>      |
| Hong Kong <sup>d</sup>        | 5                                  | 5                      | 10                 | 5                                         | 5 <sup>f,g</sup>     | 10 <sup>c,j</sup>   |
| India <sup>d</sup>            | 12                                 | 17.61                  | 29.61              | 13.75                                     | 22.36                | 36.11               |
| Indonesia <sup>d</sup>        | 2                                  | 4                      | 6                  | 2                                         | 7.24 <sup>f,g</sup>  | 9.24                |
| Iran <sup>d</sup>             | 7                                  | 20                     | 27                 | 7                                         | 23 <sup>k</sup>      | 30                  |
| Israel <sup>d</sup>           | 0.34                               | 1.6                    | 1.94               | 3.49                                      | 3.43 <sup>f</sup>    | 6.92                |
| Japan <sup>d</sup>            | 8.338                              | 8.338                  | 16.676             | 13.838                                    | 14.588 <sup>f</sup>  | 28.426 <sup>c</sup> |
| Jordan <sup>d</sup>           | 5.5                                | 9                      | 14.5               | 6.5                                       | 12.25 <sup>f,g</sup> | 18.75               |
| Kazakhstan                    | 10                                 | 5 <sup>b</sup>         | 15 <sup>b</sup>    | 10                                        | 5.04 <sup>g</sup>    | 15.04 <sup>c</sup>  |
| Kiribati                      | 7.5                                | 7.5                    | 15                 | 7.5                                       | 7.5 <sup>f</sup>     | 15                  |
| Kuwait <sup>d</sup>           | 5 <sup>b</sup>                     | 10 <sup>b</sup>        | 15 <sup>b</sup>    | 5                                         | 10                   | 15                  |
| Kyrgyzstan                    | 10 <sup>b</sup>                    | 17.25 <sup>b</sup>     | 27.25 <sup>b</sup> | 10                                        | 17.25                | 27.25               |
| Laos <sup>d</sup>             | 4.5 <sup>b</sup>                   | 5 <sup>b</sup>         | 9.5 <sup>b</sup>   | 4.5                                       | 5                    | 9.5                 |
| Lebanon <sup>d</sup>          | 0                                  | 8.5                    | 8.5                | 2                                         | 21.5 <sup>f,k</sup>  | 23.5                |
| Malaysia <sup>d</sup>         | 11.5                               | 13.5                   | 25                 | 11.5                                      | 14.75 <sup>f</sup>   | 26.25               |
| Marshall Islands <sup>d</sup> | 7                                  | 7                      | 14                 | 10.5                                      | 10.5                 | 21                  |
| Micronesia <sup>d</sup>       | 7                                  | flat rate              | 7                  | 7                                         | flat rate            | 7                   |
| Nepal                         | 10                                 | 10                     | 20                 | 10                                        | 10 <sup>f</sup>      | 20                  |
| New Zealand                   | 0                                  | 0                      | 0                  | 0                                         | 0 <sup>f</sup>       | 0 <sup>e</sup>      |
| Oman <sup>d</sup>             | 6.5                                | 9.5                    | 16                 | 6.5                                       | 10.5 <sup>f</sup>    | 17                  |
| Pakistan <sup>d</sup>         | 1                                  | 5                      | 6                  | 1                                         | 11 <sup>f,g</sup>    | 12                  |

(Continued)

**Table 4.**  
**Contribution rates for social security programs, 2012 (in percent)—Continued**

| Country                   | Old age, disability, and survivors |                    |                    | All social security programs <sup>a</sup> |                    |                   |
|---------------------------|------------------------------------|--------------------|--------------------|-------------------------------------------|--------------------|-------------------|
|                           | Insured person                     | Employer           | Total              | Insured person                            | Employer           | Total             |
| Palau <sup>d</sup>        | 6                                  | 6                  | 12                 | 6                                         | 6                  | 12                |
| Papua New Guinea          | 6                                  | 8.4                | 14.4               | 6                                         | 8.4 <sup>i</sup>   | 14.4              |
| Philippines <sup>d</sup>  | 3.33 <sup>b</sup>                  | 7.07 <sup>b</sup>  | 10.4 <sup>b</sup>  | 4.83                                      | 8.77 <sup>i</sup>  | 13.6              |
| Qatar                     | 5                                  | 10                 | 15                 | 5                                         | 10                 | 15                |
| Samoa                     | 5                                  | 5                  | 10 <sup>l</sup>    | 6                                         | 6                  | 12 <sup>i</sup>   |
| Saudi Arabia <sup>d</sup> | 9                                  | 9                  | 18                 | 9                                         | 11                 | 20                |
| Singapore <sup>d</sup>    | 20 <sup>b</sup>                    | 16 <sup>b</sup>    | 36 <sup>b</sup>    | 20                                        | 16 <sup>f,g</sup>  | 36                |
| Solomon Islands           | 5                                  | 7.5                | 12.5               | 5                                         | 7.5 <sup>i</sup>   | 12.5              |
| South Korea <sup>d</sup>  | 4.5                                | 4.5                | 9                  | 8.14                                      | 8.99 <sup>i</sup>  | 17.13             |
| Sri Lanka                 | 8                                  | 12                 | 20                 | 8                                         | 13 <sup>i</sup>    | 21 <sup>c,m</sup> |
| Syria                     | 7                                  | 14                 | 21                 | 7                                         | 17 <sup>i</sup>    | 24                |
| Taiwan <sup>d</sup>       | 5.7 <sup>b</sup>                   | 11.25 <sup>b</sup> | 16.95 <sup>b</sup> | 7.451                                     | 17.38 <sup>i</sup> | 24.831            |
| Tajikistan                | 1 <sup>b</sup>                     | 25 <sup>b</sup>    | 26 <sup>b</sup>    | 1                                         | 25                 | 26                |
| Thailand <sup>d</sup>     | 3 <sup>b</sup>                     | 3 <sup>b</sup>     | 6 <sup>b</sup>     | 5                                         | 5.2 <sup>i</sup>   | 10.2 <sup>m</sup> |
| Turkmenistan              | 0                                  | 20 <sup>b</sup>    | 20 <sup>b</sup>    | 0                                         | 22                 | 22                |
| Uzbekistan                | 6.5 <sup>b</sup>                   | 25 <sup>b</sup>    | 31.5 <sup>b</sup>  | 6.5                                       | 25                 | 31.5              |
| Vanuatu                   | 4                                  | 4                  | 8                  | 4                                         | 4                  | 8                 |
| Vietnam <sup>d</sup>      | 7                                  | 13                 | 20                 | 9.5                                       | 21 <sup>i</sup>    | 30.5              |
| Yemen                     | 6                                  | 9                  | 15                 | 6                                         | 13 <sup>i</sup>    | 19                |

SOURCE: Based on information in the country summaries in this volume.

- a. Includes Old Age, Disability, and Survivors; Sickness and Maternity; Work Injury; Unemployment; and Family Allowances. In some countries, the rate may not cover all of these programs. In some cases, only certain groups, such as wage earners, are represented. When the contribution rate varies, either the average or the lowest rate in the range is used.
- b. Also includes the contribution rates for other programs.
- c. Government pays the total or most of the cost of family allowances.
- d. Contributions are submitted to a ceiling on some benefits.
- e. Government pays the total cost of most programs from general revenues.
- f. Employers pay the total or most of the cost of work injury benefits.
- g. Employers pay the total cost of cash sickness and maternity benefits.
- h. Government pays the total cost of the universal old-age and disability pensions.
- i. Government or employers pay the total cost of work injury benefits.
- j. Government pays the total cost of unemployment benefits.
- k. Employers pay the total cost of family allowances.
- l. Government pays the total cost of the universal old-age pension.
- m. Plus flat-rate contributions.

A grayscale topographic map of Southeast Asia and Oceania, showing the mountainous terrain of the region. The map includes the Malay Peninsula, the Indonesian archipelago, and the island of Australia. The text "Country Summaries" is overlaid on the map.

# **Country Summaries**



## Armenia

Exchange rate: US\$1.00 = 385 drams.

### Old Age, Disability, and Survivors

#### Regulatory Framework

**First laws:** 1956 and 1964.

**Current laws:** 2002 (state pensions), implemented in 2003 and 2010 (individual accounts).

**Type of program:** Social insurance and social assistance system.

Note: The individual account system has not been implemented.

#### Coverage

Employed and self-employed persons.

Special systems for military and police personnel, judges, public prosecutors, and their family members.

#### Source of Funds

**Insured person:** 3% of net monthly earnings.

There are no minimum or maximum earnings used to calculate contributions.

The insured's contributions also finance sickness and maternity, work injury, and unemployment benefits.

**Self-employed person:** An annual contribution of 15% of annual income from 60,000 drams to 1,200,000 drams plus 5% of income greater than 1,200,000 drams. (Farmers are exempt from contributions.)

The self-employed person's contributions also finance sickness and maternity and unemployment benefits.

**Employer:** A monthly contribution of 7,000 drams, plus 15% of the employee's monthly income from 20,000 drams to 100,000 drams, plus 5% of income greater than 100,000 drams. (Collective farmers who are employers, contribute for their employees.)

The employer's contributions also finance sickness and maternity, work injury, and unemployment benefits.

**Government:** The total cost of the social pension and subsidies as needed.

The government's contributions also finance sickness and maternity, work injury, and unemployment benefits.

#### Qualifying Conditions

**Old-age pension:** Age 63 with at least 25 years of covered employment.

Age 59 (men) or age 53.5 (women, gradually rising to age 55 by 2015) with at least 25 years of covered employment, including at least 15 years in arduous or hazardous work.

Covered employment includes years as a university student, years of service in the armed forces, and periods receiving unemployment benefits.

Benefits are payable abroad under reciprocal agreement.

**Social pension (old age):** Age 65 with less than five years of covered employment.

Benefits are payable abroad under reciprocal agreement.

**Disability pension:** Paid for a total or partial disability with at least five years of covered employment. The pension is paid according to three degrees of disability: Group I (total incapacity for work and requiring constant attendance); Group II (total incapacity for work but not requiring constant attendance); and Group III (partial incapacity for work).

Covered employment includes years as a university student, years of service in the armed forces, and periods receiving unemployment benefits.

A specialized medical committee assesses the degree of disability.

Benefits are payable abroad under reciprocal agreement.

**Social pension (disability):** Must be assessed with a disability and have less than five years of covered employment.

Benefits are payable abroad under reciprocal agreement.

**Survivor pension:** Paid to a surviving spouse; a person who is not employed at the time of deceased's death, not receiving any pension, and who cares for the deceased's children, brothers, sisters, or grandchildren younger than age 8; or full orphans younger than age 18 (at any age if a full-time student who lost both parents from age 18 to 23) who are not receiving any other pension.

Covered employment includes years as a university student, years of service in the armed forces, and periods receiving unemployment benefits.

Benefits are payable abroad under reciprocal agreement.

#### Old-Age Benefits

**Old-age pension:** 100% of the basic pension plus a bonus pension (450 drams for each full calendar year of covered employment multiplied by a personal coefficient) is paid.

The basic pension is 13,000 drams.

There is no maximum pension.

Benefit adjustment: Benefits are adjusted on an ad hoc basis according to available resources.

**Social pension:** 13,000 drams a month is paid.

Benefit adjustment: Benefits are adjusted on an ad hoc basis according to available resources.

## Permanent Disability Benefits

**Disability pension:** 140% of the basic pension is paid for a Group I disability; 120% for a Group II disability; 100% for a Group III disability. Each group also receives a bonus pension of 450 drams for each full calendar year of covered employment multiplied by a personal coefficient

The basic pension is 13,000 drams a month.

There is no maximum pension.

Benefit adjustment: Benefits are adjusted on an ad hoc basis according to available resources.

**Social pension:** 140% of the basic pension is paid for a Group I disability; 120% for a Group II disability; 100% for a Group III disability.

The basic pension is 13,000 drams a month.

Benefit adjustment: Benefits are adjusted on an ad hoc basis according to available resources.

## Survivor Benefits

**Survivor pension:** 100% of the basic pension plus 50% of the bonus pension (450 drams for each full calendar year the deceased was in covered employment multiplied by a personal coefficient) is paid for one eligible survivor; 90% for two eligible survivors; 120% for three; or 150% for four or more.

The basic pension is 13,000 drams a month.

The survivor pension paid to a spouse ceases on remarriage.

**Full orphan's pension:** 500% of the basic pension plus 50% (one eligible full orphan), 90% (two full orphans), 120% (three full orphans), or 150% (four or more full orphans) of the bonus pension (450 drams is paid for each full calendar year both deceased parents were in covered employment) is paid.

The basic pension is 13,000 drams a month.

There is no maximum survivor pension.

Benefit adjustment: Benefits are adjusted on an ad hoc basis according to available resources.

## Administrative Organization

Ministry of Labor and Social Affairs (<http://www.mss.am>) is responsible for policy.

State Social Security Service (<http://www.social.am>) administers the program.

## Sickness and Maternity

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### Regulatory Framework

**First law:** 1912.

**Current laws:** 2005 (social benefits) and 2005 (temporary disability insurance).

**Type of program:** Social insurance (cash benefits) and universal (medical benefits) system.

### Coverage

**Cash sickness and maternity benefits:** All employed and self-employed persons.

**Medical benefits:** All residents of Armenia.

### Source of Funds

#### Insured person

**Cash benefits:** See source of funds under Old Age, Disability, and Survivors.

**Medical benefits:** None.

#### Self-employed person

**Cash benefits:** See source of funds under Old Age, Disability, and Survivors.

**Medical benefits:** None.

#### Employer

**Cash benefits:** See source of funds under Old Age, Disability, and Survivors.

**Medical benefits:** None. (The total cost of optional employer-operated health care facilities.)

#### Government

**Cash benefits:** See source of funds under Old Age, Disability, and Survivors.

**Medical benefits:** The total cost of medical benefits is paid by central and local governments.

### Qualifying Conditions

**Cash sickness benefits:** Must have worked at least three months in the last year or 10 months within the last two years.

**Cash maternity benefits:** Must be in insured employment.

**Childbirth or adoption lump sum:** There is no minimum qualifying period.

**Medical benefits:** Must reside in Armenia.

### Sickness and Maternity Benefits

**Sickness benefit:** If the insured has been in covered employment for at least eight years, 100% of average earnings in the last three months before the incapacity began is paid; if in covered employment for less than eight years, 80%.

The benefit is also paid to an insured parent to provide care for a sick child.

**Maternity benefit:** The benefit is 100% of average earnings (regardless of the number of years of covered employment)

divided by 30.4 (average number of days in a month) and multiplied by the number of days of maternity leave. The benefit is paid for 140 days (70 days before and 70 days after the expected date of childbirth); 155 days if there are complications from childbirth; 180 days for multiple births.

**Child-care leave benefit:** 18,000 drams a month is paid until the child is age 2.

**Childbirth or adoption lump sum:** A lump sum of 50,000 drams is paid for the first child, 50,000 drams for the second child, and 430,000 drams for each subsequent child. The sum is paid during the six months after childbirth or adoption.

Benefit adjustment: Benefits are adjusted on an ad hoc basis according to available resources.

### Workers' Medical Benefits

Government health providers offer medical services directly to patients, including preventive, general, and specialist care; hospitalization; laboratory services; dental care; maternity care; and transportation.

Cost sharing: Patients pay part of the cost of appliances. Medicine is free if provided while the patient is hospitalized or for pensioners. The government fully or partially covers certain medical treatments.

### Dependents' Medical Benefits

**Medical benefits for dependents:** Government health providers offer medical services directly to patients, including preventive, general, and specialist care; hospitalization; laboratory services; dental care; maternity care; and transportation.

Cost sharing: Patients pay part of the cost of appliances. Medicine is free if provided while the patient is hospitalized or for children with a disability younger than age 16, for all infants until age 1, and for pensioners. The government fully or partially covers certain medical treatments.

### Administrative Organization

**Cash benefits:** State Social Security Service (<http://www.social.am>) administers the program.

**Medical benefits:** Ministry of Health (<http://www.moh.am>) develops and implements health policy.

State Health Agency (<http://www.pag.am>) purchases publicly financed services from health care provider organizations and monitors the effective use of state financial resources.

### Work Injury

#### Regulatory Framework

**First laws:** 1955 and 1974.

**Current laws:** 1998 (civil code) and 2010 (state pensions).

**Type of program:** Social insurance system.

### Coverage

All employed persons.

Exclusions: Self-employed persons.

### Source of Funds

#### Insured person

**Cash benefits:** See source of funds under Old Age, Disability, and Survivors.

**Medical benefits:** None.

**Self-employed person:** Not applicable.

#### Employer

**Cash benefits:** See source of funds under Old Age, Disability, and Survivors.

**Medical benefits:** None. (The total cost of optional employer-operated health care facilities.)

#### Government

**Cash benefits:** See source of funds under Old Age, Disability, and Survivors.

**Medical benefits:** The total cost is paid by central and local governments.

### Qualifying Conditions

**Work injury benefits:** There is no minimum qualifying period.

### Temporary Disability Benefits

The daily benefit is 80% (with up to eight years of coverage) or 100% (with more than eight years of coverage) of the insured's average monthly earnings in the last three months and is paid from the first day of incapacity until recovery or the award of a permanent disability pension.

A specialized medical committee assesses the degree of disability.

Benefit adjustment: Benefits are adjusted on an ad hoc basis according to available resources.

### Permanent Disability Benefits

**Permanent disability pension:** 140% of the basic pension is paid for a Group I disability; 120% for a Group II disability; 100% for a Group III disability. Each group also receives a bonus pension of 450 drams for each full calendar year of covered employment multiplied by a personal coefficient.

A specialized medical committee assesses the degree of disability.

The basic pension is 13,000 drams a month.

There is no maximum pension.

Benefit adjustment: Benefits are adjusted on an ad hoc basis according to available resources.

### Survivor Benefits

**Survivor pension (orphan's pension):** 100% of the basic pension plus 50% (one eligible full orphan), 90% (two full orphans), 120% (three full orphans), or 150% (four or more full orphans) of the bonus pension (450 drams is paid for each full calendar year both deceased parents were in covered employment) is paid.

The basic pension is 13,000 drams a month.

**Full orphan's pension:** 500% of the basic pension plus 50% (one eligible full orphan), 90% (two full orphans), 120% (three full orphans), or 150% (four or more full orphans) of the bonus pension (450 drams is paid for each full calendar year both deceased parents were in covered employment) is paid.

The basic pension is 13,000 drams a month.

Benefit adjustment: Benefits are adjusted on an ad hoc basis according to available resources.

### Administrative Organization

**Temporary disability benefits:** State Social Security Service (<http://www.social.am>) administers the programs.

Enterprises and employers pay benefits to their employees.

**Permanent disability and survivor pensions:** Ministry of Labor and Social Affairs (<http://www.mss.am>) is responsible for policy.

**Medical benefits:** State Health Agency (<http://www.pag.am>) purchases publicly financed services from health care provider organizations and monitors the effective use of state financial resources.

## Unemployment

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### Regulatory Framework

**First law:** 1921.

**Current law:** 1991 (employment), implemented in 1992.

**Type of program:** Social insurance system.

### Coverage

All employed and self-employed persons.

### Source of Funds

**Insured person:** See source of funds under Old Age, Disability, and Survivors.

**Self-employed person:** See source of funds under Old Age, Disability, and Survivors.

**Employer:** See source of funds under Old Age, Disability, and Survivors.

**Government:** See source of funds under Old Age, Disability, and Survivors.

### Qualifying Conditions

**Unemployment benefits:** Must be unemployed as a result of enterprise reorganization, staff reduction, or the cancellation of a collective agreement.

The insured must have at least 12 months of covered employment before unemployment began; have at least 12 months of covered employment between two periods of unemployment; or be actively looking for a first job or new job after a lengthy period of unemployment. The insured must be registered at an employment office and be able and willing to work.

### Unemployment Benefits

The basic benefit is 60% of the national minimum wage.

The national monthly minimum wage is 30,000 drams

The benefit is paid for up to 12 months.

Benefit adjustment: Benefits are adjusted on an ad hoc basis according to available resources.

### Administrative Organization

State Social Security Service (<http://www.social.am>) finances unemployment programs.

State Employment Service (<http://www.employment.am>) implements the program through regional centers.

## Family Allowances

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### Regulatory Framework

**First law:** 1944.

**Current law:** 2005 (social benefits).

**Type of program:** Universal and social assistance system.

### Coverage

Families with children.

### Source of Funds

**Insured person:** None.

**Self-employed person:** None.

**Employer:** None.

**Government:** The total cost.

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### ***Qualifying Conditions***

**Family allowances:** The beneficiary must be employed at the time of the child's birth. Benefits are paid for children up to age 18.

### ***Family Allowance Benefits***

**Cash benefits:** 13,500 drams (basic sum) plus 5,500 drams to 6,500 drams (supplementary sum) a month is paid to each child younger than age 18.

Benefit adjustment: Benefits are adjusted on an ad hoc basis according to available resources.

### ***Administrative Organization***

Ministry of Labor and Social Affairs (<http://www.mss.am>) is responsible for the program.

## Australia

Exchange rate: US\$1.00 =  
0.96 Australian dollars (A\$).

### Old Age, Disability, and Survivors

#### Regulatory Framework

**First laws:** 1908 (old-age and disability pensions) and 1942 (widow pension).

**Current laws:** 1991 (social security), 1992 (superannuation administration), and 1999 (family tax).

**Type of program:** Social assistance and mandatory occupational pension system.

#### Coverage

**Social assistance (social security):** All residents of Australia.

**Mandatory occupational pension (superannuation):** Employed persons aged 18 to 69 earning more than A\$450 a month.

Exclusions: Self-employed persons.

#### Source of Funds

##### Insured person

*Social security:* None.

*Mandatory occupational pension (superannuation):* None required, but voluntary contributions are encouraged through tax incentives.

##### Self-employed person

*Social security:* None.

*Mandatory occupational pension (superannuation):* None required, but voluntary contributions are encouraged through tax incentives.

##### Employer

*Social security:* None.

*Mandatory occupational pension (superannuation):* 9% of basic wages, up to A\$45,750 a quarter (2012 to 2013 financial year) (gradually rising by 0.25% a year from 2013 to 2015, then by 0.5% a year to reach 12% in 2019).

Employer contributions are tax deductible.

##### Government

*Social security:* The total cost is financed from general revenue.

*Mandatory occupational pension (superannuation):* Co-contribution, matches A\$0.50 for each A\$1 of the insured's voluntary contributions up to A\$500 a year for annual after-tax incomes up to A\$31,920. The co-contribution gradually decreases to 0 for annual incomes from A\$31,920 to A\$46,920. Low-income super contribution, 15% of employer or insured's contributions (A\$20 to A\$500 a year) for annual taxable income up to A\$37,000.

#### Qualifying Conditions

##### Old-age pension

*Social security (means tested unless blind):* Age 65 (men, gradually rising to age 67 from 2017 to 2023) or age 64 and 6 months (women, gradually rising to age 65 by July 2014 and to 67 from 2017 to 2023). Must have been an Australian resident for at least 10 years, including at least five continuous years.

Work bonus scheme: Paid to pensioners (except recipients of the Parenting Payment. See Unemployment).

The old age pension is payable abroad indefinitely if the pension begins before the insured leaves the country. The pension benefit may be reduced after 26 weeks.

Old-age pension supplement: Paid to old-age pensioners to assist with general living expenses, including utilities.

Commonwealth seniors health card (CSHC): Issued to Australian residents of pensionable age with taxable incomes below certain levels.

Seniors supplement: Paid to CSHC holders and veterans' affairs gold card holders to assist with general living expenses, including utilities.

Caregiver payment (means tested): Paid to providers of constant at-home care who are not substantially employed due to caregiving responsibilities. Recipients of care must be frail aged (aged 65 or older and in need of a substantial level of care and support) or have a severe disability or medical condition.

Caregiver payment supplement: Paid to recipients of the caregiver payment to assist with general living expenses including utilities.

Rent assistance (means tested): Paid based on family situation and level of rent. Special rules apply to people living in retirement villages.

Remote area allowance: Paid to social security recipients who permanently live in remote tax zones.

Pensioner concession card: Provided to persons receiving an old-age pension.

*Mandatory occupational pension (superannuation):* Age 55 (gradually rising to age 60 from 2015 to 2025) and permanently retired.

## Disability pension

*Social security (means tested unless blind):* Age 16 to 65 (men) or age 16 to 64 and 6 months (women). Must have a permanent physical, intellectual, or psychiatric impairment, be unable to work 15 hours a week for at least the minimum wage, and be unable to be retrained for such work for at least two years due to the impairment.

If the assessed disability began before becoming an Australian resident, the person must reside in Australia at the time of the claim and have at least 10 years of residence, including at least five continuous years.

The disability pension is payable abroad in some circumstances.

*Disability pension supplement:* Paid to recipients of the disability pension to assist with general living expenses, including utilities.

*Mobility allowance (not means tested):* Paid to a person age 16 or older with a disability who cannot use public transportation without substantial assistance and who must travel to work (either paid or voluntary), receive training, or search for a job.

*Caregiver payment (means tested):* Paid to providers of constant at-home care who are not substantially employed due to caregiving responsibilities. Recipients of care must have a severe disability or severe medical condition or be frail aged (aged 65 or older and in need of a substantial level of care and support). The caregiver and the person receiving care must meet residency requirements.

*Caregiver payment supplement:* Paid to recipients of the caregiver payment to assist with general living expenses, including utilities.

*Caregiver allowance:* Paid to an individual who provides constant at-home care to a person with a disability or medical condition or is frail aged (aged 65 or older and in need of a substantial level of care and support). The allowance is not taxed or subject to income or asset testing and can be paid in addition to a social security income support payment. The caregiver and the person receiving care must meet residency requirements.

*Caregiver supplement:* Paid to caregivers who receive a caregiver allowance or certain other qualifying payments.

*Rent assistance (means tested):* Paid based on family situation and level of rent. Special rules apply to people living in retirement villages.

*Telephone allowance:* Paid to disability pensioners younger than age 21 and without children to assist with maintaining a fixed telephone line, mobile phones, and home Internet connection.

*Pharmaceutical allowance:* Paid to disability pensioners younger than age 21 and without children to assist with the cost of medicine.

*Remote area supplement:* Paid to social security recipients who permanently live in remote tax zones.

*Utilities allowance:* Paid to disability pensioners younger than age 21 and without children to assist with utility bills.

*Pensioner concession card:* Provided to disability pensioners.

*Mandatory occupational pension (superannuation):* Benefits may be paid when a superannuation fund member leaves the workforce as the result of a total and permanent disability.

## Survivor pension

*Social security (means tested):* A widow(er) with dependent children is entitled to benefits under the family tax benefit (Part B). See Family Allowances.

*Widow allowance (means tested):* Paid to a woman born on or before July 1, 1955, who is not currently in a long-term relationship and has become widowed, divorced, or separated since age 40. Must be (or have been) a resident of Australia and have no recent gainful employment.

*Widow allowance supplement:* Paid to widow allowance recipients who are of pensionable age.

*Rent assistance (means tested):* Paid based on family situation and level of rent. Special rules apply to people living in retirement villages.

*Telephone allowance:* Paid to widow allowance recipients older than age 60 but younger than pensionable age who received continuous income support for at least nine months.

*Pensioner concession card:* Age 60 and receiving the widow allowance for at least nine months.

*Utilities allowance:* Paid to widow allowance recipients to assist with utility bills.

*Double orphan payment:* Paid for a child younger than age 16 (aged 16 to 21 if a student not receiving the youth allowance) if both parents are deceased or if one parent is deceased and the other is in a hospital or an institution on a long-term basis, has been in prison for at least 10 years, or whose whereabouts are unknown.

*Bereavement payment:* Paid to a surviving partner, caregiver, or parent of a young child following the death of a pensioner, long-term income support recipient, child of a family tax benefit recipient, or care recipient. See Family Allowances.

*Bereavement allowance (means tested):* Generally paid to a surviving partner for up to 14 weeks to assist with settling financial affairs and provide ongoing support, subject to residency requirements.

Benefits are generally payable abroad for up to 13 weeks.

*Mandatory occupational pension (superannuation):* Benefits are paid to the survivors of superannuation fund members.

## Old-Age Benefits

### Old-age pension

*Social security (means tested unless blind):* Up to A\$712 is paid every two weeks for a single person; A\$536.70 for each member of a couple (September 2012).

*Work bonus scheme:* Eligible pensioners can earn up to \$250 every two weeks without it being counted as income under the pension means test. In addition, any unused amount of the \$250 work bonus accumulates in an employment 'income bank', up to \$6,500. Credit in the 'income bank' can then be carried forward to future years and used to offset employment income that would otherwise be taken into account under the pension means test.

*Old-age pension supplement:* Up to A\$60.60 for a single person and A\$45.70 is paid every two weeks for each member of a couple (September 2012).

*Commonwealth seniors health card (CSHC):* Provides access to reduced-cost medicine, medical services, some reduced fares, and the seniors' supplement.

*Seniors' supplement:* A\$845 a year is paid quarterly for a single person; A\$637 a year for each member of a couple (September 2012).

*Caregiver payment (means tested):* Paid at the same rate as the old-age pension.

*Rent assistance (means tested):* Up to A\$160.44 is paid every two weeks, according to marital status, number of dependents, and the level of rent. Special rules apply to people living in retirement villages.

*Remote area allowance:* A\$18.20 is paid every two weeks for a single person; A\$15.60 for each member of a couple. An additional A\$7.30 is paid every two weeks for each dependent child.

*Pensioner concession card:* Provides cardholders with reduced costs for medical services, medicine, and for certain Commonwealth, state or territory and local government services.

*Benefit adjustment:* Base pensions are adjusted in March and September according to the greater of the increase in the consumer price index or the pensioner and beneficiary living cost index. The combined couple rate of the old age pension is benchmarked to the male total average weekly earnings. Other supplementary payments are adjusted according to changes in the consumer price index.

*Mandatory occupational pension (superannuation):* Generally, a lump sum of the value of total contributions plus interest minus administrative fees and taxes is paid. Alternatively, pensioners can choose to receive pension payments from their superannuation account.

## Permanent Disability Benefits

### Disability pension

*Social security (means tested unless blind):* Up to A\$712 is paid every two weeks for a single person age 21 or older; A\$536.70 is paid for each member of a couple. Up to A\$516.70 is paid every two weeks for a single person up to age 20 and living away from the family home; A\$379 if aged 18 to 20 and living in the family home; and A\$334.40 if younger than age 18 and living in the family home. A youth disability supplement for single disability pensioners younger than age 21 is included in the rates of the disability pension (September 2012).

*Disability pension supplement:* Up to A\$60.60 is paid every two weeks for a single person; A\$45.70 for each member of a couple (September 2012).

*Mobility allowance (not means tested):* A standard rate of A\$86 or a higher rate of A\$120.40 is paid every two weeks (September 2012).

*Caregiver payment (means tested):* Paid at the same rate as the old-age pension.

*Caregiver payment supplement:* Up to A\$60.60 is paid every two weeks for a single person; A\$45.70 for each member of a couple (September 2012).

*Caregiver allowance:* A\$114 is paid every two weeks for each person receiving care.

*Caregiver supplement:* A\$600 is paid annually on July 1 to caregivers who receive a caregiver allowance and/or certain other qualifying payments.

*Rent assistance (means tested):* Up to A\$160.44 is paid every two weeks, according to marital status, number of dependents, and the level of rent. Special rules apply to people living in retirement villages.

*Telephone allowance:* Up to A\$153.60 a year is paid (September 2012).

*Pharmaceutical allowance:* A\$6.20 is paid every two weeks for a single person; A\$3.10 for each member of a couple.

*Remote area allowance:* A\$18.20 is paid every two weeks for a single person; A\$15.60 for each member of a couple. An additional A\$7.30 is paid every two weeks for each dependent child.

*Utilities allowance:* A\$564 a year is paid for a single person; A\$282 a year for each eligible member of a couple (September 2012).

*Pensioner concession card:* Provides cardholders with reduced costs for medical services, medicine, and for certain Commonwealth, state or territory and local government services.

**Benefit adjustment:** Base pensions are adjusted in March and September according to the greater of the increase in the consumer price index or the pensioner and beneficiary living cost index. The combined couple rate of the old age pension is benchmarked to the male total average weekly earnings. Disability pensions for people under the age 21 and other supplementary payments are adjusted according to changes in the consumer price index.

**Caregiver's allowance** is indexed on January 1 each year according to the change in the consumer price index.

**Mandatory occupational pension (superannuation):** Generally, a lump sum of the value of total contributions plus interest minus administrative fees and taxes is paid. Alternatively, pensioners can choose to receive pension payments from their superannuation account.

## Survivor Benefits

### Survivor pension

**Social security (means tested):** Up to A\$712 is paid every two weeks (September 2012).

**Widow allowance (means tested):** A\$492.60 is paid every two weeks for a single widow with no dependents; A\$533 with dependents, or if single and aged 60 or more (September 2012).

**Widow allowance supplement:** A\$60.60 is paid (September 2012).

**Rent assistance:** Up to A\$160.44 is paid every two weeks, according to marital status, number of dependents, and the level of rent. Special rules apply to people living in retirement villages.

**Telephone allowance:** Up to A\$153.60 a year is paid (September 2012).

**Pensioner concession card:** Provides cardholders with reduced costs for medical services, medicine, and for certain Commonwealth, state or territory and local government services.

**Utilities allowance:** A\$564 a year is paid for a single person; A\$282 a year for each eligible member of a couple (September 2012).

**Double orphan payment:** See Family Allowances.

**Bereavement payment:** A lump sum may be paid.

**Bereavement allowance:** Paid for up to 14 weeks from the date of the partner's death; may be paid for a longer period if the surviving partner is pregnant.

**Benefit adjustment:** Benefits are adjusted in March and September according to changes in the consumer price index.

**Mandatory occupational pension (superannuation):** Generally, a lump sum of the value of total contributions plus interest minus administrative fees and taxes is paid. Alternatively, pensioners can choose to receive pension payments from their superannuation account.

## Administrative Organization

### Social security

Department of Families, Housing, Community Services, and Indigenous Affairs (<http://www.fahcsia.gov.au>) provides general supervision.

Department of Human Services (<http://www.humanservices.gov.au>) delivers social and health-related payments and services.

### Mandatory occupational pension

Australian Taxation Office (<http://www.ato.gov.au>) ensures employers make compulsory superannuation contributions.

Australian Prudential Regulation Authority (<http://www.apra.gov.au>) and the Australian Taxation Office (<http://www.ato.gov.au>) regulate private superannuation funds.

## Sickness and Maternity

### Regulatory Framework

**First laws:** 1944 (cash sickness benefits), 1947 (pharmaceutical benefits), and 1948 (national health).

**Current laws:** 1973 (national health) and 1991 (social security).

**Type of program:** Social assistance (cash sickness benefits) and universal (medical benefits) system.

### Coverage

**Cash sickness benefits:** Gainfully employed persons, including self-employed persons, with limited income; and certain others.

**Cash maternity benefits:** See Family Allowances.

**Medical and pharmaceutical benefits:** All residents of Australia who are citizens of Australia or New Zealand, or who have applied for or hold a permanent visa (excludes applications for a parent visa).

### Source of Funds

#### Insured person

**Sickness benefits:** None.

**Medical benefits:** 1.5% levy on taxable income.

The maximum earnings used to calculate the levy are A\$84,000 (single persons) and A\$168,000 (couples or families) plus \$1,500 for each dependent child after the first child. A 1% surcharge applies for families with income above the maximum who do not have private health care coverage.

**Exemption from the levy:** Veterans, war widows, and military personnel with dependents (half levy if no dependents).

**Pharmaceutical benefits scheme:** Cost sharing for prescription drugs.

### Self-employed person

*Sickness benefits:* None.

*Medical benefits:* 1.5% levy on taxable income.

The maximum earnings used to calculate the levy are A\$84,000 (single persons) and A\$168,000 (couples or families) plus \$1,500 for each dependent child after the first child. A 1% surcharge applies for families with income above the maximum who do not have private health care coverage.

Exemption from the levy: Veterans, war widows, and military personnel with dependents (half levy if no dependents).

*Pharmaceutical benefits scheme:* Cost sharing for prescription drugs.

### Employer

*Sickness benefits:* None.

*Medical benefits:* None.

*Pharmaceutical benefits scheme:* None.

### Government

*Sickness benefits:* The total cost of cash benefits.

*Medical benefits:* Rebates for medical and hospital costs.

Federal government general revenue grants and medicare grants provided to states and territories for public hospital operating costs meet approximately 40% to 50% of the total funding of the medical benefits program.

*Pharmaceutical benefits scheme:* Cost sharing for prescription drugs.

The government provides funding for residential and community aged care.

### Qualifying Conditions

**Cash sickness benefits (means tested):** Age 22 (age 25 if a full-time student) or older, not receiving an old-age pension, and residing in Australia. The sickness or injury must prevent the insured from working; the insured must have a job to return to or must intend to resume full-time studies.

**Cash maternity benefits:** See Family Allowances.

**Medical and pharmaceutical benefits:** All persons residing in Australia who are citizens of Australia or New Zealand, or who have applied for or hold a permanent visa (excludes applications for a parent visa). Other requirements apply.

### Sickness and Maternity Benefits

**Sickness benefit (means tested):** Up to A\$444.70 is paid every two weeks for each member of a couple; up to A\$492.60 for a single person age 22 or older with no dependents; up to A\$533 if single with dependents or if single and

age 60 or older (September 2012). Benefits are paid after a seven-day waiting period.

For children's benefits, see Family Allowances.

**Rent assistance (means tested):** Up to A\$120.20 is paid every two weeks, according to marital status, number of dependents, and the level of rent. Special rules apply to people living in retirement villages.

**Pharmaceutical allowance:** A\$6.20 is paid every two weeks for a single person; A\$3.10 for each member of a couple.

**Remote area allowance:** A\$18.20 is paid every two weeks for a single person; A\$15.60 for each member of a couple. In addition, A\$7.30 is paid every two weeks for each dependent child.

**Health care card:** Provides sickness benefit recipients with reduced medical and pharmaceutical costs.

**Benefit adjustment:** Most benefits are adjusted in March and September according to changes in the consumer price index.

**Maternity benefits:** See Family Allowances.

### Workers' Medical Benefits

**Medical benefits:** Public patients pay 15% of a scheduled fee for outpatient ambulatory care or A\$28.30, whichever is lower; non-referred general practitioner visits are free.

Private patients pay 25% for qualified services and may receive supplementary benefits from private health funds.

**Hospital benefits:** Free standard ward inpatient treatment is provided by staff doctors in public hospitals.

**Pharmaceutical benefit:** A copayment of up to A\$35.40 for each prescription for most prescribed medicine. Persons with low-income with a current concession card pay A\$5.80 for each prescription. Medicine is available at reduced cost or free above \$348 for concession card holders or A\$1,363.30 for other patients.

### Dependents' Medical Benefits

**Medical benefits for dependents:** Medical benefits for dependents are the same as those for the insured.

**Pharmaceutical benefit:** A copayment of up to A\$35.40 for each prescription for most prescribed medicine. Persons with low income with a current concession card pay A\$5.80 for each prescription.

### Administrative Organization

Department of Education, Employment, and Workplace Relations (<http://www.deewr.gov.au>) provides general supervision.

Department of Human Services (<http://www.humanservices.gov.au>) delivers social and health-related payments and services.

Department of Health and Ageing (<http://www.health.gov.au>) is responsible for policy development.

## Work Injury

### Regulatory Framework

**First laws:** For the six states, enacted from 1902 (Western Australia) to 1918 (Tasmania); 1911 (seamen's compensation); 1912 (commonwealth government employees); 1931 (Northern Territory); and 1946 (Australian Capital Territory).

**Current laws:** 1942, 1987, and 1998 (New South Wales); 1958, 1985, and 1993 (Victoria); 1986 (South Australia); 1986 (Northern Territory); 1988 (Tasmania); 1988 (federal government employees); 1989 (Australian Capital Territory); 2001 (Western Australia); and 2003 (Queensland).

**Type of program:** Employer-liability system, involving compulsory insurance with a public or private carrier under schemes established and run by state and territory governments.

Note: Some states still allow common-law actions against an employer for negligence.

### Coverage

Employed persons.

Voluntary coverage for some self-employed persons.

### Source of Funds

**Insured person:** None.

**Self-employed person:** The total cost of self-insurance.

**Employer:** The total cost for employees is met through insurance premiums. The cost of premiums varies according to the assessed degree of risk. Some employers are permitted to self-insure.

**Government:** None, except as a self-insurer for its own employees.

### Qualifying Conditions

**Work injury benefits:** There is no minimum qualifying period.

### Temporary Disability Benefits

**Temporary disability benefit:** The benefit varies depending on the state or territory in which the award is made. Generally, at least 95% of earnings is paid for at least 13 weeks. Benefits may be paid for an extended period at reduced levels.

The maximum benefit levels are determined by the states and territories.

Entitlement to means-tested disability benefits paid under Old Age, Disability and Survivors includes income from the temporary disability benefit.

Benefit adjustment: Benefits are generally adjusted annually according to changes in the consumer price index.

### Permanent Disability Benefits

**Permanent disability pension:** Paid for a total disability.

Partial disability pension: The pension is determined by the amount of earnings lost, subject to a limit; lump-sum payments are made for specific injuries.

Entitlement to means-tested disability benefits paid under Old Age, Disability, and Survivors includes income from the permanent disability benefit.

Lump-sum payments are made for specified permanent injuries and for pain and suffering and vary among states and territories.

Benefit adjustment: Benefits are generally adjusted annually according to changes in the consumer price index.

### Workers' Medical Benefits

Benefits include the reasonable cost of medical care, hospitalization, transportation, nursing care, and rehabilitation.

### Survivor Benefits

**Survivor benefit:** A lump sum may be paid for a dependent survivor plus assistance with funeral expenses and a payment every two weeks for each child under the age of 16 (up to age 25 if a full-time student).

Benefit adjustment: Benefits are generally adjusted annually according to changes in the consumer price index.

**Funeral grant:** The reasonable cost of a funeral is paid.

### Administrative Organization

Workers' Compensation Board or Commission administers claims in most states (except Australian Capital Territory, Northern Territory, Tasmania, and Western Australia, which have multi-insurer systems with claims administered by insurers).

Workers' Compensation Board or Commission administers claims for Commonwealth employees.

Australian government agencies: Safety, Rehabilitation, and Compensation Commission (<http://www.srcc.gov.au>); and Seafarers Safety, Rehabilitation and Compensation Authority (Seacare Authority) (<http://www.seacare.gov.au>).

## Unemployment

### Regulatory Framework

**First law:** 1944.

**Current law:** 1991 (social security, job search, and new start allowance).

**Type of program:** Social assistance system.

### Coverage

Persons who are not gainfully employed, including the self-employed.

### Source of Funds

**Insured person:** None.

**Self-employed person:** None.

**Employer:** None.

**Government:** The total cost is financed from general revenue.

### Qualifying Conditions

**Youth allowance (means tested):** Unemployed young people aged 16 to 21 (aged 18 to 24 if a full-time student), in an approved education or training program, searching for a job, participating in other activities to prepare for employment, or unable to work because of an illness or injury. Recipients who have not completed secondary school must concurrently study or undergo training to complete schooling requirements. If the individual is a dependent, parental and personal income and assets are considered in the means test.

Health care card: Job-seeking youth allowance recipients.

Pensioner concession card: Job-seeking youth allowance recipients who are either single primary caregivers of a dependent child or assessed with a partial capacity for work.

**Newstart allowance (means tested):** Age 22 up to the pensionable age and unemployed. Must reside permanently in Australia and be present in the country during the payment period. Must be capable of undertaking and actively seeking work, prepared to enter into an employment pathway plan and meet activity-test requirements. If unemployed due to voluntarily leaving, a labor dispute, or the refusal of a suitable job offer, benefit may be reduced for up to 26 weeks or postponed for up to eight weeks.

If exempt from having to actively seek work, the newstart allowance may be payable abroad for up to 13 weeks for some temporary absences.

Health care card: Provided to all newstart allowance recipients.

Pensioner concession card: Provided to newstart allowance recipients who are either single primary caregivers of a dependent child, assessed with a partial capacity to work, or older than age 60.

**Parenting payment (income tested):** Paid to a single parent caring for at least one child younger than age 8; if caring for a least one child with a partner the child must be younger than age 6. Must be an Australian resident.

Rent assistance (means tested): Paid according to marital status, number of dependents, and the level of rent. Special rules apply to people living in retirement villages. Single recipients younger than age 25 and living with their parents are not eligible.

Health care card: Provided to parenting payment recipients with partners.

Pensioner concession card: Provided to single parenting payment recipients.

Payment supplements: Paid to social security recipients depending on particular circumstances.

### Unemployment Benefits

**Youth allowance (means tested):** A\$220.40 to A\$527.50 is paid every two weeks depending on age, living arrangements, marital status, and whether the recipient has dependent children. A child is assessed as dependent according to specified criteria, including the legal relationship with the claimant; the child's age, income, and residency status; and whether the child is a full-time student or receives social security benefits.

Health care card: Provides reduced medical and prescription costs.

Pensioner concession card: Provides reduced costs for medical services, medicine, public transportation, and for certain Commonwealth, state or territory and local government services.

**Newstart allowance (means tested):** Up to A\$447.70 is paid every two weeks for each member of a couple older than age 22; A\$492.60 if single, older than age 22, and with no dependents; A\$533 if single with dependents; or A\$533 if single, older than age 60, and has the allowance for at least nine months (September 2012).

Health care card: Provides reduced medical and prescription costs.

Pensioner concession card: Provides reduced costs for medical services, medicine, and for certain Commonwealth, state or territory and local government services.

**Parenting payment:** Up to A\$447 is paid every two weeks for parents living as a couple; A\$663.70 for a single parent. Couples separated by illness, respite care, or prison can receive up to A\$533 every two weeks.

Rent assistance (means tested): Up to A\$160.44 is paid every two weeks, according to family situation and level

of rent. Special rules apply to people living in retirement villages. Single recipients younger than age 25 and living with their parents are not eligible for rent assistance (September 2012).

Remote area allowance: A\$18.20 is paid every two weeks for a single person; A\$15.60 for each member of a couple. A\$7.30 is paid every two weeks for each dependent child.

Health care card: Provides reduced medical and prescription costs.

Pensioner concession card: Provides reduced costs for medical services, medicine, and for certain Commonwealth, state or territory and local government services.

Payment supplements: Various small allowances, for example for pharmaceutical costs, are paid.

Benefit adjustment: Most benefits are adjusted in March and September according to changes in the consumer price index.

### Administrative Organization

Department of Families, Housing, Community Services, and Indigenous Affairs (<http://www.fahcsia.gov.au>) provides general supervision.

Department of Human Services (<http://www.humanservices.gov.au>) delivers social and health-related payments and services.

Department of Education, Employment, and Workplace Relations (<http://www.deewr.gov.au>) administers newstart allowance, sickness allowance, youth allowance, partner payment, and parenting payment.

### Family Allowances

#### Regulatory Framework

**First law:** 1941 (child endowment).

**Current laws:** 1991 (orphan pension), 1999 (family assistance), and 2010 (paid parental leave).

**Type of program:** Universal and social assistance system.

#### Coverage

All residents of Australia with one or more children.

#### Source of Funds

**Insured person:** None.

**Self-employed person:** None.

**Employer:** None.

**Government:** The total cost is financed from general revenue.

### Qualifying Conditions

**Family tax benefit, Parts A and B:** Paid to families with dependent children under age 21 (up to age 24 if a full-time student) for Part A; under age 16 (up to age 18 if a full-time student) for Part B. Must provide at least 35% of the dependent child's care. For Part A, the children must be fully immunized at ages 1, 2, and 5.

Part A: The maximum family tax benefit rate is paid if annual family income is A\$47,815 or less. Families receive some benefit for annual family income up to A\$101,458 with one dependent child younger than age 18 (the income ceiling is raised for each additional dependent child younger than age 18 and for each dependent aged 18 to 24).

Large family supplement: Paid for families with three or more children.

Multiple birth allowance: Paid for the birth of three or more children at one time. The allowance is paid until the children are age 16 (end of the calendar year in which they are age 18 if at least three children are full-time students).

Rent assistance: Paid to people receiving more than the family tax benefit base rate.

Part B: The family tax benefit provides extra assistance for single-income families with children. A higher rate is paid to families caring for children younger than age 5. The maximum rate is paid if the secondary earner's annual income is not greater than A\$5,037. Single parents with annual earnings above A\$150,000 are ineligible. Couples with a primary earner annual income of A\$150,000 or less receive some benefits if the secondary earner's annual income is less than A\$25,623 and the youngest child is younger than age 5 or less than A\$19,929 and the youngest child is aged 5 to 18.

**Double orphan pension:** Paid to a child younger than aged 16 (age 16 to 21 if a full-time student and not receiving the youth allowance) if both parents are deceased (or one parent is deceased and the other is in prison, a hospital or an institution on a long-term basis, or whose whereabouts are unknown) or for refugee children under certain circumstances. The pension is not income tested.

**Baby bonus:** Paid to persons with a newborn child, including adopted and stillborn babies, and babies who die shortly after birth, where conditions for the family tax benefit for the child are met (except the income test) within 26 weeks of a child's birth.

**Paid parental leave (parental leave pay):** Paid to primary caregivers of a newborn or recently adopted child, who meet work, income, and residency tests. Eligible caregivers must also meet the paid parental leave work test prior to birth or adoption.

**Maternity immunization allowance:** Paid in two equal parts for children aged 18 to 24 months and aged 4 to 5 years by June 30, 2012, who were immunized (or exempt from immunization).

**Child care benefit:** May be paid to families whose children have been immunized (or are exempt from immunization) and use an approved or registered child care provider.

**Child care rebate:** Paid to families with a child in approved child care who meet the child care benefit requirements (no income test).

**Health care card:** Provided to income support recipients and families receiving the maximum family tax benefit (Part A) or who meet an income test on average gross weekly income in the eight weeks immediately before the claim is made.

**Income test:** The income test is based on annual adjusted taxable income and maintenance (child support) income received.

### **Family Allowance Benefits**

**Family tax benefit, Part A:** The minimum and maximum rates of payment vary according to the age of the dependent child.

The minimum rate for each two-week period for a child younger than age 18 is A\$54.32.

The maximum rate for each two-week period for a child younger than age 13 is A\$169.68; A\$220.64 if aged 13 to 15; A\$54.32 if aged 16 to 17; and A\$72.80 if aged 18 to 24. (An annual supplement of A\$726.35 for each eligible child is also paid as a lump sum at the end of the financial year.)

**Large family supplement:** A\$11.76 is paid every two weeks for each child after the second.

**Multiple birth allowance:** A\$140.84 is paid every two weeks for triplets; A\$187.80 for quadruplets or more.

**Rent assistance (means tested):** Up to A\$160.44 is paid every two weeks, according to marital status and the level of rent.

**Family tax benefit, Part B:** Up to A\$144.34 is paid every two weeks for a child younger than age 5; A\$100.66 if aged 5 to 18. (An annual supplement of A\$354.05 is also paid as a lump sum at the end of the financial year.)

**Double orphan pension:** A\$57.20 is paid every two weeks.

**Baby bonus:** A\$5,000 is paid in 13 biweekly equal parts. Can be paid as a lump sum if baby died shortly after birth or was stillborn (September 2012).

**Paid parental leave (parental leave pay):** The weekly national minimum wage is paid for up to 18 weeks. During this time, parents are not eligible for the baby bonus (except in cases of multiple births) or the family tax benefit part B. For multiple births, an eligible parent can receive parental leave pay for one child, and the baby bonus for each additional child, subject to also meeting the baby bonus income test.

The weekly national minimum wage is A\$606.40.

**Maternity immunization allowance:** A\$129 is paid when the child is age 18 months and again at age 4.

**Child care benefit:** The rate of benefit depends on family income, the number of children in care, the age of the children, and the type and amount of care.

**Child care rebate:** 50% of child care expenses are paid quarterly for approved care up to A\$7,500 a year for each child.

**Health care card:** Provides reduced medical and prescription costs.

**Income test:** The income test is based on annual adjusted taxable income and child support income received.

**Benefit adjustment:** Most benefits are adjusted on July 1 each year according to changes in the consumer price index.

### **Administrative Organization**

Department of Families, Housing, Community Services, and Indigenous Affairs (<http://www.fahcsia.gov.au>) provides general supervision.

Department of Human Services (<http://www.humanservices.gov.au>) delivers social and health-related payments and services.

## Azerbaijan

Exchange rate: US\$1.00 = 0.80 new manat.

### Old Age, Disability, and Survivors

#### Regulatory Framework

**First law:** 1956.

**Current laws:** 1997 (social insurance) and 2006 (labor pensions).

**Type of program:** Social insurance, notional defined contribution (NDC), and social assistance system.

#### Coverage

**NDC:** All workers residing in Azerbaijan, including self-employed persons, members of collective farms, landowners, and foreign citizens.

**Social allowance (social assistance):** Persons not eligible for a labor (NDC and social insurance) pension.

#### Source of Funds

##### Insured person

**Social insurance and NDC:** 3% of gross earnings.

There are no minimum or maximum earnings used to calculate contributions.

The insured person's contributions also finance sickness and maternity benefits, temporary disability benefits, funeral grants, unemployment benefits, and child care benefits.

**Social allowance (social assistance):** None.

##### Self-employed person

**Social insurance and NDC:** 50% of the national monthly minimum wage if engaged in trade or construction; different rates apply for all other self-employed professions. Rates may vary by region.

The national monthly minimum wage is 93.5 new manat.

There are no minimum or maximum earnings used to calculate contributions.

The self-employed person's contributions also finance sickness and maternity benefits, temporary disability benefits, funeral grants, unemployment benefits, and child care benefits.

**Social allowance (social assistance):** None.

##### Employer

**Social insurance and NDC:** 22% of payroll.

There are no minimum or maximum earnings used to calculate contributions.

The employer's contributions also finance sickness and maternity benefits, temporary disability benefits, funeral grants, unemployment benefits, and child care benefits.

**Social allowance (social assistance):** None.

#### Government

**Social insurance and NDC:** Provides subsidies; contributes as an employer.

There are no minimum or maximum earnings used to calculate contributions.

**Social allowance (social assistance):** The total cost.

#### Qualifying Conditions

##### Old-age labor pension (social insurance and NDC):

Age 63 (men) or age 58.5 (women, rising to age 60 by 2016) with 12 years of covered employment.

Covered employment includes noncontributory periods of active military or alternative national service; periods providing care for a person with a Group I disability (see disability labor pensions), a child younger than age 18 with a disability, and persons aged 70 or older; periods receiving an unemployment allowance or professional retraining; periods receiving a Group I or II disability pension as a result of an occupational disease or a work injury; and periods receiving disability pensions from younger than age 18 until retirement age.

Early pension: Age 57 with 25 years of covered employment (men), including at least 12.6 years of work in unhealthy or arduous conditions; age 52 with 20 years of covered employment (women), including at least 10 years of work in unhealthy or arduous conditions. The retirement age is reduced by one year per child for mothers who gave birth to at least five children (raising them until age 8), with at least 10 years of covered employment.

Gradual retirement pension: Paid to pensioners who continue working after the normal retirement age.

**Old-age social allowance (social assistance):** Paid to nonworking citizens age 67 (men) or age 62 (women) who are not eligible for the old-age labor pension (NDC); age 57 for mothers who gave birth to and raised at least three children or one disabled child up to age 8.

Old-age pensions are payable abroad under bilateral agreements (citizens only).

##### Disability labor pension (social insurance and NDC):

Must have at least five years of covered employment plus four months of covered employment for each full year of work since age 15. The pension is paid according to three assessed degrees of disability: Group I (total disability, incapacity for any work, and requires constant care); Group II (disability, incapacity for any work, but does not

require constant attendance); and Group III (incapacity for usual work).

Covered employment includes noncontributory periods of active military or alternative national service; periods providing care for a person with a Group I disability, a child younger than age 18 with a disability, and persons aged 70 or older; periods receiving unemployment allowance or professional retraining; periods receiving a Group I or II disability pension as a result of an occupational disease or a work injury; and periods receiving disability pensions from younger than age 18 until retirement age.

A medical commission assesses and periodically reviews the degree of disability until certification of a permanent disability.

**Dependent's supplement:** A supplement is paid for a dependent younger than age 18 with disabilities and for each dependent of persons with a Group I or II disability who is incapable of any work.

**Care supplement:** A supplement is paid for a Group I disability and for persons younger than age 18 with disabilities.

**Disability social allowance (social assistance):** Paid to persons who are not eligible for a disability labor pension with a Group I, Group II, or Group III disability; and children younger than age 18 with disabilities.

Disability pensions are payable abroad under bilateral agreement (citizens only).

**Survivor labor pension (social insurance and NDC):** The deceased had at least five years of covered employment plus four months of covered employment for each full year of work since age 15.

Eligible survivors include a retired spouse or a spouse with a Group I or II disability, a nonworking spouse caring for a child of the deceased younger than age 18 (age 23 if a full-time student, no limit if disabled before age 18).

Other eligible survivors include dependent parents who are retired or have a Group I or II disability and a parent, grandparent, or sibling who does not work but cares for one or more of the deceased's children, siblings, or grandchildren younger than age 8.

**Funeral grant (social insurance):** Paid when an old-age or disability labor pensioner dies.

**Survivors social allowance (social assistance):** Paid to a dependent survivor if the deceased was not eligible for an old-age or disability labor pension.

Survivor pensions are payable abroad under bilateral agreement (citizens only).

### Old-Age Benefits

**Old-age labor pension (social insurance and NDC):** The benefit has two components: a basic flat-rate benefit and an insurance benefit.

The basic monthly flat-rate benefit is 85 new manat.

The insurance component has two parts: a benefit based on the number of years of employment prior to January 1, 2006, and a benefit based on the value of contributions since January 1, 2006.

**Early pension:** The early pension is calculated in the same way as the old-age labor pension.

**Gradual retirement pension:** 100% of the old-age labor pension is paid; the pension is recalculated after full retirement.

**Special supplements:** 5% of the flat-rate benefit is paid for every dependent who is incapable of work to unemployed persons with a Group I or II disability, persons younger than age 18 with disabilities, and qualified unemployed military personnel; 10% to persons with a Group I disability, persons younger than age 18 with disabilities, rehabilitated victims of political repression, and most war veterans; 100% to most veterans (if eligible for the old-age labor pension) with a Group I disability; 70% (Group II), or 50% (Group III), plus an additional 40% to veterans of the Great Patriotic War; and 120 manat to 200 manat to nonworking academics with 25 years of experience.

**Benefit adjustment:** The basic flat-rate benefit is adjusted on an ad hoc basis, according to changes in the consumer price index. The insurance benefit is adjusted annually according to the inflation rate in the previous year.

**Old-age social allowance (social assistance):** 55 new manat a month is paid.

**Benefit adjustment:** The old-age social allowance is adjusted annually according to changes in the consumer price index.

### Permanent Disability Benefits

**Disability labor pension (social insurance and NDC):** 120% of the basic flat-rate benefit is paid for a Group I disability and for persons younger than age 18 with disabilities; 200% for a Group I visual impairment; 100% for a Group II disability; and 55% for a Group III disability.

The basic monthly flat-rate benefit is 85 new manat.

**Dependent's supplement:** 5% of the basic flat-rate benefit is paid for each dependent.

The basic monthly flat-rate benefit is 85 new manat.

**Care supplement:** 10% of the basic flat-rate benefit is paid.

The basic monthly flat-rate benefit is 85 new manat.

**Disability social allowance (social assistance):** 60.5 new manat a month is paid for a Group I disability and for persons younger than age 18 with disabilities; 44 new manat a month for Group II disability; and 38.5 new manat a month for a Group III disability.

Persons whose illnesses are the result of radiation accidents receive an annual lump-sum benefit of 176 new manat for medical treatment.

**Benefit adjustment:** The disability social allowance is adjusted annually according to changes in the consumer price index.

## Survivor Benefits

### Survivor labor pension (social insurance and NDC)

*Spouse's pension:* 100% of the basic flat-rate benefit is paid if the spouse is the only eligible family member.

The basic monthly flat-rate benefit is 85 new manat.

*Survivor's supplement:* 100% of the basic flat-rate benefit is paid to the spouse and children of deceased National Heroes of Azerbaijan; 85% to the spouse and children of citizens who died for the country's independence.

The basic monthly flat-rate benefit is 85 new manat.

*Orphan's pension:* 100% of the basic flat-rate benefit is paid for each full orphan, each child of a deceased unwed mother, or the deceased's only child.

The basic monthly flat-rate benefit is 85 new manat.

*Other eligible survivors:* 100% of the basic flat-rate benefit is paid when there is only one eligible survivor; 50% each for two or more eligible survivors.

The basic monthly flat-rate benefit is 85 new manat.

*Funeral grant:* Three times the basic flat-rate benefit is paid.

The basic monthly flat-rate benefit is 85 new manat.

**Benefit adjustment:** Benefits are adjusted on an ad hoc basis, according to changes in the consumer price index.

### Survivor's social allowance (social assistance):

49.5 new manat a month is paid.

**Benefit adjustment:** The survivor's social allowance is adjusted annually according to changes in the consumer price index.

## Administrative Organization

State Social Protection Fund (<http://www.sspf.gov.az>) is responsible for the social insurance and NDC program.

Regional and local branches of the State Social Protection Fund administer the social insurance and NDC program.

Ministry of Labor and Social Protection of the Population (<http://www.mlsp.gov.az>) is responsible for the social assistance program.

## Sickness and Maternity

### Regulatory Framework

**First law:** 1912.

**Current laws:** 1997 (social insurance) and 1999 (health insurance).

**Type of program:** Social insurance (cash benefits) and universal (medical benefits) systems.

## Coverage

**Cash benefits:** All workers residing in Azerbaijan, including self-employed persons, members of collective farms, landowners, and foreign citizens.

**Medical benefits:** All permanent residents of Azerbaijan.

## Source of Funds

### Insured person

*Cash sickness and maternity benefits:* See source of funds under Old Age, Disability, and Survivors.

*Medical benefits:* None.

### Self-employed person

*Cash sickness and maternity benefits:* See source of funds under Old Age, Disability, and Survivors.

*Medical benefits:* None.

### Employer

*Cash sickness and maternity benefits:* See source of funds under Old Age, Disability, and Survivors.

*Medical benefits:* None.

### Government

*Cash sickness and maternity benefits:* None; contributes as an employer.

*Medical benefits:* The total cost.

## Qualifying Conditions

**Cash sickness and maternity benefits:** Must be in covered employment with at least six months of contributions.

**Medical benefits:** Must be a resident of Azerbaijan.

## Sickness and Maternity Benefits

**Sickness benefit:** 100% of average earnings in the last 12 months is paid for an employee with at least eight years of employment; 80% with five to seven years; 60% with less than five years.

100% of the last month of earnings is paid for certain groups, including persons wounded in certain conflicts; for the parents, wives, and children of soldiers killed in combat; and for Chernobyl disaster workers.

The benefit is paid from the 15th day of incapacity until recovery or certification of permanent incapacity for work. (The employer pays benefits for the first 14 days.)

**Maternity benefit:** 100% of gross average monthly earnings is paid for 126 days (70 days before and 56 days after the expected date of childbirth).

A birth grant and child care benefits are provided under Family Allowances.

**Maternity leave:** For insured women in the agricultural sector, leave is provided for 70 days before and 70 days after (86 days after for a childbirth with complications; 110 days after for multiple births) the expected date of childbirth. For other women, leave is provided for 70 days before and 56 days after (70 days after for multiple births or for a childbirth with complications) the expected date of childbirth.

### **Workers' Medical Benefits**

**Medical benefits:** Compulsory employer-provided medical insurance covers medical services through public and private facilities under contract with the health insurance agencies.

Free medical benefits include wheelchairs; vaccinations; home nursing care (persons with a Group I disability); dental prostheses and medicine (persons with Group I and Group II disabilities and persons with long employment records); prostheses, eyeglasses, and hearing aids (persons with disabilities and persons with long employment records); and general dental care (children up to age 16 and vulnerable groups, including persons with disabilities). Transportation expenses for persons with disabilities and authorized medical treatment abroad may be covered.

### **Dependents' Medical Benefits**

Medical benefits are provided to all persons residing permanently in Azerbaijan.

### **Administrative Organization**

State Social Protection Fund (<http://www.sspf.gov.az>) administers the cash benefits schemes.

Ministry of Health (<http://www.mednet.az>) administers the medical benefits program.

## **Work Injury**

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### **Regulatory Framework**

**First law:** 1956.

**Current laws:** 1999 (labor code) and 2010 (accident insurance).

**Type of program:** Employer-liability system, involving mandatory insurance with a private carrier.

### **Coverage**

**Cash benefits:** All employees.

Voluntary coverage for self-employed persons.

**Medical benefits:** All permanent residents of Azerbaijan.

### **Source of Funds**

**Insured person:** None.

**Self-employed person:** The total cost; contribution rates vary according to industry risk.

**Employer:** The total cost; contribution rates vary according to industry risk.

**Government:** The total cost of the funeral grant.

### **Qualifying Conditions**

**Work injury benefits:** There is no minimum qualifying period.

### **Temporary Disability Benefits**

A percentage of the insured's average monthly wage is paid according to the assessed degree of disability. The benefit is paid from the day the disability is assessed until the insured fully recovers.

Benefits are paid monthly.

A medical commission assesses and periodically reviews the degree of disability.

### **Permanent Disability Benefits**

**Permanent disability benefit:** If the insured is assessed with a total (100%) disability, a lump sum is paid.

**Benefit adjustment:** Benefits are adjusted according to changes in the assessed industry risk and payroll at the insured's place of work after the disability began.

### **Workers' Medical Benefits**

Compulsory employer-provided medical insurance covers medical services through public and private facilities.

Benefits include general and specialist care, hospitalization, supplemental nutrition, laboratory services, transportation, and the full cost of appliances and medicine. Rehabilitation and vocational training are also covered.

### **Survivor Benefits**

**Survivor benefits:** A lump sum is paid to eligible survivors.

**Funeral grant:** 110 new manat is paid when an insured person dies.

**Death grant:** A lump sum of at least three times the deceased's average monthly wage in the last 12 months before death is paid.

### **Administrative Organization**

**Cash benefits (work injury):** Ministry of Labor and Social Protection of the Population (<http://www.sspf.gov.az>) provides general supervision.

Ministry of Finance regulates the activities of insurance companies.

Insurance companies administer work injury cash benefits.

**Medical benefits (work injury):** Ministry of Health (<http://www.mednet.az>) and health departments of local governments provide general supervision and coordination. Insurance companies administer work injury medical benefits.

## Unemployment

### Regulatory Framework

**First law:** 1991.

**Current laws:** 1999 (labor code) and 2001 (employment law).

**Type of program:** Social insurance system.

### Coverage

All residents of Azerbaijan.

### Source of Funds

**Insured person:** See source of funds under Old Age, Disability, and Survivors.

**Self-employed person:** See source of funds under Old Age, Disability, and Survivors.

**Employer:** See source of funds under Old Age, Disability, and Survivors.

**Government:** Subsidies as required from national and local governments.

### Qualifying Conditions

**Unemployment benefit:** Must have at least 26 weeks of covered employment in the 12 months before unemployment. The insured must be aged 15 up to the normal retirement age, registered with the state employment services, and actively seeking and willing to work.

The benefit is suspended for three months for refusing two acceptable job offers or for failing to register each month at the employment service without a valid reason. The benefit ceases for filing false or fraudulent claims or for refusing to attend vocational training.

### Unemployment Benefits

70% of average gross monthly earnings in the 12 months before unemployment is paid for up to 26 weeks in any 12-month period. The benefit must not exceed the national average monthly wage.

The national average monthly wage is 382.60 new manat (May 2012).

### Administrative Organization

Ministry of Labor and Social Protection of the Population (<http://www.mlsp.gov.az>) provides general oversight.

State Employment Service, under the Ministry of Labor and Social Protection of the Population, administers the program through local offices, pays benefits, and provides services for unemployed persons (including training).

## Family Allowances

### Regulatory Framework

**First law:** 1944.

**Current laws:** 1992 (pension insurance), implemented in 1993, and 2005 (targeted social assistance).

**Type of program:** Social insurance (child care benefit) and social assistance (targeted social assistance and child benefit) system.

### Coverage

**Social insurance benefits:** Insured persons with at least one child.

**Social assistance benefits:** Low-income families.

### Source of Funds

**Insured person:** See source of funds for social insurance under Old Age, Disability, and Survivors.

**Self-employed person:** See source of funds for social insurance under Old Age, Disability, and Survivors.

**Employer:** See source of funds for social insurance under Old Age, Disability, and Survivors.

**Government:** The total cost of social assistance and the child allowance.

### Qualifying Conditions

**Social assistance (income tested):** Paid to families with average monthly per capita income up to 84 new manat.

**Child care benefit:** Paid for children up to age 3.

**Child allowance (income tested):** Paid to families with a child younger than age 1 and average monthly per capita income up to 84 new manat.

**Birth and adoption grants:** Paid to the mother (or other recognized caregiver).

**Full orphan's special allowance:** Paid to a guardian for a full orphan.

### Family Allowance Benefits

**Social assistance (income tested):** The benefit raises the family's average monthly per capita income to 84 new manat a month.

**Child care benefit:** 20 new manat a month is paid until the child is age 18 months; 10 new manat a month until the child is age 3.

**Child allowance (income tested):** 33 new manat a month is paid (55 new manat a month for a child whose parent is in active military service).

**Birth and adoption grants:** A lump sum of 82.5 new manat is paid.

**Full orphan's special allowance:** 38.5 new manat a month is paid.

Benefit adjustment: Benefits are adjusted according to changes in the consumer price index.

### ***Administrative Organization***

Ministry of Labor and Social Protection of the Population (<http://www.mlsp.gov.az>) provides general oversight.

Local branches of the Ministry of Labor and Social Protection of the Population administer and pay benefits to unemployed parents.

State Social Protection Fund (<http://www.sspf.gov.az>), through its departments and regional branches, collects and manages contributions.

## Bahrain

Exchange rate: US\$1.00 = 0.38 dinars.

### Old Age, Disability, and Survivors

#### Regulatory Framework

**First and current law:** 1976 (social insurance).

**Type of program:** Social insurance system.

#### Coverage

Employed Bahraini citizens working in establishments with at least one employee or in one of the Gulf Cooperation Council countries (Kuwait, Oman, Qatar, Saudi Arabia, United Arab Emirates).

Voluntary coverage for persons with five or more years of previous compulsory social security coverage, self-employed persons, and other Bahraini citizens working abroad.

Exclusions: Household workers, certain groups of agricultural employees, casual workers, temporary noncitizen workers, and other groups specified by law.

Special system for public-sector employees.

#### Source of Funds

**Insured person:** 6% of total monthly earnings; 15% of declared monthly income for the voluntarily insured.

The maximum monthly earnings used to calculate contributions are 4,000 dinars.

**Self-employed person:** 15% of monthly income.

The monthly income used to calculate contributions is 200 dinars to 1,000 dinars (determined by the self-employed person when joining the system); may be increased or decreased annually by up to 5% but must be 200 dinars to 1,500 dinars.

**Employer:** 9% of the employee's monthly earnings.

The maximum monthly earnings used to calculate contributions are 4,000 dinars.

**Government:** None.

#### Qualifying Conditions

**Old-age pension:** Age 60 (men) or age 55 (women) with at least 10 years of coverage.

Early pension: At any age with at least 20 years of coverage (men) or 15 years of coverage (women).

Retirement from usual employment is necessary. Pensioners may work in a new job as long as the combined income

(pension plus employment) does not exceed the amount earned in the last job before retirement.

Compensation for prolonged service: Paid if the insured had more than 40 years of contributions.

**Old-age settlement:** Age 60 (men) or age 55 (women) and does not meet the contribution conditions for the old-age pension.

**Disability pension:** The insured was younger than age 60 (men) or age 55 (women) when the disability began and had at least six consecutive months of contributions immediately before the disability began or 12 nonconsecutive months of contributions with three months immediately before the disability began. The pension is also paid if the disability began within one year after ceasing contributions.

**Disability settlement:** Paid if the insured is ineligible for a disability pension.

**Survivor pension:** The insured was a pensioner at the time of death or had at least six consecutive months of contributions immediately before death or 12 nonconsecutive months of contributions with three months immediately before death. The pension is also paid if the insured dies within one year after ceasing contributions, regardless of age.

Eligible survivors include a widow, a widower with a disability, orphans, and the deceased's dependent parents, brothers, and sisters.

Entitlement to a survivor pension for widows, daughters, or sisters ceases on marriage but may be reinstated if the survivor subsequently divorces or is widowed.

Marriage grant: A lump sum is paid to each woman receiving a survivor pension who marries. The grant is paid to each survivor only once.

If a widow remarries or dies after the death of her insured or pensioner spouse, or if any of the survivors' pensions cease for any reason, the pension is redistributed to the remaining eligible survivors according to a schedule in law.

A son's pension ceases at age 22 (age 26 if a full-time student, no limit if disabled) or if personal earnings are at least equal to the pension. A daughter's pension ceases if personal earnings are at least equal to the pension.

Compensation for prolonged service: Paid if the deceased had more than 40 years of contributions.

**Survivor settlement:** Paid to survivors if the deceased was ineligible for a pension.

Eligible survivors include a widow, a widower with a disability, orphans, and the deceased's dependent parents, brothers, and sisters.

**Death grant:** Paid to eligible survivors according to a schedule in law when the insured or pensioner dies.

**Funeral grant:** Paid to a widow, the deceased's eldest son, or the person who paid for the funeral.

## Old-Age Benefits

**Old-age pension:** 2% of the insured's average monthly earnings in the last two years multiplied by the number of years of contributions is paid.

The maximum contribution period used to calculate the pension is 40 years (up to five years of credited contributions may be used to calculate the pension if the insured's total contribution period does not exceed 30 years).

The minimum pension is the insured's average contributory wage during the last two years or 200 dinars a month, whichever is less. The minimum pension for every family member (including the pensioner) must be at least 35 dinars a month; the combined total may not exceed the insured's average contributory wage over the last two years.

The contributory wage is the insured's total monthly wage received in January of each year.

The maximum pension is 80% of the insured's average earnings plus an additional 10% of the pension. Instead of an additional 10%, the pensioner may choose a lump sum of 3% of the average monthly earnings in the last two years multiplied by 12 times the number of years of coverage.

**Early pension:** The pension is reduced by 20% if the insured retires before age 45, by 15% if aged 45 to 49, or by 10% if aged 50 to 54.

**Compensation for prolonged service:** A lump sum of 11% of the insured's average earnings in the last two years is paid for each contribution year exceeding 40 years.

**Old-age settlement:** A lump sum of 15% of the insured's average monthly earnings in the last two years multiplied by 12 times the number of years of contributions plus 5% interest from the date contributions cease until the date the settlement is paid.

**Benefit adjustment:** Benefits are increased by 3% every January.

## Permanent Disability Benefits

**Disability pension:** The pension is 44% of the insured's average monthly earnings in the last year of contributions before the disability began or 2% of the insured's average earnings during the last year of contributions multiplied by the number of years of contributions, whichever is higher.

The minimum pension is 44% of the insured's average monthly earnings in the last year of contributions or 200 dinars, whichever is higher.

The maximum pension is 80% of the insured's average earnings plus an additional 10% of the pension. Instead of an additional 10%, the pensioner may choose a lump sum of 3% of the monthly average earnings in the last two years multiplied by 12 times the number of years of coverage.

**Disability settlement:** A lump sum of 15% of the insured's average monthly earnings in the last two years multiplied by 12 times the number of years of contributions plus 5%

interest from the date the insured ceased employment due to disability until the date the settlement is paid.

Benefits are payable abroad in limited circumstances.

**Benefit adjustment:** Benefits are increased by 3% every January.

## Survivor Benefits

**Survivor pension:** 37.5% of the deceased's pension is paid to a widow(er); 62.5% if there is no eligible orphan; 75% if there are no other eligible survivors.

**Orphan's pension:** 50% of the deceased's pension is split equally among the insured's eligible children; 62.5% if there are no other eligible survivors except a widow.

If there are no other eligible survivors, 100% of the deceased's pension is paid to a full orphan; 87.5% if there is no widow but there are other eligible survivors.

**Other eligible survivors:** 12.5% of the deceased's pension is split equally among dependent parents, brothers, and sisters; 37.5% if there is no eligible orphan; 62.5% if there are no other eligible survivors.

The minimum pension is 44% of the deceased's average earnings in the last year of contributions or 200 dinars a month, whichever is higher. The minimum pension for every surviving family member must be at least 35 dinars a month. The combined total may be more than 44% of the deceased's average earnings or 200 dinars and less than the insured's average contributory wage during the last year.

The contributory wage is the insured's total monthly wage received in January of each year.

The maximum pension is 80% of the deceased's average earnings plus an additional 10% of the pension. Instead of an additional 10%, the pensioner may choose a lump sum of 3% of the monthly average earnings in the last two years multiplied by 12 times the number of years of coverage.

**Marriage grant:** A lump sum of 15 times the monthly pension is paid.

**Compensation for prolonged service:** A lump sum of 11% of average earnings in the last two years is paid for each contribution year exceeding 40 years.

**Survivor settlement:** A lump sum of 15% of the deceased's monthly average earnings in the last two years multiplied by 12 times the number of years of contributions plus 5% interest from the date of death until the date the settlement is paid.

**Death grant:** Six months of the deceased's earnings (if the deceased was employed at the time of death) or pension (if the deceased was retired) is paid.

**Funeral grant:** 300 dinars for funeral expenses; 400 dinars if the insured died abroad, regardless of the place of burial. Benefits are payable abroad in limited circumstances.

Benefit adjustment: Benefits are increased by 3% every January.

### **Administrative Organization**

Ministry of Finance (<http://www.mof.gov.bh>) provides general supervision.

Social Insurance Organization (<http://www.sio.bh>), managed by a board of directors, administers the program.

### **Work Injury**

#### **Regulatory Framework**

**First and current law:** 1976 (social insurance).

**Type of program:** Social insurance system.

#### **Coverage**

Employed persons in establishments with one or more employees.

Exclusions: Household workers, casual employees, family labor, self-employed persons, and agricultural workers.

Special system for public-sector employees.

#### **Source of Funds**

**Insured person:** None.

**Self-employed person:** Not applicable.

**Employer:** 3% of the employee's monthly earnings.

The maximum monthly earnings used to calculate contributions are 4,000 dinars.

**Government:** None.

#### **Qualifying Conditions**

**Work injury benefits:** There is no minimum qualifying period.

#### **Temporary Disability Benefits**

100% of the insured's contributory daily wage is paid from the day after the injury until recovery or certification of permanent disability. (The employer pays the wage for the day of the injury.)

The contributory wage is the insured's total monthly wage received in January of each year.

A medical committee assesses the degree of disability. The Social Insurance Organization may request periodic medical examinations during the first four years of disability. The insured may also request medical reexamination during this period.

#### **Permanent Disability Benefits**

**Permanent disability pension:** For an assessed degree of disability of 100%, 80% of the insured's last monthly

earnings is paid. A supplement of 15% of the pension is paid if the pension is less than 50 dinars a month; 10% if the pension is 50 dinars or more.

The minimum pension is 200 dinars a month or 88% of the insured's contributory wage, whichever is higher. The contributory wage is the insured's monthly wage received in January of each year. The minimum pension for every family member (including the insured) must be at least 35 dinars a month; the combined total may not exceed the insured's last contributory wage.

Benefit adjustment: Benefits are increased by 3% every January.

**Partial disability:** A percentage of the full pension is paid according to the assessed degree of disability. For a loss of working capacity of less than 30%, a lump sum of 36 times the monthly permanent disability pension multiplied by the assessed percentage of disability is paid.

A medical committee assesses the degree of disability. The Social Insurance Organization may request periodic medical examinations during the first four years of disability. The insured may also request medical reexamination during this period.

#### **Survivor Benefits**

**Survivor pension:** 80% of the deceased's last monthly earnings is paid. A supplement of 15% of the pension is paid if the pension is less than 50 dinars a month; 10% if the pension is 50 dinars or more.

Eligible survivors include a widow, a widower with a disability, orphans, and the deceased's dependent parents, brothers, and sisters.

**Widow(er)'s pension:** 37.5% of the deceased's pension is paid; 62.5% if there is no eligible orphan; 75% if there are no other eligible survivors.

If a widow remarries or dies after the death of her insured or pensioner spouse, her share is redistributed to the remaining eligible survivors according to a schedule in law. If she remarries and is subsequently divorced or widowed, the pension may be reinstated.

**Orphan's pension:** 50% of the deceased's pension is split equally among the insured's children (a son must be younger than age 22; younger than age 26 if a full-time student); 62.5% if there are no other eligible survivors except a widow.

A daughter's pension ceases on marriage (or if personal earnings are at least equal to the pension) but is reinstated if she is subsequently divorced or widowed.

If there is no other eligible survivor, 100% of the deceased's pension is paid to each eligible full orphan; 87.5% if there is no widow but there are other eligible survivors (below).

**Other eligible survivors:** 12.5% of the deceased's pension is split equally among dependent parents, brothers, and

sisters; 37.5% if there is no eligible orphan but there is a widow; and 62.5% if there are no other eligible survivors.

The minimum pension is 200 dinars a month or 88% of the deceased's last contributory wage, whichever is higher. The contributory wage is the deceased's monthly wage received in January of each year. The minimum pension for every family member must be at least 35 dinars a month; the combined total may not exceed the deceased's last contributory wage.

**Benefit adjustment:** Benefits are increased by 3% every January.

**Marriage grant:** A lump sum of 15 times the monthly pension is paid to each woman receiving a survivor pension who marries. The grant is paid to each survivor only once.

**Death grant:** Six months of earnings (if the deceased was employed at the time of death) or pension (if the deceased was retired) is paid.

**Funeral grant:** 300 dinars is paid to the person who pays for the funeral; 400 dinars if the insured died abroad and regardless of the place of burial.

Benefits are payable abroad in limited circumstances.

**Benefit adjustment:** Benefits are increased by 3% every January.

### Administrative Organization

Ministry of Finance (<http://www.mof.gov.bh>) provides general supervision.

Social Insurance Organization (<http://www.sio.bh>), managed by a board of directors, administers the program.

## Unemployment

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### Regulatory Framework

**First and current law:** 2006 (unemployment insurance).

**Type of program:** Social insurance system.

### Coverage

Civil servants (regardless of nationality), private-sector employees (regardless of nationality), and first-time job seekers (Bahraini citizens only).

**Exclusions:** Self-employed persons.

### Source of Funds

**Insured person:** 1% of total monthly salary.

The maximum monthly earnings used to calculate contributions for private-sector employees are 4,000 dinars.

**Self-employed:** Not applicable.

**Employer:** 1% of the employee's total monthly salary.

The Labor Fund pays employer contributions for private-sector employees.

The maximum monthly earnings used to calculate contributions for private-sector employees are 4,000 dinars.

**Government:** 1% of the employee's total monthly salary.

The maximum monthly earnings used to calculate contributions for private-sector employees are 4,000 dinars.

### Qualifying Conditions

**Unemployment benefit:** Must be younger than the retirement age and a legal resident of Bahrain. Must have at least 12 consecutive months of employment for the first benefit claim; 12 months of employment during the last 18 months for the second benefit claim; 18 months during the last 24 months for the third benefit claim; and 36 months during the last 48 months for any subsequent claim. Must be registered at an employment office and be capable of and available for work. Unemployment must not be due to voluntary leaving, misconduct, or the refusal of a suitable job offer.

**Unemployment aid:** Paid to first-time job seekers or insured persons who do not qualify for the unemployment benefit. Must be aged 17 to retirement age. Must not be engaged in gainful activity or own a business, and must be capable of and available for work.

### Unemployment Benefits

**Unemployment Benefit:** 60% of average earnings in the last 12 months is paid for up to six months.

The minimum unemployment benefit is 150 dinars.

The maximum unemployment benefit is 500 dinars.

**Unemployment aid:** 150 dinars (persons with academic qualifications) or 120 dinars (other unemployed persons) is paid for up to six months.

### Administrative Organization

Ministry of Labour registers unemployed persons, makes decisions on benefit entitlement, and provides training.

Social Insurance Organization (<http://www.sio.bh>), managed by a board of directors, administers the program.

## Bangladesh

Exchange rate: US\$1.00 = 81 taka.

### Old Age, Disability, and Survivors

#### Regulatory Framework

**First and current law:** 1998 (old age).

**Type of program:** Social assistance system (old age only).

#### Coverage

Low-income citizens residing in Bangladesh.

Special system for public-sector employees.

#### Source of Funds

**Insured person:** None.

**Self-employed person:** None.

**Employer:** None.

**Government:** The total cost.

#### Qualifying Conditions

**Old-age pension:** Age 65 (men) or age 62 (women) with average annual income up to 3,000 taka. Only one member from each family can receive the pension.

**Disability pension:** No benefits are provided.

**Survivor pension:** No benefits are provided.

#### Old-Age Benefits

**Old-age pension:** 300 taka a month is paid. The pension is paid quarterly.

#### Permanent Disability Benefits

**Disability pension:** No benefits are provided.

#### Survivor Benefits

**Survivor pension:** No benefits are provided.

#### Administrative Organization

Ministry of Social Welfare (<http://www.msw.gov.bd>) administers the program.

Local branches of government-run banks pay old-age pensions.

### Sickness and Maternity

#### Regulatory Framework

**First law:** 1939.

**Current law:** 2006 (labor law).

**Type of program:** Social insurance system.

#### Coverage

**Cash sickness benefits:** Employees in manufacturing and in firms with five or more workers.

Exclusions: Household workers, family laborers, self-employed persons, and informal-sector workers.

**Cash maternity benefits:** Employed women.

**Medical benefits:** All employed persons.

#### Source of Funds

**Insured person:** None.

**Self-employed person:** Not applicable.

**Employer:** The total cost.

**Government:** Funds government hospitals.

#### Qualifying Conditions

**Cash sickness benefits:** Must be in insured employment.

**Cash maternity benefits:** Must have at least six months of employment with the same employer on the expected date of childbirth.

#### Sickness and Maternity Benefits

**Sickness benefit:** 100% of earnings is paid for up to 14 days a year.

**Maternity benefit:** A cash benefit, depending on the level of the insured's earnings, is paid for eight weeks before and eight weeks after childbirth for up to two live births. Unpaid leave is provided for the third and subsequent births.

#### Workers' Medical Benefits

On-site medical facilities are provided for employees of firms with at least 300 workers. A medical allowance of 100 taka a month is paid to workers whose employer does not provide medical facilities.

#### Administrative Organization

Ministry of Labor and Employment (<http://www.mole.gov.bd>) administers the program.

Public Health Service administers public health services.

## **Work Injury**

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### **Regulatory Framework**

**First law:** 1923.

**Current law:** 2006 (labor law).

**Type of program:** Employer-liability system.

### **Coverage**

Employees of railways, docks, estates, and factories with five or more workers.

Exclusions: Household workers, family laborers, self-employed persons, and informal-sector workers.

### **Source of Funds**

**Insured person:** None.

**Self-employed person:** Not applicable.

**Employer:** The total cost.

**Government:** None.

### **Qualifying Conditions**

**Work injury benefits:** There is no minimum qualifying period for permanent disability benefits. Must have at least three years of continuous service for the survivor benefit.

### **Temporary Disability Benefits**

100% of the insured's earnings is paid for the first two months, 66.7% of earnings for the next two months, and 50% of earnings for subsequent months of disability or for up to a year, whichever is shorter. The disability must last at least three days.

## **Permanent Disability Benefits**

**Permanent disability benefit:** Up to 125,000 taka is paid.

**Partial disability:** A percentage of the full pension is paid according to the assessed loss of earning capacity.

### **Survivor Benefits**

**Survivor benefit:** 30 days of the insured's wages for every year of service or a lump sum of up to 125,000 taka, whichever is greater, is paid to surviving dependents in proportions determined by a labor court.

### **Administrative Organization**

Ministry of Labor and Employment (<http://www.mole.gov.bd>) administers the program.

Commissioner of Workmen's Compensation provides supervision.

## **Unemployment**

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### **Regulatory Framework**

No statutory unemployment benefits are provided.

The 2006 labor law requires employers to provide a termination benefit, a retrenchment and layoff benefit, and a benefit for discharge from service for ill health to workers in commerce and industry.

Permanent employees with monthly salaries receive half of the average basic wage for 120 days (plus a lump sum of one month of salary for each year of service); casual workers for 60 days (plus a lump sum of 14 days of wages for each year of service); and temporary workers for 30 days.

## Brunei

US\$1.00 = 1.26 Brunei dollars (B\$).

### Old Age, Disability, and Survivors

#### Regulatory Framework

**First and current laws:** 1955 (old-age and disability pensions), with 1984 (universal pension) amendment; 1992 (employees' trust fund); and 2009 (supplemental contributory pensions fund), implemented in 2010.

**Type of program:** Provident fund, supplementary individual account scheme, and universal old-age and disability pension system.

#### Coverage

**Provident fund:** Public- and private-sector employees who are citizens or permanent residents of Brunei.

Exclusions: Self-employed persons.

Special systems for armed forces personnel, police force personnel, and prison wardens.

**Supplementary pension:** Public- and private-sector employees who are citizens or permanent residents of Brunei.

Voluntary coverage for self-employed persons.

Exclusions: Employees covered under the public service pension scheme.

**Universal old-age and disability pension:** All residents of Brunei.

#### Source of Funds

##### Insured person

**Provident fund:** 5% of monthly earnings. Additional voluntary contributions are permitted.

There are no maximum earnings used to calculate contributions.

**Supplementary pension:** 3.5% of monthly earnings (3% for old age and 0.5% for survivor). The minimum contribution is B\$17.50. Additional voluntary contributions are permitted.

There are no minimum earnings used to calculate contributions.

The maximum earnings used to calculate contributions are B\$2,800 a month.

**Universal old-age and disability pension:** None.

##### Self-employed person

**Provident fund:** Not applicable.

**Supplementary pension:** B\$17.50 a month.

**Universal old-age and disability pension:** None.

#### Employer

**Provident fund:** 5% of monthly payroll. Additional voluntary contributions are permitted.

There are no minimum or maximum earnings used to calculate contributions.

**Supplementary pension:** 3.5% of monthly payroll. The minimum contribution is B\$17.50.

The maximum earnings used to calculate contributions is B\$2,800 a month.

**Universal old-age pension:** None.

#### Government

**Provident fund:** None.

**Supplementary pension:** Any deficit; supplements the employee contribution for employees earning less than B\$500 a month; B\$17.50 a month for self-employed persons.

The government pays B\$30 for each month the insured was a provident fund member before January 1, 2010, regardless of the insured's salary. If the insured was younger than age 25 when he or she joined the provident fund, the contribution is calculated from age 25.

**Universal old-age and disability pension:** The total cost.

#### Qualifying Conditions

##### Old-age benefit

**Provident fund:** Age 55.

Early withdrawal: Age 50.

**Drawdown payment:** Fund members with at least B\$40,000 in their individual account or who have been provident fund members for at least 10 years may withdraw up to 45% of accumulated assets from their account to build or purchase a house for personal residence.

A lump sum is paid to members of any age if permanently emigrating.

**Supplementary pension:** Age 60 with at least 35 years of continuous contributions.

Insured persons who do not meet the contribution requirements at retirement age may receive a lump-sum benefit.

(The government pays retroactive contributions for those who joined the provident fund scheme before January 1, 2010.)

The pension may not be drawn down before retirement.

*Universal old-age pension:* Age 60 with at least 10 years of residence immediately before claiming the pension if born in Brunei; at least 30 years if born outside of Brunei.

### Disability benefit

*Provident fund:* The fund member must be unable to work as the result of a physical or mental disability.

A medical board assesses the degree of disability.

*Universal disability pension:* The insured must be unable to work, have resided in Brunei in the 10 years immediately before the disability began, and receive suitable medical treatment and rehabilitation.

**Survivor benefit (provident fund):** Paid to the next of kin or named survivors.

**Survivor pension (supplementary pension):** Paid to a widow and children younger than age 21 if the insured had continuous contributions until death.

The widow's portion of the survivor pension ceases on remarriage and is paid to eligible orphans.

### Old-Age Benefits

#### Old-age benefit

*Old-age benefit (provident fund):* A lump sum of total employee and employer contributions plus interest is paid.

*Early withdrawal:* Fund members may draw down up to 25% of accumulated assets at age 50.

*Housing withdrawal:* The fund member may draw down up to 45% of accumulated assets only once before age 55.

*Interest rate adjustment:* Set by the board annually according to the financial health of the fund, interest rates on savings accounts, and inflation rates.

*Supplementary pension:* At least B\$150 a month is paid for up to 20 years.

If the insured does not meet the supplementary pension contribution requirements at retirement age, the supplementary scheme account balance is paid as a lump sum.

*Universal old-age pension:* B\$250 a month is paid.

*Benefit adjustment:* The pension is adjusted on an ad hoc basis.

### Permanent Disability Benefits

#### Disability benefit

*Disability benefit (provident fund):* A lump sum of total employee and employer contributions plus interest is paid.

*Interest rate adjustment:* Set by the board annually according to the financial health of the fund, interest rates on savings accounts, and inflation rates.

*Universal disability pension:* B\$250 a month is paid.

*Benefit adjustment:* The pension is adjusted on an ad hoc basis.

### Survivor Benefits

**Survivor benefit (provident fund):** A lump sum of total employee and employer contributions plus interest is paid.

*Interest rate adjustment:* Set by the board annually according to the financial health of the fund, interest rates on savings accounts, and inflation rates.

**Survivor benefit (supplementary pension):** If the deceased died before the normal retirement age, eligible survivors share a total of up to B\$400 a month for 15 years from the date of death.

If the deceased was aged 60 to 75, eligible survivors share a monthly amount based on the supplementary scheme account balance until the deceased would have been aged 75.

If the deceased was older than age 75, a lump sum of the supplementary scheme account balance is paid.

### Administrative Organization

Employees' Trust Fund Department (<http://www.tap.com.bn/>) of the Ministry of Finance, under the supervision of the Employees' Trust Fund Board, administers contributions, benefits, and the investment of funds for the provident fund.

The Supplemental Contributory Pension Board administers the supplementary pension scheme.

Department of Community Development of the Ministry of Culture, Youth, and Sports (<http://www.japem.gov.bn>) administers the universal benefit program.

### Sickness and Maternity

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#### Regulatory Framework

The government provides all residents of Brunei with access to medical benefits, including outpatient and inpatient care provided by registered physicians in approved hospitals.

Ministry of Health (<http://www.moh.gov.bn>) registers physicians and approves hospitals that provide services to residents.

### Work Injury

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#### Regulatory Framework

**First and current law:** 1957 (workmen's compensation).

**Type of program:** Employer-liability system.

#### Coverage

All employees who are citizens or permanent residents of Brunei.

Exclusions: Household workers, self-employed persons, security personnel, and home-based workers.

### **Source of Funds**

**Insured person:** None.

**Self-employed person:** Not applicable.

**Employer:** Provides benefits directly to employees.

**Government:** None.

### **Qualifying Conditions**

**Work injury benefits:** There is no minimum qualifying period.

### **Temporary Disability Benefits**

A monthly benefit of 66.7% of the employee's average monthly earnings in the six months before the disability began is paid after a four-day waiting period for up to five years. If the disability lasts more than 14 days, the benefit is paid retroactively for the first four days.

The maximum monthly benefit is B\$130.

### **Permanent Disability Benefits**

**Permanent disability benefit:** A lump sum of 48 times the employee's average monthly earnings in the six months before the disability began is paid.

The maximum benefit is B\$9,600.

Constant-attendance supplement (total permanent disability): A lump sum of 25% of the total permanent disability benefit is paid if the insured requires the constant attendance of others to perform daily functions.

Partial disability: A lump sum of the total permanent disability benefit multiplied by the assessed degree of disability is paid, according to a schedule.

If temporary disability benefits are paid for more than six months before the determination of total or partial permanent disability, the amount of temporary disability benefits paid after the six-month period are deducted from the permanent disability benefit.

### **Workers' Medical Benefits**

The employer pays for the examination and treatment of the insured by a registered physician in approved hospitals.

### **Survivor Benefits**

**Survivor benefit:** A lump sum of 36 times the insured's average monthly earnings in the last six months before death is paid.

The maximum benefit is B\$7,200.

Eligible survivors include the deceased's dependent family members, including the spouse, children, parents, and brothers and sisters.

If there are no other eligible survivors, the employer must pay for the insured's funeral.

### **Administrative Organization**

Workmen's Compensation, Health and Safety Section, of the Department of Labour (<http://www.labour.gov.bn>) enforces the law. The Department of Labour is part of the Ministry of Home Affairs.

Individual employers must pay compensation directly to employees or dependent survivors.

An arbitrator settles disputes regarding the determination and provision of benefits.

## Burma (Myanmar)

Exchange rate: US\$1.00 = 815 kyats.

### Old Age, Disability, and Survivors

#### Regulatory Framework

No statutory old-age, disability, and survivor benefits are provided. (A funeral grant is provided under Sickness and Maternity.)

Special systems for civil servants; permanent employees of state boards, state corporations, and municipal authorities; and military personnel.

### Sickness and Maternity

#### Regulatory Framework

**First and current law:** 1954 (social security), implemented in 1956.

**Type of program:** Social insurance system. Cash and medical benefits.

#### Coverage

Certain groups of state enterprise employees, certain types of civil servants, and temporary and permanent employees of public or private firms with five or more employees in commerce or in specified industries (railways, ports, mines, and oilfields).

Coverage is provided in 110 townships in 13 states, including Yangon, Mandalay, Mawlamyaing, Patheingyi, and Bago, and is being extended gradually to other regions.

Exclusions: Self-employed persons, construction workers, agricultural workers, and fishermen.

#### Source of Funds

**Insured person:** 1.5% of monthly earnings, according to 15 wage classes.

The minimum and maximum monthly earnings used to calculate contributions are based on 15 wage classes.

The minimum monthly contribution is 45 kyats (lowest wage class).

The maximum monthly contribution is 465 kyats (highest wage class).

The insured's contributions also finance the work injury funeral grant.

**Self-employed person:** Not applicable.

**Employer:** 2.5% of monthly payroll, according to 15 wage classes.

The minimum and maximum monthly earnings used to calculate contributions are based on 15 wage classes.

The minimum monthly contribution is 75 kyats (lowest wage class).

The maximum monthly contribution is 775 kyats (highest wage class).

The employer's contributions also finance the work injury funeral grant.

**Government:** Subsidies as required.

#### Qualifying Conditions

**Cash sickness benefits:** Must have at least 17 weeks of contributions in the last 26 weeks. A medical officer of the Social Security Board must certify the insured as incapable of work.

Coverage is provided after the last day of covered employment for involuntarily unemployed persons registered as unemployed.

**Cash maternity benefit:** Must have at least 26 weeks of contributions in the 52 weeks before the expected date of childbirth.

**Medical benefits:** Must be in insured employment. There is no minimum qualifying period.

Coverage is provided after the last day of covered employment for involuntarily unemployed persons registered as unemployed.

**Funeral grant:** Paid to the person who paid for the funeral.

#### Sickness and Maternity Benefits

**Sickness benefit:** 50% of the insured's average covered earnings in the 17 weeks before the incapacity began is paid, according to 15 wage classes. The benefit is paid from the first day of incapacity for up to 26 weeks for one illness.

The minimum and maximum monthly earnings used to calculate benefits are based on 15 wage classes.

The minimum daily benefit is 57.70 kyats (lowest wage class).

The maximum daily benefit is 596.15 kyats (highest wage class).

**Maternity benefit:** 66% of the insured's average covered earnings in the 26 weeks before maternity leave is paid, according to 15 wage classes. The benefit is paid for up to six weeks before and six weeks after the expected date of childbirth.

The minimum and maximum monthly earnings used to calculate benefits are based on 15 wage classes.

The minimum daily benefit is 76.90 kyats (lowest wage class).

The maximum daily benefit is 794.85 kyats (highest wage class).

**Funeral grant:** 1,000 kyats is paid to the deceased's surviving spouse or child; otherwise, the actual cost is paid to the person who paid for the funeral, up to 1,000 kyats.

### **Workers' Medical Benefits**

Medical services are provided directly to patients by the Social Security Board's dispensaries and hospitals, large employer dispensaries, and public hospitals. Insured persons registered with a dispensary are covered only for services provided by the dispensary (except in the cases of emergency or upon referral from the dispensary). Medical benefits include medical care at the dispensary, emergency home health care, specialist and laboratory services at a diagnostic center, x-rays, necessary hospitalization, physical therapy, prostheses, appliances, and medicine.

Benefits are paid for up to 26 weeks for one illness (may be extended for medical reasons or in the interest of public health).

### **Dependents' Medical Benefits**

Pediatric care is provided for an insured woman's child up to the age of 6 months.

### **Administrative Organization**

Ministry of Labor (<http://www.mol.gov.mm>) provides general supervision.

Social Security Board administers contributions and benefits.

## **Work Injury**

### **Regulatory Framework**

**First law:** 1923 (workmen's compensation).

**Current law:** 1954 (social security), implemented in 1956.

**Type of program:** Social insurance system.

Note: The 1923 law is still in force for agricultural workers and nonagricultural workers not covered by the current law.

### **Coverage**

Certain groups of state enterprise employees, certain types of civil servants, and temporary and permanent employees of public or private firms with five or more employees in commerce or in specified industries (railways, ports, mines, and oilfields).

Coverage is provided in 110 townships in 13 states, including Yangon, Mandalay, Mawlamyaing, Patheingyi, and Bago, and is being extended gradually to other regions.

Exclusions: Self-employed persons, construction workers, agricultural workers, and fishermen.

Employer liability under the Workmen's Compensation Act applies to all employees not covered by the Social Security Act.

### **Source of Funds**

**Insured person:** None; see source of funds under Sickness and Maternity for the funeral grant.

**Self-employed person:** Not applicable.

**Employer:** 1% of monthly payroll, according to 15 wage classes; see source of funds under Sickness and Maternity for the funeral grant.

The minimum and maximum monthly earnings used to calculate contributions are based on 15 wage classes.

**Government:** None.

### **Qualifying Conditions**

**Work injury benefits:** There is no minimum qualifying period.

### **Temporary Disability Benefits**

67% of the insured's average covered earnings in the 17 weeks before the disability began is paid, according to 15 wage classes. The benefit is paid from the first day of incapacity for up to 52 weeks.

The minimum daily benefit is 76.90 kyats (lowest wage class).

The maximum daily benefit is 794.85 kyats (highest wage class).

### **Permanent Disability Benefits**

**Permanent disability pension:** If assessed with a total disability, 67% of the insured's average covered earnings in the 17 weeks before the disability began is paid, according to 15 wage classes.

The minimum monthly benefit is 2,000 kyats (lowest wage class).

The maximum monthly benefit is 20,666.65 kyats (highest wage class).

Constant-attendance supplement: 25% of the insured's pension is paid if assessed with a total disability and requiring the constant attendance of others to perform daily functions, as certified by a medical officer of the Social Security Board.

Partial disability: A percentage of the full pension is paid according to the assessed loss of capacity; if the loss of capacity is less than 20%, a lump sum of five years of pension is paid.

The percentage loss of capacity is assessed by medical officers of the Social Security Board and may be reassessed at any time at the request of the board. The board can temporarily or permanently suspend benefits if the insured fails to attend requested medical examinations.

### **Workers' Medical Benefits**

Medical services are provided directly to patients by the Social Security Board's dispensaries and hospitals, large employer dispensaries, and public hospitals. Insured persons are registered with a dispensary and are covered only for services provided by the dispensary (except for emergencies or upon referral from the dispensary). Medical benefits include medical care at the dispensary, emergency home health care, specialist and laboratory services at a diagnostic center, x-rays, necessary hospitalization, physical therapy, prostheses, appliances, and medicine.

There is no limit to duration.

### **Survivor Benefits**

**Survivor pension:** The average benefit is 40% of the deceased's covered earnings, according to 15 wage classes. The pension is paid to the widow and ceases upon remarriage.

The minimum monthly benefit is 800 kyats (lowest wage class).

The maximum monthly benefit is 8,266.70 kyats (highest wage class).

**Orphan's pension:** The average pension is 13% (20% for a full orphan) of the deceased's covered earnings, according to 15 wage classes, for each orphan younger than age 16, up to three orphans per family.

The minimum monthly benefit is 400 kyats; 600 kyats for a full orphan (lowest wage class).

The maximum monthly benefit is 4,133.30 kyats; 6,200 kyats for a full orphan (highest wage class).

**Other eligible survivors:** A pension is paid to a widower or dependent relatives who are elderly or have a disability. The pension for other survivors is determined by the Social Security Board, depending on the nature of the survivor's relationship with the deceased, personal income, working capacity, and other related conditions.

The maximum total survivor pension is 67% of the deceased's average covered earnings in the 17 weeks before death, according to 15 wage classes. If the total of all survivor pensions exceeds the maximum, the pensions are reduced proportionately.

**Funeral grant:** 40,000 kyats is paid to the deceased's surviving spouse or child; otherwise, the actual cost is paid to the person who paid for the funeral, up to 40,000 kyats.

### **Administrative Organization**

Ministry of Labor (<http://www.mol.gov.mm>) provides general supervision.

Social Security Board administers contributions and benefits.

## China

Exchange rate: US\$1.00 = 6.30 yuan.

### Old Age, Disability, and Survivors

#### Regulatory Framework

**First law:** 1951.

**Current laws:** 1953 (regulations); 1978, 1995, 1997, 1999, and 2005 (directives); 2009 (guideline on rural pensions), 2010 (social insurance), and 2011 (social insurance).

**Type of program:** Social insurance, mandatory individual account, and social assistance system.

Note: Since July 2011, the country's first national law on social insurance is gradually unifying existing regional and local social security schemes, which include pooling arrangements.

#### Coverage

**Basic pension insurance and mandatory individual account:** Employees in urban enterprises and urban institutions managed as enterprises and the urban self-employed. Voluntary coverage for the urban self-employed in some provinces. Special rules in certain provinces for farmers who migrate to work in urban areas.

**Pension schemes for rural and nonsalaried urban residents:** Rural and nonsalaried urban residents of China. The urban self-employed may choose between the pension scheme for nonsalaried urban residents and the basic pension insurance scheme.

Special government-funded, employer-administered systems for employees of government and communist party organizations, and employees of cultural, educational, and scientific institutions.

Coverage is gradually being extended to legal migrant workers.

#### Source of Funds

##### Insured person

**Basic pension insurance:** None, or as determined by local government regulations.

**Mandatory individual account:** 8% of gross insured earnings.

The minimum earnings used to calculate contributions are 60% of the local average wage for the previous year.

The maximum earnings used to calculate contributions vary but may be as much as 300% of the local average wage for the previous year.

**Pension schemes for rural and nonsalaried urban residents:**

Noncontributory pension: None.

Individual account: 100 yuan to 500 yuan a year according to five scales (rural); 100 yuan to 1,000 yuan a year according to 10 scales (urban). Local governments may increase the number of scales.

##### Self-employed person

**Basic pension insurance:** 12% of the local average wage.

**Mandatory individual account:** 8% of the local average wage.

**Pension schemes for rural and nonsalaried urban residents:**

Noncontributory pension: None.

Individual account: Voluntary contributions of 100 yuan to 500 yuan a year according to five scales (rural); 100 yuan to 1,000 yuan a year according to 10 scales (urban). Local governments may increase the number of scales.

##### Employer

**Basic pension insurance:** Up to 20% of payroll, depending on local government regulations. Contribution rates vary among provinces.

**Mandatory individual account:** None.

**Pension schemes for rural and nonsalaried urban residents:** Not applicable.

##### Government

**Basic pension insurance:** Central and local governments provide subsidies as needed.

**Mandatory individual account:** Central and local governments provide subsidies as needed.

**Pension schemes for rural and nonsalaried urban residents:**

Noncontributory pension: The total cost (at least 55 yuan a month per insured person) in the central and western regions; 50% of the cost in the eastern region. Local governments may make additional contributions exceeding 55 yuan a month per person.

Individual account: Local governments contribute at least 30 yuan a year per insured person to the individual account.

#### Qualifying Conditions

##### Old-age pension

**Basic pension insurance (central government guidelines):** Age 60 (men); age 60 (professional women), age 55 (non-professional salaried women), or age 50 (other categories of women). The insured must have at least 15 years of coverage.

Age 55 (men) or age 45 (women) with at least 15 years of coverage if employed in arduous or unhealthy work.

Early pension: Age 50 (men) or age 45 (women) with at least 10 years of coverage and assessed with a total disability; age 55 (men) or age 45 (women) with eight to 10 years

of continuous coverage if employed in arduous or unhealthy work.

The minimum pension is paid with at least 15 years of coverage.

Insured persons who reach retirement age with less than 15 years of contributions may continue making contributions until they reach 15 years or, if applicable, transfer their pension entitlements to the schemes for rural and nonsalaried urban residents. Those who joined the basic pension insurance scheme before July 2011 with less than 15 years of contributions and up to five years of making contributions beyond the retirement age may make a lump-sum contribution to become eligible for the basic pension.

*Mandatory individual account (central government guidelines):* Age 60 (men and professional women), age 55 (non-professional salaried women), or age 50 (other categories of women), with at least 15 years of coverage.

Age 55 (men) or age 45 (women) with at least 15 years of coverage if employed in arduous or unhealthy work.

A lump sum is paid if the insured has less than 15 years of contributions and chooses to stop making contributions or, if applicable, to transfer the pension entitlement to the schemes for rural and nonsalaried urban residents.

*Pension schemes for rural residents and nonsalaried urban residents:* Age 60 and not entitled to the basic pension (noncontributory benefit); age 60 with at least 15 years of contributions and not entitled to the basic pension (individual account).

Insured persons who reach age 60 with less than 15 years of contributions can continue making contributions to the individual account until they become eligible or make a lump-sum contribution to become eligible for the rural or nonsalaried urban resident's old-age pension.

In some areas, such as Beijing, a residence-based monthly welfare pension is granted to both urban and rural residents who have reached retirement age but are not covered under a pension program.

### Disability pension

*Basic pension insurance (central government guidelines):* Assessed with a total incapacity for work and not eligible for an early old-age pension.

Medical experts of the Labor Ability Appraisal Committee assess the degree of disability.

*Mandatory individual account (central government guidelines):* No benefit is provided.

### Survivor pension

*Basic pension insurance (central government guidelines):* The deceased was a pensioner or in covered employment at the time of death.

Eligible survivors include the widow(er), children, and parents.

*Funeral grant:* Paid when the insured or an immediate family member who was dependent on the insured dies.

*Mandatory individual account (central government guidelines):* The deceased was in covered employment at the time of death.

An eligible survivor is the deceased's legal heir.

*Pension schemes for rural residents and nonsalaried urban residents:* The deceased was a pensioner or met the qualifying conditions for a rural or nonsalaried urban resident's old-age pension.

An eligible survivor for the individual account benefit is the deceased's legal heir.

## Old-Age Benefits

### Old-age pension

*Basic pension insurance (central government guidelines):* The pension is the average local wage in the previous year plus the average individual monthly wage used to calculate contributions, divided by two. The result is multiplied by 1% for each year of contributions.

The average individual monthly wage used to calculate contributions is the insured's average monthly wage indexed to the average local wage.

Early pension: The pension is based on the average local wage in the previous year, the average individual monthly wage used to calculate contributions, and the number of years of contributions.

The minimum pension is 40% or 60% of the average local wage during the previous year, depending on the region.

*Mandatory individual account (central government guidelines):* The monthly benefit is the balance of the insured's contributions plus interest divided by the actuarial month (139 in 2012).

The actuarial month is determined by the insured's retirement age, the average life expectancy for the urban population, and the interest rate. Local governments provide transitional arrangements for workers who began employment before the introduction of mandatory individual accounts in 1997 and who retired on or after January 1, 2006. After the monthly benefits from the mandatory individual account are exhausted, benefits are paid from a local pooling fund.

The minimum pension is set by provincial and city/county governments according to the local standard of living.

Lump-sum settlement (mandatory individual account): A lump sum of the balance of the insured's contributions plus interest is paid.

*Pension schemes for rural residents and nonsalaried urban residents:*

*Noncontributory pension:* At least 55 yuan a month is paid. The amount of the pension increases with age in some areas.

*Individual account:* The insured's contributions plus interest, divided by the actuarial month (139 in 2012), is paid.

## Permanent Disability Benefits

### Disability pension

*Basic pension insurance (central government guidelines):* 40% of the insured's monthly wage is paid.

The minimum pension is set by provincial and local governments according to the local standard of living.

*Mandatory individual account (central government guidelines):* No benefit is provided.

## Survivor Benefits

### Survivor pension

*Basic pension insurance (central government guidelines):* A lump sum of six to 12 months of the deceased's last monthly wage is paid, according to the number of surviving dependents.

*Funeral grant:* A lump sum of two months of the average local wage in the previous year is paid to the widow(er), children, parents, and grandparents. When an immediate family member who was dependent on the insured dies, 33% to 50% of the monthly average local or enterprise wage in the previous year is paid, depending on the age of the deceased.

*Mandatory individual account (central government guidelines):* A lump sum of the balance of the deceased's contributions plus interest is paid to the deceased's legal heir. If the insured died before the normal retirement age, the balance of any employer contributions made to the deceased's individual account before January 1, 2006, is transferred to a local pooling fund.

*Pensions for rural residents and nonsalaried urban residents (individual account):* The balance of the deceased's contributions plus interest is paid to the deceased's legal heir.

## Administrative Organization

Department of Pensions, under the Ministry of Human Resources and Social Security, provides general supervision.

Provincial or local social insurance agencies administer their respective retirement pension pools and individual accounts (basic pension insurance comprises payments from individual accounts and retirement pension pools). Provincial and local basic pension insurance pools are gradually being consolidated into national pools by 2015.

Local governments administer the pension schemes for rural and nonsalaried urban residents. Administration of the two schemes is integrated wherever possible.

## Sickness and Maternity

### Regulatory Framework

**First law:** 1951.

**Current laws:** 1953; 1978 (permanent employees); 1986 (contract workers); 1988 and 1994 (female employees); 1998, 1999, 2000, and 2002 (medical insurance and pilot rural cooperative medicare); 2007 (pilot nonsalaried urban resident medical insurance); 2009 (directive on health care reforms); 2010 (social insurance); 2011 (social insurance); and 2012 (special protection for female employees).

**Type of program:** Social insurance (cash sickness and maternity benefits and medical benefits for rural and nonsalaried urban residents) and social insurance and mandatory individual account (basic medical insurance benefits) system.

Note: Since July 2011, the country's first national law on social insurance is gradually unifying existing regional and local social security schemes, which include pooling arrangements.

### Coverage

**Sickness and maternity insurance programs:** All employees in urban enterprises. (Urban enterprises comprise all state-owned enterprises, regardless of their location.) Voluntary coverage for self-employed persons in most provinces.

**Basic medical insurance program:** All employees in urban areas working in government organizations, enterprises, social groups, and nonprofit organizations. Voluntary coverage for self-employed persons.

**Medical insurance for rural and nonsalaried urban residents:** Rural and nonsalaried urban residents of China. Voluntary coverage for self-employed persons.

### Source of Funds

#### Insured person

**Sickness and maternity insurance (social insurance):** None.

*Basic medical insurance (social insurance and individual medical savings account):* None to the pooling fund; about 2% of gross wages to the individual account (contribution rates may vary by local government).

The minimum earnings used to calculate contributions are 60% of the local average wage in the previous year.

The maximum earnings used to calculate contributions are 300% of the local average wage in the previous year.

*Medical insurance for rural and nonsalaried urban residents (social insurance):* An average annual flat-rate contribution of 50 yuan for rural residents; 200 yuan to 300 yuan a

year (adults) and about 100 yuan a year (children) for urban nonsalaried residents.

### Self-employed person

*Sickness and maternity insurance (social insurance):* The total cost (actual rates vary according to region).

*Basic medical insurance (individual medical savings account):* About 10% of gross earnings (local government may adjust contribution rates according to local conditions).

The self-employed person's contributions are split between the pooling fund and the individual account in varying proportions according to local conditions. Self-employed persons may also pay a lower rate to the pooling fund (without establishing an individual account) or join the nonsalaried urban resident medical insurance program.

*Medical insurance for rural and nonsalaried urban residents (social insurance):* An average annual flat-rate contribution of 50 yuan for rural residents; 200 yuan to 300 yuan a year (adults) and about 100 yuan a year (children) for nonsalaried urban residents.

### Employer

*Sickness and maternity insurance (social insurance):* The total cost (sickness benefits); up to 1% of total payroll (maternity benefits).

*Basic medical insurance (social insurance and individual medical savings account):* About 6% of total payroll (local government may adjust contribution rates according to local conditions).

70% of the employer's contribution is directed to the pooling fund; 30% to the insured's individual account.

Nonparticipating enterprises pay the cost of benefits directly.

*Medical insurance for rural and nonsalaried urban residents (social insurance):* Not applicable.

### Government

*Sickness and maternity insurance (social insurance):* None; subsidizes administrative costs.

*Basic medical insurance (social insurance and individual medical savings account):* Central and local governments provide tax concessions and subsidies for administrative costs and finance complementary medical insurance systems for civil servants.

*Medical insurance for rural and nonsalaried urban residents (social insurance):* A matching contribution (combined central and local governments) of around 240 yuan per person in 2012. The actual amount of the matching contribution varies by province. (Central and local governments finance an average of over 80% of the insured's contributions to the rural program (less in more developed provinces) and an average of 60% of the nonsalaried urban resident program.)

## Qualifying Conditions

**Sickness, maternity, and medical benefits:** There is no minimum qualifying period.

## Sickness and Maternity Benefits

**Sickness benefit (central government guidelines for permanent workers):** 60% to 100% (according to length of service) of the insured's last monthly wage is paid for up to six months each year; thereafter, 40% to 60% until the employee recovers or is assessed with a permanent disability.

Contract workers receive the same benefits as permanent workers.

**Maternity benefit (central government guidelines for permanent workers):** 100% of the enterprise's average monthly wage for the previous year is paid for up to 98 days for the birth of a child, including 15 days before the birth (an additional 15 days for complicated deliveries), 42 days for an abortion or miscarriage that takes place after at least four months of pregnancy, and 15 days for an abortion or miscarriage that takes place after less than four months of pregnancy.

## Workers' Medical Benefits

### Medical benefits

*Basic medical insurance benefits (central government guidelines):* Insured workers receive medical benefits at an accredited hospital or clinic on a fee-for-service basis.

Cost sharing: The individual account finances medical benefits only, up to 10% of the local average annual wage. The pooling fund reimburses the cost of medical benefits above 10% and up to 600% of the local average annual wage, according to a schedule. Reimbursement for payments beyond 600% of the local average annual wage must be covered by private insurance or public supplementary systems.

**Medical insurance benefits for rural and nonsalaried urban residents:** Insured persons are reimbursed annually for medical costs up to 600% of the local average annual income.

## Dependents' Medical Benefits

### Medical benefits for dependents

*Basic medical insurance benefits (central government guidelines):* No benefits are provided. The individual account must not be used to pay for dependents' medical benefits.

*Medical insurance benefits for rural and nonsalaried urban residents:* No benefits are provided.

## Administrative Organization

Department of Medical Insurance, under the Ministry of Human Resources and Social Security, provides general

guidance to local governments' medical insurance programs and ensures that local regulations follow central government guidelines.

Department of Medical Insurance, under the Ministry of Human Resources and Social Security, supervises the provision of benefits by nonparticipating enterprises.

Local government social insurance agencies and participating enterprises administer medical insurance with the social insurance funds.

Local government social insurance agencies contract with accredited clinics and hospitals to provide medical benefits.

Ministry of Public Health provides general guidance to medical care providers.

Individual state-run enterprises administer cash benefit programs.

Local government social insurance agencies manage individual medical savings accounts and the medical insurance program for nonsalaried urban residents. County-level public health authorities administer the medical insurance program for rural residents.

## Work Injury

### Regulatory Framework

**First law:** 1951.

**Current laws:** 1953, 1978 (permanent employees), 1986 (contract workers), 1996, 2003 (work injury), 2004 (rural migrants), and 2010 (revised work injury insurance regulations).

**Type of program:** Local government-administered social insurance system. (Employer-liability system for nonparticipating enterprises.)

### Coverage

Employees in enterprises, institutions, civil associations, private nonenterprise units, foundations, law firms, and accounting firms.

Special government-funded, employer-administered systems for employees of government and communist party organizations and employees of cultural, educational, and scientific institutions.

### Source of Funds

**Insured person:** None.

**Self-employed person:** Contributes as an employer for employees.

### Employer

**Social insurance:** An average of 1% of total payroll, according to three categories of industry and the assessed degree of risk.

**Employer-liability:** The total cost for employers not participating in the social insurance program.

**Government:** Subsidies as needed.

### Qualifying Conditions

**Work injury benefits:** There is no minimum qualifying period.

### Temporary Disability Benefits

100% of the insured's wage is paid for up to 12 months; may be extended an additional 12 months.

Medical experts of the municipal Labor Ability Appraisal Committee assess the degree of disability. The benefit is suspended if the insured's disability is assessed as permanent.

The employer provides necessary nursing care.

### Permanent Disability Benefits

**Permanent disability benefit:** The benefit is awarded according to 10 degrees of assessed disability.

For a total disability (degrees 1-4), a lump sum of 27 months of the insured's previous wage plus a monthly pension of 90% of the insured's previous wage is paid (1st degree); a lump sum of 25 months of wages plus a pension of 85% of the insured's previous wage (2nd degree); a lump sum of 23 months of wages plus a pension of 80% of the insured's previous wage (3rd degree); or a lump sum of 21 months of wages plus a pension of 75% of the insured's previous wage (4th degree).

The insured's previous wage is the insured's average monthly income in the last 12 months. The previous wage used to calculate benefits must be 60% to 300% of the average monthly wage in the pooling area.

The benefit ceases when the insured becomes entitled to an old-age pension. If the old-age pension is less than the permanent disability benefit, the work injury fund pays the difference.

To receive a benefit for an assessed total disability, the insured and the former employer must contribute to the basic medical insurance system.

For a moderate permanent disability (degrees 5-6), a lump sum of 18 months of wages (5th degree) or 16 months of wages (6th degree) is paid. If the employer cannot offer the insured an appropriate job, a monthly benefit of 70% (5th degree) or 60% (6th degree) of the insured's wage before the disability began is paid.

Employers pay social insurance contributions for pensioners assessed with a 5th or 6th degree disability. If the permanent disability benefit is less than the local minimum wage, the employer pays the difference. If the insured voluntarily ceases the employment relationship with the employer, a lump-sum work injury medical treatment

subsidy and a disability employment subsidy are paid. Provincial governments set the subsidy rates.

For a minor permanent disability (degrees 7-10), a lump sum of 13 months of wages (7th degree), 11 months of wages (8th degree), nine months of wages (9th degree), or seven months of wages (10th degree) is paid. If the labor contract expires or the insured voluntarily ceases the employment relationship with the employer, a lump-sum work injury medical treatment subsidy and a disability employment subsidy are paid. Provincial governments set the subsidy rates.

For all degrees of disability, employers are required to pay a higher lump sum if the injured worker was employed illegally.

The minimum benefit is the local minimum wage.

Medical experts of the municipal Labor Ability Appraisal Committee assess the degree of disability.

### **Workers' Medical Benefits**

Accredited hospitals and clinics provide benefits. Benefits include treatment, surgery, nursing, medicine, appliances, rehabilitation, transportation, and hospitalization.

### **Survivor Benefits**

**Survivor pension:** 40% of the deceased's last monthly wage is paid to the widow(er); 30% to each additional dependent.

Widow(er)'s and orphan's supplements: 10% of the deceased's last monthly wage is paid.

Other eligible survivors include parents, grandparents, grandchildren, brothers, and sisters.

All survivor pensions combined must not exceed 100% of the deceased's last monthly wage.

**Death allowance:** A lump sum of 20 times the national urban per capita disposable income of the previous year is paid.

The national urban per capita disposable income is 21,810 yuan (2011).

**Funeral grant:** A lump sum of six months of the local average wage is paid.

### **Administrative Organization**

Department of Medical Insurance, under the Ministry of Human Resources and Social Security, provides general guidance to participating enterprises and ensures that local regulations follow central government guidelines.

Local government social insurance agencies and participating enterprises administer the programs.

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## **Unemployment**

### **Regulatory Framework**

**First and current laws:** 1986, 1993, 1999, 2010 (social insurance), and 2011 (medical insurance for unemployment benefit claimants).

**Type of program:** Local government-administered social insurance programs.

### **Coverage**

All employees of urban enterprises and institutions.

Exclusions: Self-employed persons.

### **Source of Funds**

**Insured person:** 1% of gross earnings.

**Self-employed person:** Not applicable.

**Employer:** 2% of payroll.

**Government:** Provincial regulatory fund and local governments provide subsidies to unemployment funds as required.

### **Qualifying Conditions**

**Unemployment benefit:** Must have at least one year of covered employment; be involuntarily unemployed; not be receiving old-age benefits; be registered at, and regularly reporting to, a local employment-service agency; and be actively seeking employment. The claim for the unemployment benefit must be made within 60 days after the labor contract expires or is terminated. The benefit may cease or be suspended for refusing a suitable job offer.

### **Unemployment Benefits**

Local governments set benefit amounts at a level higher than the local public assistance benefit but lower than the local minimum wage. The benefit is paid for up to one year with less than five years of coverage, for up to 1.5 years with at least five but less than 10 years of coverage, or for up to two years with 10 or more years of coverage. The unemployment insurance fund pays medical insurance contributions for the insured during the benefit period.

### **Administrative Organization**

Department of Unemployment Insurance, under the Ministry of Human Resources and Social Security, provides general guidance and ensures that local regulations follow central government guidelines.

Local government social insurance agencies pay benefits.

Local government social insurance agencies and the tax authorities collect contributions.

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## ***Family Allowances***

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### ***Regulatory Framework***

Tax-financed, means-tested minimum guarantee and medical assistance programs, both administered by the local Bureau of Civil Affairs, provide benefits to urban and rural families with income is below a minimum level.

Local governments offer various financial incentives (lump-sum, periodic, or in-kind benefits) to families who comply with family planning policies.

## Fiji

Exchange rate: US\$1.00 = 1.82 Fiji dollars (F\$).

### Old Age, Disability, and Survivors

#### Regulatory Framework

**First and current laws:** 1966 (provident fund) and 2000 (social assistance).

**Type of program:** Provident fund and social assistance system.

#### Coverage

**Provident Fund:** Employed workers who reside in Fiji.

Voluntary coverage for self-employed persons, household workers, students, some foreign workers employed in Fiji, and informal-sector workers.

Exclusions: Employees whose employer's principal place of business is outside Fiji.

Special systems for civil servants and military and police personnel who began employment before November 1971 and opted to continue under the Civil Service Pension Scheme.

**Social assistance:** Citizens of Fiji.

#### Source of Funds

**Insured person:** 8% of earnings; F\$35 is deducted annually from the member's provident fund account (death benefit).

**Self-employed person:** An annual contribution of 30% of earnings; F\$35 is deducted annually from the member's provident fund account (death benefit).

The minimum annual contribution is F\$84.

**Employer:** 8% to 30% of payroll up to age 65.

**Government:** None for the provident fund; the total cost of the old-age and disability allowance schemes.

#### Qualifying Conditions

**Old-age benefit (provident fund):** Age 55.

**Disability benefit (provident fund):** Must have a permanent incapacity for work in covered employment. Medical certification is required. A medical board appointed by the Fiji National Provident Fund Board may request that the fund member undergo a medical examination.

**Survivor benefit (provident fund):** Paid to a widow(er) and other eligible survivors named by the fund member

when the fund member dies prior to reaching retirement age.

**Death benefit (provident fund):** A lump sum is paid to survivors named by the deceased.

**Old-age and disability allowance (means tested):** Age 65, chronically ill, or with a permanent, severe disability; and needy.

#### Old-Age Benefits

**Old-age benefit:** The balance of total employee and employer contributions plus interest is paid. This amount may be taken as a lump sum; a single life or joint life annuity; a term annuity for terms of five, 10, or 15 years; or a combination of these. Life annuity rates depend on age at retirement.

Drawdown payment: 70% of the balance of total employee and employer contributions plus interest is reserved for the old-age benefit. One-third of 70% of the balance of total employee and employer contributions plus interest may be drawn down one time only before retirement for housing costs; up to 30% of the balance of total employee and employer contributions plus all voluntary contributions may be drawn down for education purposes and medical care.

**Old-age and disability allowance (means tested):** F\$60 to F\$110 a month is paid per household. (Most households receive F\$60 a month).

#### Permanent Disability Benefits

**Disability benefit:** The balance of total employee and employer contributions plus interest is paid. This amount may be taken as a lump sum; a single life or joint life annuity; a term annuity for terms of five, 10, or 15 years; or a combination of these. Age-related annuity rates are not adjusted for disability withdrawal.

#### Survivor Benefits

**Survivor benefit:** The balance of total employee and employer contributions plus interest is paid to named survivors. This amount may be taken as a lump sum; a single life or joint life annuity; a term annuity for terms of five, 10, or 15 years; or a combination of these. Only a widow(er) can choose an annuity option.

**Death benefit:** A lump sum of up to F\$8,500 is paid.

**Benefit adjustment:** The death benefit is reviewed annually.

#### Administrative Organization

Fiji National Provident Fund Board (<http://www.fnpf.com.fj>), appointed by the Minister of Finance, provides general supervision and enforces the law.

Department of Social Welfare of the Ministry of Women, Social Welfare, and Housing (<http://www.women.fiji.gov.fj/>) administers the old-age and disability assistance scheme.

## Work Injury

### Regulatory Framework

**First and current law:** 1965 (workmen's compensation).

**Type of program:** Employer-liability system.

### Coverage

Employed persons and apprentices.

**Exclusions:** Casual labor, family labor, armed forces personnel, self-employed persons, some public-sector employees, and other workers designated by the government.

### Source of Funds

**Insured person:** None.

**Self-employed person:** Not applicable.

**Employer:** Provides benefits directly to employees.

**Government:** None.

### Qualifying Conditions

**Work injury benefits:** The insured must have an incapacity for work for at least three days.

### Temporary Disability Benefits

66% of the insured's weekly earnings is paid after a two-day waiting period for up to 260 weeks.

The maximum total benefit is F\$16,000. The benefit may be converted to a lump-sum payment in certain cases.

The assessed degree of disability is established according to a schedule in law and following an examination by a doctor chosen by the employer. Periodic assessment of the degree of disability may be required.

### Permanent Disability Benefits

**Permanent disability benefit:** For a total disability, a lump sum of 260 weeks of earnings is paid.

Constant-attendance supplement: 25% of the lump sum for a total disability is paid if the insured requires the constant attendance of others to perform daily functions.

Partial disability: A percentage of the lump sum for a total disability is paid according to the assessed degree of disability.

The assessed degree of disability is established according to a schedule in law and following an examination by a doctor chosen by the employer. Periodic assessment of the degree of disability may be required.

## Workers' Medical Benefits

Benefits include medical and hospital care, surgery, medicine, appliances, and transportation.

### Survivor Benefits

**Survivor benefit:** A lump sum of 208 weeks of the deceased's earnings is paid.

Eligible survivors include individuals who were fully or partially dependent on the insured. Survivor benefits are split among all eligible survivors.

The minimum benefit is F\$9,000.

The maximum total benefit is F\$24,000.

### Administrative Organization

Permanent Secretary for Labour and Industrial Relations (<http://www.labour.gov.fj/>) enforces work injury law.

Individual employers pay compensation directly to their own employees, except for lump-sum payments and survivor benefits.

Local courts administer lump-sum payments and survivor benefits.

Courts settle disputes regarding the provision of medical benefits.

## Family Allowances

### Regulatory Framework

**First and current law:** 2000 (social justice).

**Type of program:** Social assistance system.

### Coverage

Citizens of Fiji.

### Source of Funds

**Insured person:** None.

**Self-Employed person:** None.

**Employer:** Not applicable.

**Government:** The total cost.

### Qualifying Conditions

**Family allowance (means tested):** Paid to needy households with children and a single parent, a deserted spouse, or a deceased or incarcerated breadwinner.

**Food voucher program (means tested):** Food vouchers are provided to needy households with children in remote rural areas if children are enrolled in school; to needy pregnant women during the last seven months of pregnancy; and to certain needy citizens aged 70 and older who meet the qualifying conditions for an old-age or disability allowance.

### ***Family Allowance Benefits***

**Family allowance (means tested):** F\$25 to \$110 a month is paid per household. The benefit amount varies according to the child's age, school enrollment, and other criteria such as disability status.

**Food voucher program (means tested):** Food vouchers are provided.

### ***Administrative Organization***

Department of Social Welfare of the Ministry of Women, Social Welfare, and Housing (<http://www.women.fiji.gov.fj/>) administers the schemes.

## Georgia

Exchange rate: US\$1.00 = 1.66 tlari.

### Old Age, Disability, and Survivors

#### Regulatory Framework

**First law:** 1956 (state pensions).

**Current laws:** 2005 (state pensions).

**Type of program:** Social assistance system.

Note: The 2005 law on state pensions abolished the social insurance system.

#### Coverage

All residents of Georgia.

Special system for military and law enforcement personnel.

#### Source of Funds

**Insured person:** None.

**Self-employed person:** None.

**Employer:** None.

**Government:** The total cost. Local authorities finance additional benefits.

#### Qualifying Conditions

**Social pension (old age):** Age 65 (men) or age 60 (women).

**Social pension (disability):** Must be assessed with a disability by an authorized medical institution. The pension is paid according to three degrees of assessed disability: severe disability (Group I), significant disability (Group II), and moderate disability (Group III).

**Social pension (survivors):** Paid to a surviving individual or family member when the breadwinner dies. The death must have been caused by industrial injury, occupational sickness, or a nonwork-related sickness or injury.

State assistance supplement: Paid to parents with two or more children who died in independence wars.

#### Old-Age Benefits

**Social pension (old age):** 100 tlari a month is paid.

Benefit adjustment: Benefits are adjusted on an ad hoc basis.

#### Permanent Disability Benefits

**Social pension (disability):** 100 tlari a month is paid for a Group I disability; 70 tlari for a Group II disability; and 70 tlari for a Group III disability that began before 2006.

Benefit adjustment: Benefits are adjusted on an ad hoc basis.

#### Survivor Benefits

**Social pension (survivors):** 55 tlari a month is paid.

State assistance supplement: 55 tlari a month is paid for each deceased child.

Benefit adjustment: Benefits are adjusted on an ad hoc basis.

#### Administrative Organization

Social Services Agency (<http://www.ssa.gov.ge>) provides general supervision and coordination.

### Sickness and Maternity

#### Regulatory Framework

**First law:** 1964 (health).

**Current laws:** 1997 (health care); 2006 (sickness); 2006 (maternity); 2007 (temporary work incapacity and sickness); 2009 (temporary work incapacity).

**Type of program:** Social assistance (maternity and medical benefits) and employer-liability (sickness) system.

#### Coverage

**Cash sickness benefits:** Employed persons, military personnel, and civil servants.

**Cash maternity benefits:** All residents of Georgia.

**Medical benefits:** Needy residents of Georgia.

#### Source of Funds

**Insured person:** None.

**Self-employed person:** None.

Employer: Total cost of cash sickness benefits; none for cash maternity and medical benefits.

**Government:** The total cost of maternity and medical benefits for needy persons residing in Georgia.

#### Qualifying Conditions

**Cash sickness benefits:** Must be in covered employment and obtain a sickness certificate from an authorized doctor or medical institution.

**Cash maternity benefits:** There is no minimum qualifying period.

**Medical benefits:** All residents of Georgia who satisfy a needs test.

### Sickness and Maternity Benefits

**Sickness benefit:** 100% of the insured's daily wage is paid for up to 30 days. A medical commission examination is required for an extension.

**Maternity benefit:** 100% of the insured's daily wage is paid, up to 600 tlari. If the insured's average monthly wage is greater than 600 tlari, the employer pays the difference.

### Workers' Medical Benefits

**Medical benefits:** Government clinics, hospitals, maternity homes, and other facilities provide medical benefits to the needy and disabled.

Cost sharing: Insured persons younger than age 18 pay 20% of the cost; aged 18 to 60, 50%; older than age 60, 30%.

### Dependents' Medical Benefits

Medical benefits for dependents are the same as those for the insured.

### Administrative Organization

**Sickness benefits:** Employers provide benefits directly to employees.

**Cash maternity and medical benefits:** Social Services Agency (<http://www.ssa.gov.ge>) administers the program.

### Work Injury

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#### Regulatory Framework

**First laws:** 1999 (workmen's compensation).

**Current laws:** 2001 (medical and social evaluation) and 2007 (work injury).

**Type of program:** Employer-liability and social assistance system.

Note: The employer's liability is determined by a court. If the employer is not liable, the employee is eligible to apply for a social pension (see Old Age, Disability, and Survivors).

#### Coverage

**Work injury benefits:** All employed persons.

Exclusions: Self-employed persons.

#### Source of Funds

##### Insured person

*Employer-liability system:* None.

*Social assistance:* See source of funds under Old Age, Disability, and Survivors.

##### Self-employed person

*Employer-liability system:* Not applicable.

*Social assistance:* See source of funds under Old Age, Disability, and Survivors.

##### Employer

*Employer-liability system:* The total cost of cash and medical benefits.

*Social assistance:* None.

##### Government

*Employer-liability system:* The total cost of cash and medical benefits.

*Social assistance:* See source of funds under Old Age, Disability, and Survivors; the total cost of medical benefits.

### Qualifying Conditions

#### Work injury benefits

*Employer-liability system:* A court determines the benefit amount according to the insured's level of disability.

*Social assistance:* See social pension (disability) under Old Age, Disability, and Survivors.

*Medical benefits:* The Ministry of Labor, Health, and Social Affairs determines eligibility at the local level.

### Temporary Disability Benefits

See social pension (disability) under Old Age, Disability and Survivors.

### Permanent Disability Benefits

#### Permanent disability pension:

*Employer-liability system:* A court determines the benefit amount according to the insured's level of disability.

*Social assistance:* See social pension (disability) under Old Age, Disability and Survivors.

### Workers' Medical Benefits

Government health facilities provide medical services directly to insured.

### Survivor Benefits

#### Survivor pension:

*Employer-liability system:* A court determines the benefit amount according to the insured's level of disability.

*Social assistance:* See social pension (disability) under Old Age, Disability and Survivors.

## Administrative Organization

**Cash benefits:** Ministry of Labor, Health, and Social Affairs (<http://www.moh.gov.ge>) provides general supervision and coordination.

Employers may insure against liability with private insurance companies. If the employer is at fault, the employer provides compensation directly.

**Medical benefits:** Ministry of Labor, Health, and Social Affairs (<http://www.moh.gov.ge>) and local government health departments provide general supervision and coordination. Clinics, hospitals, and other facilities administered by the Ministry of Labor, Health, and Social Affairs and local health departments provide medical services. Employers may insure against liability with private insurance companies. If the employer is at fault, the employer pays benefits directly.

## Unemployment

### Regulatory Framework

The 2006 (labor code) regulates severance pay for employed persons. In the case of termination by the employer, the employer pays one month of average monthly earnings (unless otherwise stated in the employment contract).

## Family Allowances

### Regulatory Framework

**First and current law:** 2006 (social assistance).

**Type of program:** Social assistance system.

## Coverage

All residents of Georgia according to need as determined by local government authorities.

## Source of Funds

**Insured person:** None.

**Self-employed person:** None.

**Employer:** None.

**Government:** The total cost.

## Qualifying Conditions

**Family benefit:** Needy families. (May also be eligible for a social pension.)

Blind person's supplement: Paid to blind individuals incapable of any work in addition to other social assistance benefits.

Large families' supplement: Paid to families with seven or more children younger than age 18.

## Family Allowance Benefits

**Family benefit:** 22 tlari a month is paid to a single person and to orphaned children; 35 tlari a month to a family of two or more persons.

Blind person's supplement: 22 tlari a month is paid

**Large families' supplement:** 35 tlari a month is paid.

## Administrative Organization

Social Services Agency (<http://www.ssa.gov.ge>) administers the program.

## Hong Kong

US\$1.00 = 7.76 Hong Kong dollars (HK\$).

### Old Age, Disability, and Survivors

#### Regulatory Framework

**First and current laws:** 1971 (social assistance); 1973 (universal old-age and disability allowance); 1988 (universal higher-rate disability allowance); 1993 (comprehensive social security assistance); and 1995 (mandatory provident funds), implemented in 2000.

**Type of program:** Universal old-age and disability allowances, mandatory occupational benefit (mandatory provident fund schemes), and social assistance (comprehensive social security assistance) system.

Note: Mandatory provident funds in Hong Kong are privately run mandatory occupational funds and should not be confused with publicly run national provident funds found in other countries.

#### Coverage

**Universal allowances and social assistance:** All residents of Hong Kong.

**Mandatory occupational benefit:** All employees under contract for 60 days or more (employees in the catering and construction industries who are employed for periods shorter than 60 days or are covered on a daily basis) and self-employed persons.

Exclusions: Self-employed hawkers; household workers; persons covered by statutory pension plans or provident funds, such as civil servants or teachers; members of occupational retirement plans who are granted exemption certificates; and foreign workers in Hong Kong for less than 13 months or covered by another country's retirement system.

#### Source of Funds

##### Insured person

*Universal allowances and social assistance:* None.

*Mandatory occupational benefit:* At least 5% of monthly earnings (salary, leave pay, commissions, gratuities, bonuses, and housing allowances). Additional voluntary contributions are permitted.

The minimum earnings used to calculate contributions are HK\$6,500 a month.

The maximum earnings used to calculate contributions are HK\$25,000 a month.

##### Self-employed person

*Universal allowances and social assistance:* None.

*Mandatory occupational benefit:* At least 5% of monthly or yearly income. Additional voluntary contributions are permitted.

The minimum earnings used to calculate contributions are HK\$6,500 a month.

The maximum earnings used to calculate contributions are HK\$25,000 a month.

##### Employer

*Universal allowances and social assistance:* None.

*Mandatory occupational benefit:* At least 5% of monthly payroll (salary, leave pay, commissions, gratuities, bonuses, and housing allowances). Additional voluntary contributions are permitted.

There are no minimum earnings used to calculate contributions.

The maximum earnings used to calculate contributions are HK\$25,000 a month.

##### Government

*Universal allowances and social assistance:* The total cost.

*Mandatory occupational benefit:* None.

#### Qualifying Conditions

##### Old-age pension

###### Old-age allowance (universal)

Normal-rate allowance: Aged 65 to 69 and a resident of Hong Kong for at least seven years (requirement waived if residency was established before January 1, 2004), including one year of continuous residence immediately before claiming the benefit. The allowance is income tested (monthly income must not exceed HK\$6,660 if single or HK\$10,520 if married) and asset tested (assets must not exceed HK\$186,000 if single or HK\$281,000 if married).

Higher-rate allowance: Age 70 and a resident of Hong Kong for at least seven years (requirement waived if residency was established before January 1, 2004), including one year of continuous residence immediately before claiming the benefit.

*Mandatory occupational benefit (old age):* Age 65 (men and women).

Early retirement: Age 60 (men and women) if ceasing employment permanently. (Funds may be withdrawn before retirement if permanently emigrating.)

*Old-age benefit (social assistance):* Age 60 and a resident of Hong Kong for at least seven years (requirement waived if residency was established before January 1, 2004). The benefit is income tested and asset tested on an individual basis if living alone; if living with other family members,

the total income and assets of all family members are taken into account for determining eligibility.

### Disability pension

#### *Disability allowance (universal)*

**Normal-rate allowance:** A resident of Hong Kong for at least seven years (requirement waived if residency was established before January 1, 2004), including one year of continuous residence immediately before claiming the benefit. Both residency requirements are waived for residents younger than age 18. Must be assessed with a 100% loss of earning capacity or as profoundly deaf.

**Higher-rate allowance:** A resident of Hong Kong for at least seven years (requirement waived if residency was established before January 1, 2004), including one year of continuous residence immediately before claiming the benefit. Both residency requirements are waived for residents younger than age 18. Must require constant attendance of another person to perform daily activities. Must not receive care or be institutionalized.

**Mandatory occupational benefit (disability):** Must be assessed with a total and permanent incapacity for work by a registered medical practitioner. Employment must cease.

**Disability benefit (social assistance):** Must be assessed with a disability by a public medical officer and be a resident of Hong Kong for at least seven years (requirement waived if residency was established before January 1, 2004, or if a resident younger than age 18). The benefit is income tested and asset tested on an individual basis if living alone; if living with other family members, the total income and assets of all family members are taken into account for determining eligibility.

**Partial disability:** Paid for an assessed degree of disability of 50% or more and the loss of at least 50% but less than 100% of earning capacity.

The benefit is also paid for a work-related disability.

### Survivor pension

**Mandatory occupational benefit (survivors):** Paid when the insured dies before retirement. The benefit is paid to the named survivor.

**Burial grant (social assistance):** Paid to the person who paid for the funeral if the deceased received social assistance.

### Old-Age Benefits

#### Old-age pension

**Old-age allowance (universal):** HK\$1,090 a month is paid.

**Mandatory occupational benefit (old age):** A lump sum of total employee and employer contributions plus accrued interest is paid.

**Old-age benefit (social assistance):** HK\$2,820 to HK\$4,810 a month is paid for a person living alone or HK\$2,660 to

HK\$4,410 a month if living with other family members, depending on the recipient's health and need for constant attendance; plus special grants to meet the recipient's needs.

### Permanent Disability Benefits

#### Disability pension

**Disability allowance (universal):** HK\$1,395 a month (normal rate) or HK\$2,790 a month (higher rate) is paid.

**Mandatory occupational benefit (disability):** A lump sum of total employee and employer contributions plus accrued interest is paid.

**Disability benefit (social assistance):** HK\$2,820 to HK\$5,155 a month is paid for a person living alone or HK\$2,660 to HK\$4,760 a month if living with other family members, depending on the recipient's age, the assessed degree of disability, and the need for constant attendance; plus special grants to meet the recipient's needs.

### Survivor Benefits

**Mandatory occupational benefit (survivors):** A lump sum of total employee and employer contributions plus accrued interest is paid.

**Burial grant (social assistance):** A lump sum equal to the cost of the funeral is paid, up to HK\$12,120.

### Administrative Organization

**Universal allowances and social assistance:** Social Welfare Department (<http://www.swd.gov.hk>) administers the programs.

**Mandatory occupational benefits:** Mandatory Provident Fund Schemes Authority (MPFA) (<http://www.mpfa.org.hk>), under an executive director and an advisory committee, supervises mandatory provident funds. The MPFA licenses provident funds and oversees management of the funds by trustees.

### Sickness and Maternity

#### Regulatory Framework

**First and current laws:** 1968 (employment ordinance) and 1971 (social assistance).

**Type of program:** Employer-liability (cash benefits only) and social assistance (comprehensive social security assistance) system.

#### Coverage

**Employer-liability system:** All employed persons.

Exclusions: Self-employed persons.

**Social assistance:** All residents of Hong Kong.

## Source of Funds

### Insured person

*Employer liability:* None.

*Social assistance:* None.

### Self-employed person

*Employer liability:* Not applicable.

*Social assistance:* None.

### Employer

*Employer liability:* The total cost; provides benefits directly to employees.

*Social assistance:* None.

### Government

*Employer liability:* None.

*Social assistance:* The total cost.

## Qualifying Conditions

**Cash sickness benefits (employer liability):** Must have at least one month of continuous employment.

The employee must accumulate a sufficient number of paid sick days. Paid sick days accumulate at the rate of two days for each complete month of employment during the first 12 months of employment and four days for each month of employment thereafter, up to 120 days. The sick leave period must last at least four consecutive days, and the employee must provide an appropriate medical certificate issued by a registered medical practitioner or dentist.

**Cash maternity benefits (employer liability):** Must have at least 40 weeks of continuous employment. The employee must provide notice to the employer of her intention to take maternity leave after the pregnancy has been confirmed by a registered medical practitioner.

**Social assistance:** Aged 15 to 59, in ill health, and a resident of Hong Kong for at least seven years (requirement waived if residency was established before January 1, 2004, or if a resident younger than age 18) immediately before claiming the benefit. Benefits are income tested and asset tested on an individual basis if living alone; if living with other family members, the total income and assets of all family members are taken into account for determining eligibility.

Must be assessed with a limited working capacity or as incapable of work by a public medical officer.

## Sickness and Maternity Benefits

**Sickness benefit (employer liability):** 80% of the employee's normal earnings is paid for the number of paid sick days accumulated by the employee.

**Maternity benefit (employer liability):** 80% of the employee's normal earnings is paid for 10 weeks from two to four weeks before the expected date of childbirth or from the date of childbirth if it occurs earlier.

**Social assistance:** HK\$2,820 a month is paid for a person living alone or HK\$2,660 a month if living with other family members; plus special grants to meet the recipient's needs.

## Workers' Medical Benefits

**Medical benefits (social assistance):** Free medical treatment is provided in public hospitals and clinics.

## Dependents' Medical Benefits

Medical benefits for dependents are the same as those for the insured.

## Administrative Organization

**Employer liability:** Labour Department (<http://www.labour.gov.hk>) administers the program.

**Social assistance:** Social Welfare Department (<http://www.swd.gov.hk>) administers the program.

## Work Injury

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### Regulatory Framework

**First and current law:** 1953 (employee's compensation ordinance).

**Type of program:** Employer-liability system, involving compulsory insurance with private carriers.

### Coverage

Employees including household workers, agricultural employees, and crew members of Hong Kong ships.

Exclusions: Home-based workers, family helpers, certain casual workers, and self-employed persons.

## Source of Funds

**Insured person:** None.

**Self-employed person:** Not applicable.

**Employer:** The total cost of the employer-liability program. (The minimum coverage is HK\$100 million for employers with up to 200 employees or HK\$200 million for employers with more than 200 employees.)

**Government:** None.

## Qualifying Conditions

**Work injury benefits:** There is no minimum qualifying period.

## Temporary Disability Benefits

80% of the difference between the employee's monthly earnings before and after the accident is paid for up to 36 months, after which a disability is considered permanent.

The employee's monthly earnings used to calculate benefits are the earnings in the month immediately before the accident or average monthly earnings in the last 12 months before the accident, whichever is higher.

A registered medical practitioner or an Employees' Compensation Assessment Board appointed by the Commissioner for Labor assesses the incapacity for work.

Benefit adjustment: Employees' monthly earnings are adjusted according to the average rate of earnings increase of employees in similar employment with the same employer or, if there are no such employees, according to the rate of increase in the consumer price index at the end of each 12-month period that the worker receives a temporary disability benefit.

## Permanent Disability Benefits

**Permanent disability grant:** For a total disability (100%), a lump sum of 48 months of earnings is paid if aged 56 or older; 72 months if aged 40 to 55; or 96 months if younger than age 40.

The insured's earnings used to calculate benefits are the earnings in the month immediately before the accident or average monthly earnings in the last 12 months before the accident, whichever is higher.

The maximum monthly earnings used to calculate benefits are HK\$23,580 (as of July 21, 2012).

The minimum lump sum for a permanent total disability is HK\$386,110 (as of July 21, 2012), regardless of age.

The maximum lump sum for a permanent total disability is HK\$1,131,840 if aged 56 or older; HK\$1,697,760 if aged 40 to 55; or HK\$2,263,680 if younger than age 40 (as of July 21, 2012).

Partial disability: A percentage of the full benefit is paid according to the assessed degree of disability and a schedule in law.

Constant-attendance supplement: The actual cost of constant attendance, up to HK\$462,890 (as of July 21, 2012), is paid as a lump sum or as periodic payments for up to two years.

An Employees' Compensation Assessment Board appointed by the Commissioner for Labor assesses the degree of disability.

## Workers' Medical Benefits

Medical benefits include examination and treatment by a registered medical practitioner, dental care, physical therapy, chiropractic services, and appliances.

The maximum limits on employers' liability for treatment costs are HK\$200 a day for inpatient care or outpatient care, or HK\$280 if both types of care are needed during the same day. The maximum limit for appliances is initially HK\$33,460; HK\$101,390 for subsequent repair and renewal of the appliance (as of July 21, 2012).

## Survivor Benefits

**Survivor grant:** A lump sum of 36 months of the deceased's earnings is paid if the deceased was aged 56 or older; 60 months if aged 40 to 55; or 84 months if younger than age 40.

The deceased's earnings used to calculate benefits are earnings in the month immediately before the accident or average monthly earnings in the last 12 months before the accident, whichever is higher.

The maximum monthly earnings used to calculate benefits are HK\$23,580 (as of July 21, 2012).

The minimum lump sum is HK\$340,040 (as of July 21, 2012), regardless of age.

The maximum lump sum is HK\$848,880 if the deceased was aged 56 or older; HK\$1,414,800 if aged 40 to 55; or HK\$1,980,720 if younger than age 40 (as of July 21, 2012).

Eligible survivors include the deceased's spouse, children, parents, grandparents, and other family members who had been living with the deceased for at least 24 months immediately before the accident. The grant is split among eligible survivors. The amount paid to each survivor depends on the number and type of eligible survivors (with the spouse and children receiving the major share of the benefit in all cases). If the only survivors are the spouse and children, 50% of the grant is paid to the spouse, and 50% is split equally among the children.

**Funeral grant:** A lump sum is paid to the person who paid for the funeral, up to HK\$70,000.

## Administrative Organization

Labour Department (<http://www.labour.gov.hk>) administers the employer-liability program.

Employers purchase insurance policies with private insurance carriers.

## Unemployment

### Regulatory Framework

**First and current law:** 1977.

**Type of program:** Social assistance (comprehensive social security assistance) system.

### Coverage

All residents of Hong Kong.

### **Source of Funds**

**Insured person:** None.

**Self-employed person:** None.

**Employer:** None.

**Government:** The total cost.

### **Qualifying Conditions**

**Social assistance (unemployment):** Aged 15 to 59 with at least seven years of residence (requirement waived if residency was established before January 1, 2004, or if a resident younger than age 18) before claiming the benefit. Benefits are income tested and asset tested on an individual basis if living alone; if living with other family members, the total income and assets of all family members are taken into account for determining eligibility.

Recipients must be capable of work, actively seeking full-time jobs, and participating in the Support for Self-reliance Scheme of the Social Welfare Department.

### **Unemployment Benefits**

**Social assistance (unemployment):** HK\$1,990 a month is paid for a person living alone or HK\$1,430 to HK\$1,775 a month if living with other family members, depending on the number of family members; plus special grants to meet the recipient's needs.

### **Administrative Organization**

Social Welfare Department (<http://www.swd.gov.hk>) administers the program.

### **Family Allowances**

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#### **Regulatory Framework**

**First and current law:** 1971 (social assistance).

**Type of program:** Social assistance (comprehensive social security assistance) system.

### **Coverage**

All residents of Hong Kong.

### **Source of Funds**

**Insured person:** None.

**Self-employed person:** None.

**Employer:** None.

**Government:** The total cost.

### **Qualifying Conditions**

**Social assistance (family):** A resident of Hong Kong for at least seven years (requirement waived if residency was established before January 1, 2004, or if a resident younger than age 18) before claiming the benefit. Benefits are income tested and asset tested on an individual basis if living alone; if living with other family members, the total income and assets of all family members are taken into account for determining eligibility.

### **Family Allowance Benefits**

**Social assistance (family):** From HK\$1,430 to HK\$2,165 a month is paid, depending on the number of family members; plus special grants to meet the individual needs of recipients.

### **Administrative Organization**

Social Welfare Department (<http://www.swd.gov.hk>) administers the program.

## India

Exchange rate: US\$1.00 = 50.80 rupees.

### Old Age, Disability, and Survivors

#### Regulatory Framework

**First and current laws:** 1952 (employees' provident funds), 1972 (payment of gratuity), 1976 (employees' deposit-linked insurance), 1995 (employees' pension scheme), 1995 (national social assistance program), and 2008 (unorganized workers' social security).

**Type of program:** Provident fund with survivor (deposit-linked) insurance and pension fund; gratuity schemes for industrial workers; and social assistance system.

#### Coverage

##### Provident fund and survivor (deposit-linked) insurance:

Employees, including those engaged in casual, part-time, daily wage, and contract work, with monthly earnings of 6,500 rupees or less working in firms with at least 20 workers in one of 186 categories of covered industry (the firm remains covered even if the number of employees falls below 20); employees of other types of firms specified by law, including cooperatives with more than 50 employees.

Employees covered by equivalent occupational private plans may contract out.

Voluntary coverage for employees of covered firms with monthly earnings of more than 6,500 rupees, with the employer's agreement. Voluntary coverage for employees of firms with fewer than 20 workers if the employer and a majority of employees agree to contribute.

Exclusions: Self-employed persons, agricultural workers, and members of cooperatives with fewer than 50 workers.

**Pension scheme:** Employees who became members of the provident fund on or after November 16, 1995.

Voluntary coverage is available.

Exclusions: Self-employed persons, agricultural workers, and members of cooperatives with fewer than 50 workers.

**Gratuity scheme:** Employees of factories, mines, oil fields, plantations, ports, railways, and businesses with at least 10 workers.

Exclusions: Self-employed persons, agricultural workers, and members of cooperatives with fewer than 50 workers. There is no coverage in the states of Jammu and Kashmir.

Special systems for coal miners, railway employees, and public-sector employees.

**Social assistance:** Needy older persons and poor households when the primary breadwinner dies.

Separate informal-sector schemes exist for certain artisans and the rural landless.

#### Source of Funds

##### Insured person

**Provident fund:** 12% of basic wages (10% in specified categories of industry; businesses covered prior to September 22, 1997, with fewer than 20 employees; and some other specific cases).

The maximum monthly earnings used to calculate contributions are 6,500 rupees.

**Survivor (deposit-linked) insurance scheme:** None.

**Pension scheme:** None.

**Gratuity scheme:** None.

**Social assistance:** None.

##### Self-employed person

**Provident fund:** Not applicable.

**Survivor (deposit-linked) insurance scheme:** Not applicable.

**Pension scheme:** Not applicable.

**Gratuity scheme:** Not applicable.

**Social assistance:** None.

##### Employer

**Provident fund:** 3.67% of monthly payroll plus 1.1% of monthly payroll for administrative costs.

**Survivor (deposit-linked) insurance scheme:** 0.5% of monthly payroll plus 0.01% of monthly payroll for administrative costs.

The maximum monthly earnings used to calculate contributions are 6,500 rupees.

**Pension scheme:** 8.33% of monthly payroll.

The maximum monthly earnings used to calculate contributions are 6,500 rupees.

**Gratuity scheme:** An average of 4% of monthly payroll.

**Social assistance:** None.

##### Government

**Provident fund:** None.

**Survivor (deposit-linked) insurance scheme:** None.

**Pension scheme:** 1.17% of the insured's basic wages.

The maximum monthly earnings used to calculate contributions are 6,500 rupees.

**Gratuity scheme:** None.

**Social assistance:** The total cost.

## Qualifying Conditions

### Old-age benefits

*Provident fund:* Age 55 and retired from covered employment; at any age if permanently emigrating, if covered employment ends involuntarily, on the termination of service under a voluntary retirement scheme, on changing employment from an establishment covered by the scheme to one that is not, or after two months of unemployment.

*Drawdown payment:* Partial drawdown is permitted before retirement for special purposes, including paying for life insurance, purchasing or building a home, loan repayment, a child's education or marriage, care costs for a serious illness, damage from a natural disaster, or costs relating to the onset of a disability.

Under certain circumstances, the full amount can be drawn down before age 55.

*Pension scheme:* Age 58 with at least 10 years of coverage.

*Partial pension:* Age 58 with less than 10 years of coverage.

*Early pension:* Age 50 with at least 10 years of coverage.

Employment must cease.

*Gratuity scheme:* Must have at least five years of continuous employment.

*Old-age pension (social assistance):* Needy persons aged 65 or older.

### Disability benefits

*Provident fund:* Must be assessed with a permanent and total incapacity for normal work.

*Pension scheme:* Must be assessed with a permanent and total disability as the result of an occupational injury. The insured must have at least one month of contributions.

*Gratuity scheme:* Must be assessed with a disability caused by a disease or an accident.

*Social assistance:* Aged 16 to 64, needy, and with severe or multiple disabilities.

### Survivor benefits

*Provident fund:* Paid if the provident fund member dies before retirement.

*Survivor (deposit-linked) insurance scheme:* Paid if the provident fund member dies before retirement.

*Pension scheme:* Paid to a widow(er) and up to two children younger than age 25 (no limit with a total and permanent disability). The deceased must have had at least one month of contributions, regardless of whether the deceased was employed or retired at the time of death.

The widow(er)'s pension ceases on remarriage.

If there is no surviving widow(er) or orphan, the pension is paid to a named survivor or a dependent parent.

*Gratuity scheme:* Paid if the insured dies as the result of an illness or an accident.

*Survivor grant (social assistance):* Paid to needy households (under the National Family Benefit Scheme) when the primary breadwinner aged 18 to 64 dies.

## Old-Age Benefits

### Old-age benefits

*Provident fund:* A lump sum of total employee and employer contributions plus interest is paid.

*Drawdown payment:* According to circumstances, the value of the minimum payment varies from one month of wages to total employee and employer contributions plus accrued interest.

*Pension scheme:* A monthly pension is paid based on a member's pensionable service and earnings.

There is a minimum pension.

*Partial pension:* A lump sum of total employee and employer contributions plus interest is paid.

*Early pension:* The basic pension is reduced by 3% for each year that retirement is taken before age 58.

*Pension adjustment:* The pension is adjusted annually by the central government according to an actuarial evaluation.

*Gratuity scheme:* Based on the insured's final salary, a lump sum of 15 days of wages for each year of continuous service is paid (a reduced amount is paid for partial years in excess of six months).

The maximum benefit is 350,000 rupees.

For seasonal employees, employers pay the gratuity at the rate of seven days of wages for each season worked.

*Old-age pension (social assistance):* A basic pension of 200 rupees a month is paid. Additional amounts vary by state.

## Permanent Disability Benefits

### Disability benefits

*Provident fund:* A lump sum of total employee and employer contributions plus interest is paid.

*Pension scheme:* A monthly pension is paid based on the member's pensionable earnings or a lump sum of total employee and employer contributions plus interest.

The minimum earnings used to calculate pensions is 250 rupees.

*Pension adjustment:* The pension is adjusted annually by the central government according to an actuarial evaluation.

*Gratuity scheme:* A lump sum of 15 days of the insured's last wage is paid for each year of continuous service before

the disability began (a reduced amount is paid for partial years exceeding six months).

The maximum benefit is 350,000 rupees.

For seasonal employees, employers pay the gratuity at the rate of seven days of wages for each season worked.

*Social assistance (disability):* A basic pension of 200 rupees a month is paid. Amounts in addition to the basic pension vary by state.

## Survivor Benefits

### Survivor benefits

*Provident fund:* A lump sum of total employee and employer contributions plus interest is paid to a named survivor or split equally among all eligible family members.

Death grant: Up to 2,000 rupees is paid.

*Survivor (deposit-linked) insurance scheme:* A lump sum is paid of the average balance of the deceased's provident fund account during the 12 months before death or during the period of membership, whichever is less.

The maximum benefit is 60,000 rupees. The benefit is paid in addition to the provident fund survivor benefit.

*Widow(er)'s pension (pension scheme):* 50% of the deceased's pension is paid.

The minimum widow(er)'s pension is 450 rupees a month.

*Orphan's pension (pension scheme):* 25% of the widow(er)'s pension is paid; 75% for full orphans.

The minimum orphan's pension is 150 rupees a month (250 a month for full orphans).

*Other eligible survivors (pension scheme):* Up to 75% of the deceased's pension is paid.

Benefit adjustment: The pension is adjusted annually by the central government according to an actuarial evaluation.

*Gratuity scheme:* A lump sum of 15 days of the deceased's last wage is paid for each year of continuous service (a reduced amount is paid for partial years exceeding six months).

The maximum benefit is 350,000 rupees.

When seasonal employees die, employers pay the gratuity at the rate of seven days of wages for each season worked.

*Funeral grant:* See Sickness and Maternity.

*Survivor grant (social assistance):* A lump sum of 10,000 rupees is paid.

## Administrative Organization

Ministry of Labour and Employment (<http://www.labour.nic.in>) provides general supervision for most schemes.

Employees' Provident Fund Organisation (<http://www.epfindia.com>) administers the provident fund program

through regional, subregional, inspectorate, and subaccount offices.

Central Board of Trustees of the Employees' Provident Fund, through a tripartite body comprising representatives of government, employers, and employees, administers the funds.

Central and state authorities administer the gratuity scheme.

Ministry of Rural Development (<http://rural.nic.in>) provides general supervision for social assistance schemes.

National Social Assistance Programme administers social assistance old-age pensions and disability schemes.

National Family Benefit Scheme administers survivor grants.

## Sickness and Maternity

### Regulatory Framework

**First and current laws:** 1948 (employees' state insurance), 1995 (social assistance), and 2008 (unorganized workers' social security).

**Type of program:** Social insurance and social assistance system.

Note: Under a 1961 law (Maternity Benefit Act), implemented in 1963, employers provide maternity benefits to employees in factories and establishments not covered by the Employees' State Insurance Act of 1948.

### Coverage

**Social insurance:** Employees earning 100 rupees a day to 15,000 rupees a month and working in certain businesses with at least 20 workers (10 workers in manufacturing).

Employees working for government-run businesses that are covered by equivalent private plans may contract out.

Coverage is being extended gradually, with 790 industrial centers currently covered. (The scheme has not been implemented in the states of Manipur, Sikkim, Arunachal Pradesh, or Mizoram.)

Exclusions: Self-employed persons, seasonal workers (less than seven months a year), agricultural workers, and workers in certain other sectors.

Voluntary coverage for medical benefits is available to previously insured retired persons.

**Social assistance:** Needy pregnant women.

A national health insurance scheme covers qualified hospitalization and transport costs for needy individuals in most states.

Separate informal-sector schemes exist for certain artisans.

## Source of Funds

### Insured person

*Social insurance:* 1.75% of earnings.

The insured person's contributions also finance work injury benefits and the unemployment allowance.

Voluntarily insured persons pay a flat-rate of 10 rupees a month for medical benefits.

*Social assistance:* None.

### Self-employed person

*Social insurance:* Not applicable.

*Social assistance:* None.

### Employer

*Social insurance:* 4.75% of payroll.

The employer's contributions also finance work injury benefits and the unemployment allowance.

*Social assistance:* None.

### Government

*Social insurance:* State governments pay 12.5% of the cost of medical benefits.

State government contributions also finance work injury medical benefits and the cost of necessary medical care for unemployment allowance beneficiaries and their dependents.

*Social assistance:* The total cost.

## Qualifying Conditions

**Cash sickness benefits (social insurance):** Must have been in insured employment for at least 78 days during a six-month period.

**Cash maternity benefits (social insurance):** Must have been in insured employment for at least 70 days during two designated and consecutive six-month periods.

**Cash maternity grant (social assistance):** Paid to needy pregnant women aged 19 or older for the first two live births.

**Funeral grant (social insurance):** Paid when the insured dies.

**Medical benefits:** Must be currently in insured employment or qualify for cash sickness benefits.

## Sickness and Maternity Benefits

**Sickness benefit:** 70% of the average daily wage is paid after a two-day waiting period for up to 91 days in any two consecutive designated six-month periods.

Family planning (sterilization): Cash sickness benefit is paid at a double rate for seven days (men) or 14 days (women); may be extended if there are complications.

**Maternity benefit:** 100% of average earnings, according to wage class, is paid for up to 12 weeks (including up to six weeks before the expected date of childbirth); six weeks in the case of a miscarriage. The benefit may be extended by four weeks for medical reasons.

The minimum daily benefit is 25 rupees.

**Cash maternity grant (social assistance):** A lump sum of 2,500 rupees is paid.

**Funeral grant (social insurance):** A lump sum of the funeral cost, up to 10,000 rupees, is paid to the oldest member of the family or to the person who paid for the funeral.

## Workers' Medical Benefits

State governments arrange for the provision of medical care for the Employees' State Insurance Corporation, except in the National Capital Territory of Delhi and model hospitals where the Corporation administers medical care directly. Services are provided in different states through social insurance dispensaries and hospitals, state government services, or private doctors under contract. Benefits include outpatient treatment, specialist consultations, hospitalization, surgery and obstetric care, imaging and laboratory services, and transportation. Drugs, dressings, artificial limbs, aids, and appliances are provided free-of-charge.

Benefits are provided for three months to one year, according to the insured's contribution record.

## Dependents' Medical Benefits

Medical benefits for dependents are the same as those for the insured. Eligible dependents include the spouse, children up to age 18 (age 21 if a student, no limit if disabled or an unmarried daughter), a widowed mother, and dependent parents.

## Administrative Organization

Ministry of Labour and Employment (<http://www.labour.nic.in>) provides general supervision.

Employees' State Insurance Corporation (<http://www.esic.nic.in>), managed by a tripartite board and a Director General, administers the social insurance program through regional and local offices.

State governments oversee the provision of medical benefits through agreement with and reimbursement by the Employees' State Insurance Corporation.

Employees' State Insurance Corporation oversees the provision of medical benefits in some cases.

National Rural Health Mission (<http://mohfw.nic.in/NRHM.htm>) in the Ministry of Health and Family Welfare administers the social assistance scheme.

## Work Injury

### Regulatory Framework

**First law:** 1923 (workmen's compensation).

**Current law:** 1948 (employees' state insurance).

**Type of program:** Social insurance system.

### Coverage

Employees earning 100 rupees a day to 15,000 rupees a month and working in certain firms with at least 20 workers (10 workers in manufacturing and in 17 states).

Employees working for government-run firms that are covered by equivalent private plans may contract out.

Coverage is being extended gradually, with 790 industrial centers currently covered. (The scheme has not been implemented in the states of Manipur, Sikkim, Arunachal Pradesh, and Mizoram.)

Exclusions: Self-employed persons, seasonal workers (less than seven months a year), agricultural workers, and workers in certain other sectors.

### Source of Funds

**Insured person:** See source of funds under Sickness and Maternity.

**Self-employed person:** Not applicable.

**Employer:** See source of funds under Sickness and Maternity.

**Government:** See source of funds under Sickness and Maternity.

### Qualifying Conditions

**Work injury benefits:** There is no minimum qualifying period.

### Temporary Disability Benefits

90% of the average daily wage is paid for the entire duration of the disability (must last at least three days).

### Permanent Disability Benefits

**Permanent disability pension:** The pension is paid according to the assessed loss of earning capacity.

The maximum daily rate is the temporary disability benefit rate per day (90% of the average daily wage).

If the daily value of the pension is 5 rupees or less, the benefit may be paid as a lump sum if the total value of the benefit does not exceed 30,000 rupees.

Separate medical boards assess the loss of earning capacity resulting from a work injury or an occupational disease.

**Partial disability:** A percentage of the full pension is paid according to the assessed loss of earning capacity.

**Benefit adjustment:** Benefits are reviewed periodically by the Employees' State Insurance Corporation and adjusted for inflation.

### Workers' Medical Benefits

Services are provided in different states through social insurance dispensaries and hospitals, state government services, or private doctors under contract. Benefits include outpatient treatment; specialist consultations; hospitalization; surgery; obstetric care; imaging and laboratory services; transportation; and free medicine, dressings, artificial limbs, aids, and appliances. The scale of services provided varies among the states.

### Survivor Benefits

**Survivor benefit:** 60% of the total disability pension the deceased would have been eligible to receive (the average pension is 90% of the deceased's earnings) is paid to the widow(er). If there is more than one widow, the benefit is split equally.

**Orphan's benefit:** 40% of the total disability pension the deceased would have been eligible to receive (the average pension is 90% of the deceased's earnings) is paid for an orphan younger than age 25 (no limit if disabled or an unmarried daughter).

All survivor benefits combined must not exceed 100% of the pension the deceased would have been eligible to receive.

**Other eligible survivors:** If there is no widow or orphan, up to 40% of the total disability pension the deceased would have been eligible to receive is paid to other eligible survivors including the deceased's parents, grandparents, widowed mother, and other dependents younger than age 18 (no limit if an unmarried female).

The minimum monthly benefit is 1,200 rupees per family.

**Funeral grant:** A lump sum of the funeral cost, up to 10,000 rupees, is paid to the oldest member of the family or to the person who pays for the funeral.

### Administrative Organization

Ministry of Labour and Employment (<http://www.labour.nic.in>) provides general supervision.

Employees' State Insurance Corporation (<http://www.esic.nic.in>), managed by a tripartite board and a Director General, administers the program through regional and local offices.

State governments oversee the provision of medical benefits through agreement with and reimbursement by the Employees' State Insurance Corporation.

Employees' State Insurance Corporation oversees the provision of medical benefits in some cases.

### Unemployment

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#### Regulatory Framework

**First and current laws:** 1948 (state insurance) and 2005 (rural employment guarantee).

**Type of program:** Social insurance and social assistance system.

#### Coverage

**Social insurance:** Employees earning 15,000 rupees or less a month and working in certain firms with at least 20 workers (10 workers in manufacturing and in 17 states).  
Exclusions: Self-employed persons.

**Social assistance:** Households in qualified rural areas.

#### Source of Funds

**Insured person:** See source of funds under Sickness and Maternity.

**Self-employed person:** Not applicable.

**Employer:** See source of funds under Sickness and Maternity.

**Government:** See source of funds under Sickness and Maternity. State governments fund the rural employment guarantee (social assistance).

#### Qualifying Conditions

**Unemployment allowance:** Must have at least three years of contributions and be involuntarily unemployed as the result of retrenchment or a nonwork-related permanent disability.

**Social assistance:** A member of the household must volunteer to do unskilled manual work in qualified rural areas.

#### Unemployment Benefits

**Unemployment allowance:** 50% of the insured's average earnings is paid for up to one year.

Free medical care is also provided to beneficiaries and their dependents.

**Social assistance:** At least 100 days of unskilled manual work at minimum wage are guaranteed.

#### Administrative Organization

Employees' State Insurance Corporation (<http://www.esic.nic.in>), managed by a tripartite board and a Director General, administers the program through regional and local offices.

Ministry of Rural Development administers the National Rural Employment Guarantee (<http://www.nrega.nic.in>).

## Indonesia

Exchange rate: US\$1.00 = 9,075 rupiah.

### Old Age, Disability, and Survivors

#### Regulatory Framework

**First law:** 1977 (government regulation).

**Current laws:** 1992 (employees' social security), 2004 (social security system; not yet implemented), and 2011 (social security organizing agency; not yet implemented).

**Type of program:** Provident fund and social insurance system.

Note: The 2004 law established a National Social Security Board charged with making recommendations for the development of new old-age, survivors, health insurance, and work injury programs. The 2011 law creates a Social Security Organizing Agency to replace the Employees' Social Security System (Jamsostek) and administer these programs by 2015. Both laws have not been implemented.

#### Coverage

Employees of firms with 10 or more employees or a monthly payroll of at least 1 million rupiah. Employees with contracts of less than three months are covered for social insurance death benefits only.

Voluntary coverage for self-employed persons.

Special systems for public-sector employees and military personnel.

#### Source of Funds

##### Insured person

**Provident fund:** 2% of gross monthly earnings.

**Social insurance:** None.

##### Self-employed person

**Provident fund:** At least 2% of gross monthly declared earnings.

**Social insurance:** 1% of gross monthly declared earnings.

##### Employer

**Provident fund:** 3.7% of monthly payroll.

**Social insurance:** 0.3% of monthly payroll.

**Government:** None.

#### Qualifying Conditions

**Old-age benefit (provident fund):** Age 55. Retirement is not required.

The benefit may be deferred. There is no maximum age for deferral.

**Drawdown payments:** At any age if emigrating permanently, if starting work as a public employee or beginning military service, or if unemployed for at least six months after at least five years of fund membership.

**Disability benefit (provident fund):** Younger than age 55 with a total permanent incapacity for work as a result of a work injury. A medical doctor must certify the incapacity.

**Survivor benefit (provident fund):** The deceased was younger than age 55 at the time of death or older than age 55 and receiving a periodic pension at the time of death. The benefit is paid to the spouse or, if there is no spouse, to dependent children.

**Death grant and funeral grant (social insurance):** Paid when the insured dies.

#### Old-Age Benefits

**Old-age benefit (provident fund):** A lump sum of total employee and employer provident fund contributions plus interest is paid. Members with more than 50 million rupiah in their provident fund account may opt for a periodic pension.

**Drawdown payments:** The maximum lump sum is total employee and employer provident fund contributions plus interest.

#### Permanent Disability Benefits

**Disability benefit (provident fund):** A lump sum of total employee and employer provident fund contributions plus interest is paid. Members with more than 50 million rupiah in their provident fund account may opt for a periodic pension.

#### Survivor Benefits

**Survivor benefit (provident fund):** A lump sum of total employee and employer provident fund contributions plus interest is paid. Eligible survivors of deceased members who had more than 50 million rupiah in their provident fund account may opt for a periodic pension.

If the deceased was receiving a periodic pension, the survivor benefit is the total employee and employer provident fund contributions plus interest minus the amount already paid to the deceased member.

**Death grant and funeral grant (social insurance):** A lump-sum death grant of 10 million rupiah and a lump-sum funeral grant of 2 million rupiah are paid.

Eligible survivors (in order of priority) are the spouse, children, parents, grandchildren, grandparents, siblings, or parents-in-law. If there are no eligible survivors, the benefit is paid to a person named by the deceased; if there

is no named survivor, only the funeral benefit is paid to the person who pays for the funeral.

Benefit adjustment: Social insurance benefits are adjusted every two years.

### Administrative Organization

Ministry of Manpower and Transmigration (<http://www.depnakertrans.go.id>) provides general supervision.

Employees Social Security System (Jamsostek) (<http://www.jamsostek.co.id>) collects contributions, administers benefits, and manages the investment of funds.

### Sickness and Maternity

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#### Regulatory Framework

**First law:** 1957.

**Current laws:** 1992 (employees' social security), 2004 (social security system; not yet implemented), and 2011 (social security organizing agency; not yet implemented).

**Type of program:** Social insurance system. Medical benefits only.

Note: The 2004 law established a National Social Security Board charged with making recommendations for the development of new old-age, survivors, health insurance, and work injury programs. The 2011 law creates a Social Security Organizing Agency to replace the Employees' Social Security System (Jamsostek) and administer these programs by 2015. Both laws have not been implemented.

#### Coverage

Employees of firms with 10 or more employees or a monthly payroll of at least 1 million rupiah.

Employees with employer-provided benefits that are more comprehensive than those provided by the Jamsostek program are exempt.

Exclusions: Employees with labor contracts of less than three months.

Voluntary coverage for self-employed persons.

Special system for civil servants, civil service pensioners, military and police pensioners, veterans, and national independence pioneers.

#### Source of Funds

**Insured person:** None.

**Self-employed person:** 3% (if single) or 6% (if married) of monthly declared earnings.

**Employer:** 3% (if single) or 6% (if married) of monthly payroll.

The maximum monthly earnings used to calculate contributions are 1 million rupiah.

**Government:** None.

### Qualifying Conditions

**Cash sickness and maternity benefits:** No benefits are provided.

**Medical benefits:** Must be currently covered.

### Sickness and Maternity Benefits

**Sickness benefit:** No benefits are provided.

**Maternity benefit:** No benefits are provided.

### Workers' Medical Benefits

Medical benefits include primary and specialist outpatient care; hospitalization; medicine; and emergency, dental, and eye care. The cost of eyeglasses, hearing aids, and prostheses are reimbursed, up to a maximum.

Insured persons must register with a primary care provider who is under contract with Jamsostek. A doctor's referral is required for access to specialist and inpatient care (except for emergencies).

The cost of maternity care for up to three children, up to 500,000 rupiah each, is paid.

Inpatient care is provided for up to 60 days a year.

### Dependents' Medical Benefits

Medical benefits for dependents are the same as those for the insured.

Eligible dependents include the dependent spouse and up to three dependent children (unmarried and unemployed) younger than age 21.

### Administrative Organization

Ministry of Manpower and Transmigration (<http://www.depnakertrans.go.id>) provides general supervision.

Employees Social Security System (Jamsostek) (<http://www.jamsostek.co.id>) collects contributions and contracts with health care providers for medical benefits.

Public- and private-sector contractors provide medical services.

### Work Injury

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#### Regulatory Framework

**First law:** 1951 (workmen's compensation).

**Current law:** 1992 (employees' social security).

**Type of program:** Social insurance system.

#### Coverage

Employees of firms with 10 or more employees or a monthly payroll of at least 1 million rupiah.

Voluntary coverage for self-employed persons.

Special system for public-sector employees.

### Source of Funds

**Insured person:** None.

**Self-employed person:** 1% of monthly declared earnings.

**Employer:** The total cost; contributions vary according to five classes of risk: 0.24% of monthly payroll (class I); 0.54% (class II); 0.89% (class III); 1.27% (class IV); or 1.74% (class V).

**Government:** None.

### Qualifying Conditions

**Work injury benefits:** Must be assessed with a partial or total disability before age 55. There is no minimum qualifying period.

### Temporary Disability Benefits

100% of the insured's wage in the month before the disability began is paid for the first four months; 75% for the next four months; 50% thereafter until rehabilitation or the determination of permanent disability.

Jamsostek assesses the degree of disability based on a health examination by a medical doctor.

### Permanent Disability Benefits

**Permanent disability benefit:** A lump sum of 70% of 80 months of the insured's wage in the month before the disability began is paid, plus 200,000 rupiah a month for 24 months.

Partial disability: A lump sum is paid of 80 months of the insured's wage in the month before the disability began multiplied by the assessed degree of disability according to a schedule in law.

Jamsostek assesses the degree of disability based on an examination by a medical doctor.

### Workers' Medical Benefits

Medical benefits include medical treatment, hospital care, dental and eye care, and prostheses.

The maximum cost of medical treatment and hospital expenses is 12 million per accident.

Transportation costs from the place of the accident to the hospital are provided up to 1,500,000 rupiah depending on the method of transport used.

### Survivor Benefits

**Survivor benefit:** A lump sum of 60% of 80 months of the deceased's wage in the month before death is paid, plus 200,000 rupiah a month for 24 months.

Eligible survivors (in order of priority) are the spouse, children, parents, grandchildren, grandparents, siblings, and parents-in-law. If there are no eligible survivors, the benefits are paid to a person named by the deceased; if there is no named survivor, only the funeral grant is paid to the person who pays for the funeral.

**Funeral grant:** A death grant of 10 million rupiah and a funeral grant of 2 million rupiah are paid to the survivor eligible for the survivor benefit; if there is no eligible survivor, the funeral grant is paid to the person who pays for the funeral.

### Administrative Organization

Ministry of Manpower and Transmigration (<http://www.depakertrans.go.id>) provides general supervision.

Employees Social Security System (Jamsostek) (<http://www.jamsostek.co.id>) collects contributions, administers benefits, and contracts with health care providers for medical services.

## Iran

Exchange rate: US\$1.00 = 8,229 rials.

### Old Age, Disability, and Survivors

#### Regulatory Framework

**First law:** 1953.

**Current laws:** 1975 (social security), and 1986 (self-employed insurance), implemented in 1987.

**Type of program:** Social insurance system.

#### Coverage

All employed and self-employed persons. Self-employed persons may choose different levels of coverage for old-age, disability, and survivor benefits.

Voluntary coverage for previously insured persons up to age 55 with at least 30 days of coverage and for commercial drivers.

Special systems for government employees and military personnel.

#### Source of Funds

**Insured person:** 7% of earnings. Voluntarily insured persons contribute 26% of earnings for old-age and survivor benefits; commercial drivers contribute 13.5% of earnings.

The minimum monthly earnings used to calculate contributions for salaried employees are 3,894,000 rials.

The insured's contributions also finance medical, sickness, maternity, and work injury benefits.

**Self-employed person:** 18% of earnings; 12% of earnings (old age); or 14% of earnings (old age and survivor).

**Employer:** 20% of payroll. To subsidize certain strategic industries, the government pays the employer's contributions for up to five employees per company.

The minimum monthly earnings used to calculate contributions for salaried employees are 3,894,000 rials.

The employer's contributions also finance medical, sickness, maternity, and work injury benefits.

**Government:** 3% of payroll, including voluntarily insured persons; 13.5% of payroll for commercial drivers. The government pays the employer's contributions for up to five employees per company for certain strategic industries.

The minimum monthly earnings used to calculate contributions for salaried employees are 3,894,000 rials.

#### Qualifying Conditions

**Old-age pension:** Age 60 (men) or age 55 (women) with at least 20 years of contributions; age 50 (men) or age 45 (women) with at least 30 years of contributions; at any age with at least 35 years of contributions; at any age with at least 20 continuous years or 25 noncontinuous years of work in an unhealthy working environment or in a physically demanding natural environment. Insured women aged 42 with at least 20 years of contributions receive a reduced pension.

Employment must cease.

**Disability pension:** Must be assessed with a total disability (loss of at least 66% earning capacity).

**Pension supplement:** Paid if the pension is less than 60% of the insured's average earnings and the insured has dependents.

**Survivor pension:** The deceased was an old-age or total disability pensioner at the time of death, had at least one year of paid contributions in the last 10 years, including at least 90 days in the year before death, or a total of at least 20 years of contributions.

Eligible survivors include a widow or dependent widower, children younger than age 18 (age 20 if a student, no limit if disabled), an unmarried daughter, and aged dependent parents (a father older than age 60, a mother older than age 55).

**Survivor grant:** Paid if the insured does not meet the qualifying conditions for a survivor pension and had more than 10 years but less than 20 years of contributions.

#### Old-Age Benefits

**Old-age pension:** 3.33% of the insured's average earnings in the last two years multiplied by the number of years of contributions is paid. The maximum number of years used to calculate the pension is 35.

For insured persons working in difficult or hazardous occupations, each year of paid contributions counts as 1.5 years.

The minimum pension is the minimum wage of an unskilled laborer.

The minimum wage of an unskilled laborer is 3,894,000 rials a month.

Benefit adjustment: Benefits are adjusted annually according to wage changes.

#### Permanent Disability Benefits

**Disability pension:** The pension is 3.33% of the insured's average earnings in the last two years multiplied by the number of years of contributions.

The minimum pension is 50% of the insured's average earnings or 100% of the minimum wage of an unskilled laborer.

The minimum wage of an unskilled laborer is 3,894,000 rials a month.

The maximum pension is 100% of the insured's average earnings.

Pension supplement: 10% of the pension is paid, up to a total pension plus supplement of 60% of the insured's average earnings.

Benefit adjustment: Benefits are adjusted annually according to changes in the cost of living.

### **Survivor Benefits**

**Survivor pension:** 50% of the old-age or disability pension the deceased received or was eligible to receive is paid to the widow(er). If there is more than one legitimate widow, the pension is split equally.

**Orphan's pension:** 25% of the old-age or disability pension the deceased received or was eligible to receive is paid for each eligible orphan (50% for a full orphan).

**Parent's pension:** 20% of the old-age or disability pension the deceased received or was eligible to receive is paid for each eligible parent.

The minimum total survivor pension is the minimum wage of an unskilled laborer.

The minimum wage of an unskilled laborer is 3,894,000 rials a month.

All survivor benefits combined must not exceed 100% of the old-age or disability pension the deceased received or was eligible to receive.

Benefit adjustment: Benefits are adjusted annually according to changes in the cost of living.

**Survivor grant:** A lump sum of one month of the minimum wage of an unskilled laborer is paid for each year of service.

The minimum wage of an unskilled laborer is 3,894,000 rials a month.

**Funeral grant:** A lump sum of one month of the minimum wage of an unskilled laborer is paid.

The minimum wage of an unskilled laborer is 3,894,000 rials a month.

### **Administrative Organization**

Ministry of Cooperatives, Labor, and Social Welfare provides general supervision.

Social Security Organization (<http://www.tamin.ir>) administers the program through provincial branch offices and local agencies.

## **Sickness and Maternity**

### **Regulatory Framework**

**First law:** 1949.

**Current laws:** 1975 (social security) and 1986 (self-employed insurance), implemented in 1987.

**Type of program:** Social insurance system.

### **Coverage**

All employed persons.

Special systems for government employees and military personnel.

### **Source of Funds**

**Insured person:** See source of funds under Old Age, Disability, and Survivors.

**Self-employed person:** Pays a contribution set by the Social Security Organization for medical benefits.

**Employer:** See source of funds under Old Age, Disability, and Survivors.

**Government:** See source of funds under Old Age, Disability, and Survivors.

### **Qualifying Conditions**

**Cash sickness and medical benefits:** There is no minimum qualifying period.

**Cash maternity benefits:** Must have at least 60 days of contributions in the year before the expected date of childbirth for the first three children.

### **Sickness and Maternity Benefits**

**Sickness benefit:** 75% of the insured's average earnings in the three months before the sickness began is paid for a worker with dependents; 66% with no dependents.

The benefit is reduced to 50% of the insured's average earnings if unmarried and hospitalized in a Social Security Organization hospital; there is no reduction if the insured person has dependents.

The benefit is paid after a three-day waiting period (unless hospitalized) until recovery.

**Maternity benefit:** 66% of the insured woman's average earnings in the three months before the birth is paid for up to six months (one year for triplets).

### **Workers' Medical Benefits**

#### **Medical benefits**

Social Security Organization medical facilities provide medical care and medicine.

Dental grant: 300,000 rials for a half set of dentures or 600,000 rials for a full set is paid.

Public and private hospitals and clinics, as well as university hospitals and contracted-out physicians, provide medical services. Cost sharing and rates of reimbursement vary depending on the service.

### **Dependents' Medical Benefits**

#### **Medical benefits for dependents**

Medical benefits for dependents are the same as those for the insured.

Eligible dependents include a wife and the first three children younger than age 18 (age 20 if a student, no limit if disabled); an unmarried daughter; a disabled, dependent husband older than age 60; and aged dependent parents.

### **Administrative Organization**

Social Security Organization (<http://www.tamin.ir>) administers the program.

### **Work Injury**

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#### **Regulatory Framework**

**First law:** 1936.

**Current law:** 1975 (social security).

**Type of program:** Social insurance system.

#### **Coverage**

All employed persons.

Exclusions: Self-employed persons.

Special systems for government employees and military personnel.

#### **Source of Funds**

**Insured person:** See source of funds under Old Age, Disability, and Survivors.

**Self-employed person:** Not applicable.

**Employer:** See source of funds under Old Age, Disability, and Survivors.

**Government:** See source of funds under Old Age, Disability, and Survivors.

#### **Qualifying Conditions**

**Work injury benefits:** There is no minimum qualifying period.

#### **Temporary Disability Benefits**

The daily benefit is 75% of the insured's last daily wage for a worker with dependents; 66% for a worker without dependents.

The benefit is reduced to 50% of the insured's last daily wage if the insured is hospitalized in a Social Security Organization hospital.

The benefit is paid from the first day of incapacity until recovery or certification of permanent disability.

### **Permanent Disability Benefits**

**Permanent disability pension:** For an assessed degree of disability of at least 66%, 3.33% of the insured's average earnings in the last two years multiplied by the number of years of contributions is paid.

The minimum pension is 50% of the insured's average earnings or 100% of the minimum wage of an unskilled laborer.

The minimum wage of an unskilled laborer is 3,894,000 rials a month.

The maximum pension is 100% of the insured's average earnings.

**Pension supplement:** If the pension is less than 60% of the insured's average earnings and the insured has dependents, an additional 10% of the pension is paid, up to 60% of the insured's average earnings.

**Partial disability:** For an assessed degree of disability of 33% to 66%, a percentage of the full disability pension is paid according to the assessed degree of disability.

**Benefit adjustment:** Benefits are adjusted annually according to changes in the cost of living.

**Disability grant:** For an assessed degree of disability of 10% to 33% or a disability that is the result of losing a limb, a lump sum of 36 times the full disability pension multiplied by the assessed degree of disability is paid.

### **Workers' Medical Benefits**

Social Security Organization medical facilities provide patients with medical care and medicine. There is no qualifying period for prostheses.

### **Survivor Benefits**

**Survivor pension:** 50% of the deceased's pension is paid to a widow or dependent widower. The deceased's pension is 3.33% of the insured's average earnings in the last two years multiplied by the number of years of contributions.

**Orphan's pension:** 25% of the deceased's pension (50% for a full orphan) is paid for each orphan younger than age 18 (no age limit for a student or if disabled) and to an unmarried daughter.

**Parent's pension:** 20% of the deceased's pension is paid for each dependent aged parent (a father older than age 60 or disabled; a mother older than age 55 or disabled).

The minimum survivor pension is 50% of the insured's average earnings or 100% of the minimum wage of an unskilled laborer.

The minimum wage of an unskilled laborer is 3,894,000 rials a month.

All survivor benefits combined must not exceed 100% of the deceased's pension.

Benefit adjustment: Benefits are adjusted annually according to changes in the cost of living.

**Funeral grant:** A lump sum of one month of the minimum wage of an unskilled laborer is paid.

The minimum wage of an unskilled laborer is 3,894,000 rials a month.

### **Administrative Organization**

Ministry of Cooperatives, Labor, and Social Welfare provides general supervision.

Social Security Organization (<http://www.tamin.ir>) administers the program through provincial branch offices and local agencies.

## **Unemployment**

### **Regulatory Framework**

**First law:** 1987.

**Current law:** 1990 (unemployment insurance).

**Type of program:** Social insurance system.

### **Coverage**

All employed persons covered by the labor law.

Exclusions: Self-employed persons, foreign citizens, and voluntarily insured persons under Old Age, Disability, and Survivors.

### **Source of Funds**

**Insured person:** None.

**Self-employed person:** Not applicable.

**Employer:** 3% of payroll.

**Government:** Any deficit.

### **Qualifying Conditions**

**Unemployment benefit:** Must have at least six months of insurance before the date of unemployment. Must be registered at an employment office and capable of, and available for, work. Unemployment must not be due to leaving voluntarily, misconduct, or refusing a suitable job offer.

## **Unemployment Benefits**

55% of the insured's average earnings in the 90 day period before unemployment is paid plus 10% for each of the first four dependents.

With six to 24 months of coverage, the benefit is paid for up to 12 months (6 months if single); with 25 to 120 months of coverage, up to 18 months (12 months if single); with 121 to 180 months, up to 26 months (18 months if single); with 181 to 240 months, up to 36 months (26 months if single); with 241 months and longer, up to 50 months (36 months if single).

The minimum benefit is the minimum wage of an unskilled laborer.

The minimum wage of an unskilled laborer is 3,894,000 rials a month.

The maximum benefit is 80% of the insured's average earnings.

Insured persons aged 55 or older may receive unemployment benefits up to the retirement age.

Benefit adjustment: Benefits are adjusted annually according to changes in the cost of living.

### **Administrative Organization**

Ministry of Cooperatives, Labor, and Social Welfare provides general supervision.

## **Family Allowances**

### **Regulatory Framework**

**First law:** 1953.

**Current law:** 1975 (social security).

**Type of program:** Employment-related system.

### **Coverage**

Employed persons.

Exclusions: Self-employed persons.

### **Source of Funds**

**Insured person:** None.

**Self-employed person:** Not applicable.

**Employer:** The total cost.

**Government:** None.

### **Qualifying Conditions**

**Family allowances:** The parent must have at least 720 working days of contributions. The child must be younger than age 18 (no limit if a student or disabled).

**Marriage grant:** Must have at least 720 days of contributions in the five years before the date of marriage. The couple must have been married before unemployment began.

### ***Family Allowance Benefits***

**Family allowances:** Three times the lowest daily wage of an unskilled laborer is paid for up to two children.

The minimum wage of an unskilled laborer is 3,894,000 rials a month.

Benefit adjustment: Benefits are adjusted annually according to changes in the cost of living.

Marriage grant: A lump sum of one month of the insured's average earnings is paid. If both spouses are insured, both the husband and wife receive the grant.

### ***Administrative Organization***

Ministry of Cooperatives, Labor and Social Welfare provides general supervision.

Social Security Organization (<http://www.tamin.ir>) administers the program.

## Israel

Exchange rate: US\$1.00 = 3.71 new shekels.

### Old Age, Disability, and Survivors

#### Regulatory Framework

**First and current laws:** 1953 (national insurance), implemented in 1954; 1955 (survivor pensions); 1957 (old-age pensions); 1974 (disability pensions); 1980 (income support); 1982 (income support benefits); and 1988 (long-term care benefits).

**Type of program:** Social insurance and social assistance system.

#### Coverage

**Social insurance:** Residents of Israel.

Exclusions: Persons who immigrated to Israel for the first time after age 60 to 62 (depending on date of birth).

**Social assistance (income support programs, means-tested):** Residents of Israel.

#### Source of Funds

**Insured person:** 0.22% of earnings up to and 3.85% of earnings above 60% of the national average wage (old-age and survivor pensions); 0.11% of earnings up to and 1.86% of earnings above 60% of the national average wage (disability benefits); and 0.01% of earnings up to and 0.14% of earnings above 60% of the national average wage (long-term care).

The minimum monthly earnings used to calculate contributions are the monthly minimum wage.

The monthly minimum wage is 4,100 new shekels.

The maximum monthly earnings used to calculate contributions are five times the old-age basic amount as of January 1 each year.

The old-age basic amount is 8,370 new shekels a month.

The national average wage is 8,619 new shekels a month.

**Self-employed person:** 3.09% of earnings up to and 5.21% of earnings above 60% of the national average wage (old-age and survivor pensions); 1.11% of earnings up to and 1.86% of earnings above 60% of the national average wage (disability benefits); and 0.12% of earnings up to and 0.18% of earnings above 60% of the national average wage (long-term care).

The minimum monthly earnings used to calculate contributions are the monthly minimum wage.

The monthly minimum wage is 4,100 new shekels.

The national average wage is 8,619 new shekels a month.

**Employer:** 1.30% of earnings up to and 2.04% of earnings above 60% of the national average wage (old-age and survivor pensions); 0.26% of earnings up to and 0.42% of earnings above 60% of the national average wage (disability benefits); and 0.04% of earnings up to and 0.09% of earnings above 60% of the national average wage (long-term care).

The minimum monthly earnings used to calculate contributions are the monthly minimum wage.

The monthly minimum wage is 4,100 new shekels.

The maximum monthly earnings used to calculate contributions are five times the old-age basic amount as of January 1 each year.

The old-age basic amount is 8,370 new shekels a month.

The national average wage is 8,619 new shekels a month.

**Government:** Through a contribution of 0.25% of insured persons' earnings (old-age and survivor pensions), 0.10% of insured persons' earnings (disability benefits), and 0.02% of insured and self-employed persons' earnings (long-term care), the government subsidizes the following: 17.1% of total insured person and employer contributions; the total cost of special old-age and survivor benefits and long-term care benefits for new immigrants; and the total cost of social assistance income support programs and the mobility allowance.

#### Qualifying Conditions

##### Old-age pension

**Social insurance:** Age 70 (men) and age 67.33 (women, gradually rising to age 70 by 2020) without an earnings test; age 67 (men) and age 62 (women, gradually rising to age 64 starting in 2017) for the earnings-tested pension.

The pension is gradually reduced by 0.60 of a shekel for every shekel of income that exceeds 57% (individuals) or 76% (with dependents, according to the number of dependents) of the national average wage.

The national average wage is 8,619 new shekels a month.

Must have at least 60 months of coverage in the last 10 years or a total of 144 months of coverage. No qualifying period for insured women who are widowed, divorced, abandoned, married to an uninsured husband, unmarried and aged 57 or older at the time of immigration, or receiving a disability pension during the month before reaching the retirement age.

**Income supplement:** Paid if income, including the pension, is less than the minimum income established by law.

**Pension deferral increment:** Paid to persons older than the retirement age who did not meet the earnings test for a pension.

Dependent's supplement (earnings tested): Paid for a dependent spouse (earnings tested) or child. A housewife or widow who receives a pension is not eligible.

Seniority increment: Paid for more than 10 years of coverage. A housewife or widow who receives a pension is not eligible.

*Special old-age benefit (social assistance):* Paid to new immigrants not insured because of their age at the time of immigration.

*Income support benefit (social assistance):* Must have at least 24 months of continuous residence (12 cumulative months for new immigrants), subject to a means and employment test; total income from any source must be lower than an amount established by law.

Benefits are payable abroad under bilateral agreement.

**Disability pension:** Aged 18 to the retirement age for the earnings-tested old-age pension. There is no qualifying period. Must have either a total assessed degree of disability of at least 60% (from one or more impairments), a total assessed degree of disability of at least 40% (one impairment must be assessed as at least 25%), or a total assessed degree of disability of at least 50% (for a housewife with a disability).

Must not be able to support him or herself from employment, have at least a 50% assessed loss of earning capacity, and have no or limited income from employment.

The full pension is paid if assessed with a degree of disability greater than 74% and if income from employment is less than the monthly national average wage.

The national average wage is 8,619 new shekels a month.

Partial disability: Paid for an assessed disability of up to 74%.

Incentive pension: The insured's income from employment must be higher than the threshold for a normal disability pension and he or she was entitled to a disability pension for a least 12 consecutive months before his or her income exceeded the threshold.

Additional monthly pension (AMP): Must have at least a 50% assessed degree of disability and at least a 75% assessed loss of earning capacity. Must not reside in an institution where a public body pays over 50% of expenses.

Graduated AMP: Paid to recipients of the AMP whose income from employment exceeds the threshold for the normal disability pension.

Dependent's supplement: Paid for a spouse or a child with earnings below 57% of the national average wage. (A housewife with a disability is entitled to a supplement for her child only.)

Income supplement: Paid if income, including the disability pension, is less than the minimum income established by law.

**Attendance allowance:** Paid if the insured requires the constant attendance of others to perform daily functions. Must be assessed with at least a 60% disability and receiving a disability pension (or assessed with a disability of at least 75% and subject to an earnings test).

**Mobility allowance:** Aged 3 to 67 with an assessed loss of mobility of at least 40% (with a valid driver's license) or 60% (without a valid driver's license if there is an authorized driver). A medical committee assesses the degree of disability.

**Disabled child benefit:** Paid for a child with a disability, younger than age 18, not living in an institution or with a foster family, and not receiving a mobility allowance (unless the child's parent has two children, both with a disability, and under certain other circumstances).

**Long-term care benefit (earnings tested):** At least the retirement age for an earnings-tested old-age pension, not living in an institution, and requiring the constant attendance of others to perform daily functions. The benefit is paid to an individual with income less than 1.5 times the national average wage, to a couple with income less than 2.25 times the national average wage, or to a person with a child with additional income less than 0.75 times the national average wage for each child.

The national average wage is 8,619 new shekels a month.

Benefits are payable abroad under bilateral agreement.

**Survivor pension (social insurance):** Paid to a widow(er) or child up to age 18 (age 20 if in higher education or the premilitary framework, age 21 if in military or volunteer service, up to age 24 in certain other cases) of an insured person who died from any cause, except war or hostile action. The deceased had 12 months of coverage in the year before death, 24 months in the last five years, 60 months in the last 10 years, or met the qualifying period for an old-age pension. The widow(er)'s pension ceases on remarriage.

A widow must have been married to (or been the common-law spouse of) the deceased at the time of his death and for at least one year (six months if aged 55 or older) or had a child with the deceased.

A widower must have been married to (or been the common-law spouse of) the deceased at the time of her death and for at least one year (six months if aged 55 or older) and must either have a child living with him or meet an earnings test.

Survivor pension with income supplement (social assistance): Paid to individuals whose combined income from employment and a survivor pension is less than an amount established by law.

Survivor pension seniority increment: Paid if the insured had more than 10 years of coverage.

**Survivor grant:** Paid to a widow(er) younger than age 40 without dependent children or to a widower no longer eligible for a survivor pension.

**Special survivor benefit:** Paid to the widow and orphans of a person who resided in Israel but did not meet the age requirements to be insured at the time of immigration.

**Marriage grant:** Paid to a widow(er) on remarriage.

**Bar Mitzvah grant:** Paid to orphans at age 13 (boys) and age 12 (girls).

**Death grant:** Paid to the widow(er) or children of a deceased pensioner.

**Funeral grant:** Paid to the organization responsible for the funeral.

Benefits are payable abroad under bilateral agreement.

## Old-Age Benefits

### Old-age pension

**Social insurance:** 17.7% of the monthly old-age basic amount is paid. An additional 1% is paid to pensioners aged 80 and older.

The monthly old-age basic amount is 8,370 new shekels.

**Income supplement:** 30.3% to 65.2% of the monthly old-age basic amount, depending on marital status and the number of children, is paid to pensioners younger than age 70; 31.2% to 66.5% if aged 70 to 79; and 32.6% to 68.5% if aged 80 or older. The resulting amounts are increased by an additional 7% for all age groups.

**Pension deferral increment:** The pension is increased by 5% for each year retirement is deferred.

**Dependent's supplement:** 8.9% of the monthly old-age basic amount is paid for the spouse and 5.6% of the monthly old-age basic amount for each of the first two children up to age 18 (age 20 if in higher education or the premilitary framework, age 21 if in military or volunteer service, age 24 in certain other cases).

The monthly old-age basic amount is 8,370 new shekels.

**Seniority increment:** The pension is increased by 2% for each year of coverage exceeding 10 years, up to 50% of the pension.

**Special old-age benefit (social assistance):** The benefits are the same as the social insurance old-age pension.

**Income support benefit (social assistance):** 20% to 25% of the monthly old-age basic amount is paid to an individual pensioner; 27.5% to 37.5% to a couple without children. The benefit amount varies with age. Widows, separated persons, and single parents receive a higher benefit.

The monthly old-age basic amount is 8,370 new shekels.

**Benefit adjustment:** Benefits are adjusted annually in January according to the increase in the consumer price index in the previous year.

## Permanent Disability Benefits

**Disability pension (social insurance):** 25% of the disability basic amount plus an additional 7% of the resulting amount is paid.

The disability basic amount is 8,475 new shekels a month.

**Partial disability:** A percentage of the full disability pension is paid according to the assessed degree of disability.

**Incentive pension:** Up to a full disability pension is paid according to the insured's income.

For a partial disability, a pension is paid according to the insured's earning capacity or a schedule in law (whichever is lower).

**Additional monthly pension (AMP):** 17% of the disability pension is paid if the assessed degree of disability is at least 80%; 14% for an assessed degree of disability of 70% to 79%; 11.5% for an assessed degree of disability of 50% to 69%.

**Graduated AMP:** The full AMP amount is paid in the first year, 75% in the second year, 50% in the third year, 25% in the fourth year, and none in the fifth year.

**Dependent's supplement (income tested):** Up to 12.5% of the disability basic amount is paid for a spouse; 10% for each of the first two children. An additional 7% is paid for both categories.

**Income supplement:** Paid if income, including the disability pension, is less than an amount established by law.

**Attendance allowance:** 50%, 105%, or 175% of the full disability pension is paid, according to the assessed degree of dependence.

**Attendance allowance increment:** 14%, 28.5%, or 42.5% of the full disability pension is paid, according to the assessed degree of dependence.

**Mobility allowance:** The monthly benefit varies depending on whether the insured has earned income, has a driver's license, and owns a car. Additional cash benefits may be provided to help cover car taxes and costs resulting from a loss in mobility.

**Disabled child benefit:** 30% to 140% of the full disability pension is paid, according to the assessed degree of disability.

**Disabled child benefit supplements:** The cost of schooling for students with disabilities and an additional benefit for children with severe disabilities is paid.

The maximum total benefit is 140% of the full disability pension.

**Long-term care benefit (earnings tested):** 91% of the full disability pension is paid if the beneficiary is largely dependent on the help of others; 150% if severely dependent; 168% if completely dependent. Benefits are normally paid directly to the organization providing the long-term care services. (If long-term care services are not available

and the beneficiary lives with and is cared for by a family member, 80% is paid directly to the caregiver.)

The benefit is reduced by 50% if the insured's income is higher than the national average wage for a single person; by 50% if income is higher than 1.5 times the national average wage for a couple, plus 0.5 times the national average wage for each child, up to a maximum.

The national average wage is 8,619 new shekels a month.

Benefit adjustment: Benefits are adjusted annually in January according to the increase in the consumer price index in the previous year.

### **Survivor Benefits**

**Survivor pension (social insurance):** 17.7% of the monthly old-age basic amount is paid to a widow(er) aged 50 or older or caring for a child; 13.3% to a widow(er) aged 40 to 49 with no children.

The monthly old-age basic amount is 8,370 new shekels.

Child increment: 8.3% of the monthly old-age basic amount is paid for each child.

11% of the basic old-age amount is paid for a single child not covered by the survivor pension child increment; 8.3% each if there is more than one child; 11% for each full orphan.

If the survivor also receives the old-age pension, the survivor pension is reduced by 50%.

Survivor pension with income supplement (social assistance): 30.3% to 60% of the monthly old-age basic amount minus 173 new shekels is paid to a widow(er) depending on his or her age and the number of children. The resulting amounts are increased by an additional 7%.

25% of the monthly old-age basic amount minus 173 new shekels is paid for a single child (orphans and abandoned children); 37.5% minus 346 new shekels for two children.

Survivor pension seniority increment: The pension is increased by 2% for each year the deceased had more than 10 years of coverage, up to 50% of the survivor pension.

**Survivor grant:** A lump sum of 36 months of the survivor pension is paid to a widow(er) younger than age 40 with no children.

**Special survivor benefit:** The benefits are the same as for the social insurance survivor pension.

**Marriage grant:** 36 months of the survivor pension is paid in two equal parts (the first upon marriage, the second two years later).

**Bar Mitzvah grant:** 33% of the disability basic amount is paid.

The disability basic amount is 8,475 new shekels.

**Death grant:** A lump sum of the disability basic amount is paid to the widow(er) or children of a deceased pensioner.

The disability basic amount is 8,475 new shekels.

**Funeral grant:** The cost of the burial is paid, up to a fixed amount.

Benefit adjustment: Benefits are adjusted annually in January according to the increase in the consumer price index in the previous year.

### **Administrative Organization**

Ministry of Social Affairs (<http://www.molsa.gov.il>) provides general supervision.

National Insurance Institute (<http://www.btl.gov.il>) administers the program, collects contributions, and pays benefits through its branch offices.

### **Sickness and Maternity**

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#### **Regulatory Framework**

**First and current laws:** 1953 (national insurance), implemented in 1954; 1976 (vacation pay for adopting parents); 1986 (birth allowance); 1990 (at-risk pregnancy benefit); 1997 (paternity allowance); and 1995 (national health insurance).

**Type of program:** Social insurance system.

#### **Coverage**

**Sickness benefits:** All employees are covered under collective agreements. (Cash sickness benefits are not provided under the 1953 law.)

**Maternity benefits:** Employed persons, self-employed persons, and persons in vocational training.

**Maternity grant:** Insured women or the wife of the insured; persons working in but not residing in Israel, including self-employed persons.

**Medical benefits:** All persons residing in Israel.

#### **Source of Funds**

**Insured person:** 3.1% of earnings up to and 5% of earnings above 60% of the national average wage (medical benefits); 0.04% of earnings up to and 0.87% of earnings above 60% of the national average wage (maternity benefits).

The minimum monthly earnings used to calculate contributions are the monthly minimum wage.

The monthly minimum wage is 4,100 new shekels.

The maximum monthly earnings used to calculate contributions are five times the old-age basic amount as of January 1 each year.

The old-age basic amount is 8,370 new shekels a month.

The national average wage is 8,619 new shekels a month.

**Self-employed person:** 3.1% of earnings up to and 5% of earnings above 60% of the national average wage (medical benefits); 0.56% of earnings up to and 0.82% of earnings above 60% of the national average wage (maternity benefits).

The minimum monthly earnings used to calculate contributions are the monthly minimum wage.

The monthly minimum wage is 4,100 new shekels.

The national average wage is 8,619 new shekels a month.

**Employer:** None (medical benefits); 0.11% of earnings up to and 0.24% of earnings above 60% of the national average wage (maternity benefits).

The minimum monthly earnings used to calculate contributions are the monthly minimum wage.

The monthly minimum wage is 4,100 new shekels.

The maximum monthly earnings used to calculate contributions are five times the old-age basic amount as of January 1 each year.

The old-age basic amount is 8,370 new shekels a month.

The national average wage is 8,619 new shekels a month.

**Government:** None (medical benefits); 0.09% of earnings (maternity benefits). Contributes to the birth allowance and the hospitalization grant.

### Qualifying Conditions

**Cash sickness benefits:** Sickness benefits are not provided under the 1953 law.

**Cash maternity benefits:** The full benefit is paid with at least 10 months of coverage in the last 14 months (or 15 months in the last 22 months). A partial benefit is paid with at least six months of coverage in the last 14 months.

Under certain conditions a father with at least 10 months of coverage in the last 14 months (or 15 months in the last 22 months) may share the maternity leave period with the mother.

**Adoption and foster benefit:** Paid for the cessation of work to adopt (or foster for at least half a year) a child younger than age 10. For a child up to age 3, at least one of the adopting or foster parents must have at least 10 months of coverage in the last 14 months (or 15 months in the last 22 months). A father may take a period of at least 21 days of leave to care for the child when the mother returns to work. For a child older than age 3, at least one of the adopting or foster parents must have at least 10 months of coverage in the last 14 months (or 15 months in the last 22 months). A partial benefit is paid with at least six months of coverage in the last 14 months.

**Risk pregnancy benefit:** Paid for the cessation of work due to a risk to the pregnancy. Must be authorized by an obstetrician. The insured must have at least 10 months of coverage in the last 14 months (or 15 months in the last

22 months) and must not receive a similar payment from any other source.

**Maternity grant:** Paid for the purchase of a layette for a newborn child. If not residing in Israel, the woman or her husband must have worked in Israel for at least six months immediately before childbirth. The birth must occur in Israel.

**Adoption grant:** Paid for the adoption of a child older than 10 years old.

**Hospitalization grant:** Paid for necessary hospitalization for a birth.

**Multiple birth allowance:** Paid for the birth of three or more children, if at least three survive past 30 days. The mother must be entitled to the maternity grant.

**Hospital transportation costs:** Provided for women who travel by ambulance to a hospital and give birth within three days of arriving at the hospital nearest to the woman's residence.

**Special allowance and special benefit:** Paid for a mother who was insured for the maternity grant and who died while giving birth or within a year of giving birth.

Benefits are payable abroad under bilateral agreement.

### Sickness and Maternity Benefits

**Sickness benefit:** Benefits are provided to employees under collective agreements; 75% to 100% of earnings are paid for at least 90 days.

**Maternity allowance:** 100% of the insured's average daily net income in the three months preceding the day on which the insured woman stopped work is paid for up to 14 weeks; seven weeks for a partial benefit. (May be extended if the mother or child is hospitalized during the maternity leave.)

**Adoption and foster benefit:** For a child up to age 3, 100% of the insured's average daily net income in the three months preceding the day on which the insured woman ceased working because of the pregnancy (or the day of the adoption) is paid for up to 14 weeks; seven weeks for a partial benefit. For a child over age 3, 100% of the insured's average daily net income in the three months preceding the adoption day is paid for up to four weeks.

**Risk pregnancy benefit:** For each day of rest from work, the grant is the disability basic amount divided by 30 or the insured woman's income in the three months preceding the day she stopped working divided by 90, whichever is lower.

**Maternity and adoption grants:** 1,695 new shekels is paid for the first child, 763 new shekels for the second child, and 509 new shekels for the third or subsequent child (higher for multiple births).

**Hospitalization grant:** 11,232 new shekels is paid for hospitalization expenses.

**Multiple birth allowance:** A percentage of the disability basic amount in January of the year of childbirth is paid for 20 months.

The disability basic amount is 8,475 new shekels a month.

**Hospital transportation costs:** In certain cases, a fixed amount is paid for the cost of transportation to the hospital.

**Special allowance:** For 24 months after the birth of a child, 30% of the national average wage is paid to the child's father or guardian for each child born; 12 months if the spouse is also receiving survivor or dependent benefits.

The national average wage is 8,619 new shekels a month.

**Special benefit:** If the spouse stops working to care for the child(ren), the injury allowance (75% of earnings, up to a maximum) is paid for up to 12 weeks.

### **Workers' Medical Benefits**

Services are provided by doctors in hospitals owned and operated by, or under contract with, the sickness fund. Benefits include general and specialist care, medicine, laboratory services, hospitalization, and rehabilitation.

Cost sharing: Patients pay a set amount toward the cost of drugs and appliances, which varies according to the sickness fund.

### **Dependents' Medical Benefits**

Medical benefits for dependents are the same as those for the insured.

### **Administrative Organization**

Ministry of Social Affairs (<http://www.molsa.gov.il>) provides general supervision.

National Insurance Institute (<http://www.btl.gov.il>) administers the program, collects contributions, and pays benefits through its branch offices.

Sickness insurance and medical care are administered by four funds under the supervision of the Ministry of Health (<http://www.health.gov.il>), Leumit (National) Sickness Fund (<http://www.leumit.co.il>), Clalit (General) Sickness Fund (<http://www.clalit.org.il>), Maccabi Healthcare Services (<http://www.maccabi-health.co.il>), and Meuhedet (United) Sickness Fund (<http://www.meuhedet.co.il>).

### **Work Injury**

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#### **Regulatory Framework**

**First and current laws:** 1953 (national insurance), implemented in 1954 and 1956 (self-employed persons), implemented in 1957.

**Type of program:** Social insurance system.

### **Coverage**

Employed persons, self-employed persons, vocational trainees and those undergoing vocational rehabilitation, working prisoners, foreign residents working in Israel, migrant workers working in Israel, and some Israelis working abroad.

Exclusions: Police, prison service, and defense force employees.

### **Source of Funds**

**Insured person:** None.

**Self-employed person:** 0.39% of earnings up to and 0.68% of earnings above 60% of the national average wage.

The minimum monthly earnings used to calculate contributions are the monthly minimum wage.

The monthly minimum wage is 4,100 new shekels.

The national average wage is 8,619 new shekels a month.

**Employer:** 0.37% of earnings up to and 0.90% of earnings above 60% of the national average wage.

The minimum monthly earnings used to calculate contributions are the monthly minimum wage.

The monthly minimum wage is 4,100 new shekels.

The maximum monthly earnings used to calculate contributions are five times the old-age basic amount as of January 1 each year.

The old-age basic amount is 8,370 new shekels a month.

The national average wage is 8,619 new shekels a month.

**Government:** 0.03% of insured and self-employed persons' earnings.

The minimum monthly earnings used to calculate contributions are the monthly minimum wage.

The monthly minimum wage is 4,100 new shekels.

The maximum monthly earnings used to calculate contributions are five times the old-age basic amount as of January 1 each year.

The old-age basic amount is 8,370 new shekels a month.

### **Qualifying Conditions**

#### **Work injury benefits**

**Temporary disability benefit (injury allowance):** Paid for a temporary work incapacity and absence from work as the result of a work injury or occupational disease. There is no minimum qualifying period.

**Temporary disability pension:** Paid to a worker assessed with a temporary degree of disability of at least 9%. There is no minimum qualifying period.

**Permanent disability pension:** Paid to a worker assessed with a permanent degree of disability of at least 20%. There is no minimum qualifying period.

**Disability grant:** Paid to a worker assessed with a permanent degree of disability of at least 9% but less than 20%. There is no minimum qualifying period.

**Special pension and special grant:** Paid for an assessed degree of disability of at least 75%; 65% to 74% for persons with difficulty walking.

**Survivor pension:** Paid to a widow aged 40 or older; at any age with a dependent child or if unable to support herself. Paid to a widower with a dependent child, or without children if aged 40 or older and unable to support himself or with an income below 4,569 new shekels a month. The pension ceases on remarriage.

**Survivor grant:** Paid to a widow or a widower not entitled to a survivor pension.

**Marriage grant:** Paid to a widow(er) on remarriage.

**Bar-mitzvah grant:** Paid to orphans at age 13 (boys) and age 12 (girls).

**Death grant (work injury-related death):** Paid to the deceased's spouse and children if the deceased received a disability pension for an assessed degree of disability of at least 50%, had reached retirement age for the earnings-tested old-age pension, or received a dependent's allowance.

**Death grant (nonwork injury-related death):** Paid to the deceased's spouse and children if the deceased had an assessed degree of disability of at least 50% for at least 36 months before death and received a work injury disability pension throughout this period. The deceased's spouse's average income must not be higher than twice the national average wage in the year preceding the death.

The national average wage is 8,619 new shekels a month.

**Funeral grant:** Paid for the insured's funeral.

### Temporary Disability Benefits

**Temporary disability benefit (injury allowance):** The daily benefit is 75% of covered earnings in the three months before the injury occurred, up to a maximum.

The benefit is paid after a two-day waiting period (waived if the incapacity for work lasts at least 12 days) for up to 13 weeks. The National Insurance Institute pays the benefit and is reimbursed by the employer for the first 12 days. Self-employed persons are not eligible for the benefit for the first 12 days of incapacity.

**Temporary disability pension:** A percentage of the insured's monthly wage is paid according to the assessed degree of medical disability.

### Permanent Disability Benefits

**Permanent disability pension:** For a total (100%) disability, the monthly pension is 75% of the insured's earnings.

**Partial disability:** A percentage of the full pension is paid according to the insured's earnings and assessed degree of disability.

**Income support:** Low-income recipients of disability pensions may receive an income supplement.

**Disability grant:** A lump sum of 43 months of the disability pension is paid.

**Special pension and special grant:** A subsidy to help meet personal expenses and transportation costs is paid.

**Benefit adjustment:** Benefits are adjusted annually in January according to the increase in the consumer price index in the previous year.

### Workers' Medical Benefits

See Workers' Medical Benefits under Sickness and Maternity.

### Survivor Benefits

**Survivor pension:** 40% to 100% of the disability pension the deceased would have been eligible to receive if assessed with a total disability is paid to the widow(er), including supplements for children.

**Survivor grant:** A lump sum of 36 months of survivor pension is paid.

**Orphan's pension:** 20% of the disability pension the deceased would have been eligible to receive if assessed with a total disability is paid for the first orphan and 10% each for the second and third. The pension is paid to the widow(er) in addition to the survivor pension.

**Full orphan's pension:** 60% of the disability pension the deceased would have been eligible to receive if assessed with a total disability is paid for the first orphan, 20% for the second, and 10% each for the third and fourth. The pension is paid if there is no widow(er) entitled to the survivor pension.

**Other dependent relatives:** If there is no eligible widow(er) or orphan, 50% of the disability pension the deceased would have been eligible to receive if assessed with a total disability is paid to one dependent, up to 100% for four or more dependents.

**Income support:** Low-income disability pensioners may receive an income supplement.

**Marriage grant:** 36 months of pension is paid in two equal parts (the first on marriage, the second two years later).

**Bar Mitzvah grant:** 33% of the disability basic amount is paid.

The disability basic amount is 8,475 new shekels.

**Death grant (work injury-related):** A lump sum of the disability basic amount is paid.

The disability basic amount is 8,475 new shekels.

**Death grant (nonwork injury-related):** 60% of the disability pension the deceased would have been eligible to receive if assessed with a total disability multiplied by 36 is paid in two equal parts.

**Funeral grant:** The cost of the funeral is paid, up to a maximum, to the organization responsible for the funeral.

### **Administrative Organization**

Ministry of Social Affairs (<http://www.molsa.gov.il>) provides general supervision.

National Insurance Institute (<http://www.btl.gov.il>) administers the program, collects contributions, and pays benefits through its branch offices.

## **Unemployment**

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### **Regulatory Framework**

**First and current laws:** 1970 (unemployment insurance) and 1973 (payment of benefits).

**Type of program:** Social insurance system.

### **Coverage**

Employed permanent and temporary residents of Israel.

Exclusions: Self-employed persons.

### **Source of Funds**

**Insured person:** 0.01% of earnings up to and 0.21% of earnings above 60% of the national average wage.

The minimum monthly earnings used to calculate contributions are the monthly minimum wage.

The monthly minimum wage is 4,100 new shekels.

The maximum monthly earnings used to calculate contributions are five times the old-age basic amount as of January 1 each year.

The old-age basic amount is 8,370 new shekels a month.

The national average wage is 8,619 new shekels a month.

**Self-employed person:** Not applicable.

**Employer:** 0.03% of earnings up to and 0.07% of earnings above 60% of the national average wage.

The minimum monthly earnings used to calculate contributions are the monthly minimum wage.

The monthly minimum wage is 4,100 new shekels.

The maximum monthly earnings used to calculate contributions are five times the old-age basic amount as of January 1 each year.

The old-age basic amount is 8,370 new shekels a month.

The national average wage is 8,619 new shekels a month.

**Government:** 0.06% of insured persons' earnings.

The minimum monthly earnings used to calculate contributions are the monthly minimum wage.

The monthly minimum wage is 4,100 new shekels.

The maximum monthly earnings used to calculate contributions are five times the old-age basic amount as of January 1 each year.

The old-age basic amount is 8,370 new shekels a month.

### **Qualifying Conditions**

**Unemployment benefits:** Must be involuntarily unemployed, registered at the labor exchange, and ready and able to perform any suitable work.

**Regular employee:** Must have paid contributions for at least 360 work days in the 540 days before unemployment.

**Daily employee:** Must have paid contributions for at least 300 work days in the 540 days before unemployment.

### **Unemployment Benefits**

A daily benefit of 20% to 80% of the insured's average daily wage in the 75 work days before unemployment is paid.

The maximum daily benefit is 344.76 new shekels for the first five months and 229.84 new shekels from the sixth month onward. The benefit is paid after a five-day waiting period (the waiting period is applied each time the insured receives unemployment benefits for four consecutive months).

The maximum duration of payment is 50 to 175 days, depending on the category of beneficiary.

### **Administrative Organization**

Ministry of Social Affairs (<http://www.molsa.gov.il>) provides general supervision.

National Insurance Institute (<http://www.btl.gov.il>) administers the program, collects contributions, and pays benefits through its branch offices.

## **Family Allowances**

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### **Regulatory Framework**

**First law:** 1959.

**Current laws:** 1975 (children's insurance), 1984 (income test), and 1993 (universal).

**Type of program:** Universal system.

## Coverage

Residents of Israel with one or more children.

## Source of Funds

**Insured person:** None.

**Self-employed person:** 1.32% of earnings up to and 2.4% of earnings above 60% of the national average wage.

The minimum monthly earnings used to calculate contributions are the monthly minimum wage.

The monthly minimum wage is 4,100 new shekels.

The national average wage is 8,619 new shekels a month.

**Employer:** 1.32% of earnings up to and 2.08% of earnings above 60% of the national average wage.

The minimum monthly earnings used to calculate contributions are the monthly minimum wage.

The monthly minimum wage is 4,100 new shekels.

The maximum monthly earnings used to calculate contributions are five times the old-age basic amount as of January 1 each year.

The old-age basic amount is 8,370 new shekels a month.

The national average wage is 8,619 new shekels a month.

**Government:** 0.8% of insured persons' earnings and 208% of the total amount from insurance contributions; funds the study grant and payments to new immigrant children.

The minimum monthly earnings used to calculate contributions are the monthly minimum wage.

The monthly minimum wage is 4,100 new shekels.

The maximum monthly earnings used to calculate contributions are five times the old-age basic amount as of January 1 each year.

The old-age basic amount is 8,370 new shekels a month.

## Qualifying Conditions

**Family allowances:** The child must be younger than age 18, unmarried, and residing in Israel.

**Family allowance increment:** Paid to families with at least three children and receiving certain National Insurance benefits.

**Study grant:** Paid at the beginning of the school year for a child aged 6 to 14 residing in Israel. Paid to a single-parent family; a parent with four or more children and receiving certain National Insurance benefits; an orphan or abandoned child; a child who immigrated to Israel without an insured parent; some women residing in battered women's shelters; and a person who receives an income support benefit separately from his or her spouse.

## Family Allowance Benefits

**Family allowances:** For children born before June 1, 2003: 173 new shekels a month is paid for the first child, 252 new shekels for the second child, 284 new shekels for the third, 446 new shekels for the fourth, and 384 new shekels for the fifth and each subsequent child.

For children born on or after June 1, 2003: 173 new shekels a month is paid for the first child, 252 new shekels each for the second, third, and fourth children, and 173 new shekels for the fifth and each subsequent child.

**Family allowance increment:** 70% of the family allowance basic amount is paid for each of the third and fourth children.

The family allowance basic amount is 173 shekels.

**Study grant:** 18% of the old-age basic amount is paid for each child aged 6 to 11; 10% for each child aged 12 to 14.

The old-age basic amount is 8,370 new shekels a month.

**Benefit adjustment:** Benefits are adjusted annually in January according to the increase in the consumer price index in the previous year.

## Administrative Organization

Ministry of Social Affairs (<http://www.molsa.gov.il>) provides general supervision.

National Insurance Institute (<http://www.btl.gov.il>) administers the program, collects contributions, and pays benefits through its branch offices.

## Japan

Exchange rate: US\$1.00 = 82.06 yen.

### Old Age, Disability, and Survivors

#### Regulatory Framework

**First law:** 1941 (employees' pension insurance).

**Current laws:** 1954 (employees' pension insurance) and 1959 (national pension).

**Type of program:** Social insurance system.

Note: The social insurance system consists of a flat-rate benefit under the national pension program (NP) and an earnings-related benefit under the employees' pension insurance program (EPI). Employers with more than 1,000 employees may contract out a portion of the EPI if they provide more generous benefits.

#### Coverage

**National pension program:** Residents aged 20 to 59; voluntary coverage for residents aged 60 to 64 and for Japanese citizens residing abroad (aged 20 to 64; to age 69 in special cases).

Self-employed persons who run an unincorporated business with up to four workers.

**Employees' pension insurance:** Employees younger than age 70 in covered firms in industry and commerce.

Exclusions: Most self-employed persons.

Special system for civil servants.

#### Source of Funds

##### Insured person

**National pension program:** No direct contributions to the national pension program; contributions from the employees' pension insurance or other employment-related program are transferred to the national pension program. The total amount transferred is based on the number of the insured persons under each program.

The employees' pension insurance or other employment-related programs pay contributions for low-income insured persons and dependent spouses of insured persons.

**Employees' pension insurance:** 8.338% (September 2012 to August 2013, gradually rising to 9.150% by September 2017) of monthly wage class earnings (salary and bonuses before tax), according to 30 wage classes; miners and seamen contribute 8.596% (September 2012 to August 2013, gradually rising to 9.150% by September 2017) of monthly earnings (salary and bonuses before tax).

The contributions of insured persons whose employers contract out a portion of the employees' pension insurance are reduced by 1.2% to 2.5% of monthly earnings (salary and bonuses before tax).

The minimum monthly earnings used to calculate contributions are 98,000 yen.

The maximum monthly earnings used to calculate contributions are 620,000 yen.

The minimum and maximum earnings levels are adjusted on an ad hoc basis according to the increase in the national average wage.

##### Self-employed person

**National pension program:** 14,980 yen a month (April 2012 to March 2013, gradually rising to 16,900 yen a month by September 2017).

**Employees' pension insurance:** Generally not applicable.

##### Employer

**National pension program:** Contributions from the employees' pension insurance or other employment-related program are transferred to the national pension program (see Insured Person).

**Employees' pension insurance:** 8.338% (September 2012 to August 2013, gradually rising to 9.150% by September 2017) of monthly payroll (salary and bonuses before tax), according to 30 wage classes; contributions for miners and seamen, 8.596% (September 2012 to August 2013, gradually rising to 9.150% by September 2017) of payroll (salary and bonuses before tax).

The contributions of employers who contract out a portion of the employees' pension insurance are reduced by 1.2% to 2.5% of monthly earnings (salary and bonuses before tax).

The minimum monthly earnings used to calculate contributions are 98,000 yen.

The maximum monthly earnings used to calculate contributions are 620,000 yen.

The minimum and maximum earnings levels are adjusted on an ad hoc basis according to the increase in the national average wage.

##### Government

**National pension program:** 50% of the cost of benefits and 100% of administrative costs are financed by the national tax system.

**Employees' pension insurance:** The total cost of administration is financed by the national tax system.

#### Qualifying Conditions

##### Old-age pension

**National pension program:** Age 65 with at least 25 years of contributions (including any periods exempt from

contribution requirements such as low-income periods). The full pension is paid with 40 years of paid contributions. The coverage period includes years of coverage under the employees' pension insurance and other employment-related programs as an insured's dependent spouse (including common-law spouse). There is no requirement to cease employment and the pension is not earnings tested.

Early pension: Aged 60 to 64 with at least 25 years of contributions.

Deferred pension: The pension may be deferred until age 70. The insured may claim the pension at least one year after meeting the qualifying conditions for the old-age national pension.

Spousal supplement: If the insured receives a supplement for a spouse under the employees' pension insurance, the spouse will receive a supplement when he or she reaches age 65 and starts to receive the old-age national pension.

*Employees' pension insurance:* Age 60 (rising to age 65 by 2025 (men) and 2030 (women); currently age 59 for seamen and miners) with at least 25 years of coverage (including any periods exempt from contribution requirements such as low-income periods). There is no requirement to cease employment. The pension is reduced if the pension and salary combined exceed a certain limit. The reduction is greater for those aged 60 to 64 than for those aged 65 to 69.

Dependent's supplement: Paid for a dependent spouse younger than age 65. The supplement ceases when the spouse reaches age 65 and receives a pension in his or her own right under the national pension program. Paid for children up to the end of the fiscal year in which they reach age 18 (up to the month they reach age 20 if disabled).

### Disability pension

*National pension program:* Must be assessed with a Group I (total disability and requires constant attendance) or a Group II (severely restricted ability to live independently) disability. Must have been insured at the first medical exam and have paid contributions during 66.7% of the period from age 20 to two months before the month of the first medical exam (including any periods exempt from contribution requirements such as low-income periods). Alternatively, must have paid continuous contributions for one year from age 20 to two months before the month of the first medical exam (until March 2016).

Dependent's supplement: Paid for children up to the end of the fiscal year in which they reach age 18 (up to the month they reach age 20 if disabled).

*Employees' pension insurance:* Must be assessed with a Group I (total disability and requires constant attendance), a Group II (severely restricted ability to live independently), or a Group III (severely restricted ability to work) disability. Must have been insured at the first medical exam and have paid contributions during 66.7% of the period from age 20 to two months before the month of the first medical exam

(including any periods exempt from contribution requirements such as low-income periods).

Dependent's supplement: Paid to persons with a Group I or II disability for a dependent spouse younger than age 65. The supplement ceases when the spouse reaches age 65 and receives a pension in his or her own right under the national pension program.

*Disability grant (employees' pension insurance):* Paid for a degree of disability assessed as less severe than Group III. Must have paid contributions during 66.7% of the period from age 20 to two months before the month of the first medical exam (including any periods exempt from contribution requirements such as low-income periods).

### Survivor pension

*National pension program:* The deceased must have satisfied one of the following conditions: was an old-age pensioner; was an insured person or a resident of Japan aged 60 to 64 with paid contributions during 66.7% of the period from age 20 to two months before the month of the death (including any periods exempt from contribution requirements such as low-income periods); or, if younger than age 65, must have paid continuous contributions for one year before the two-month period before the month of the death.

Eligible survivors include the widow living with and caring for the deceased's children up to the end of the fiscal year in which the child reaches age 18 (age 19 if disabled), and the deceased's children up to the end of the fiscal year in which the child reaches age 18 (age 19 if disabled).

Dependent's supplement: Paid for children up to the end of the fiscal year in which they reach age 18 (up to the month they reach age 20 if disabled).

*Childless widow's pension (national pension program):* Paid to a childless, dependent widow aged 60 to 64 who was married to the deceased for at least 10 years provided the deceased was not an old-age pensioner at the time of death and had at least 25 years of contributions (including any periods exempt from contribution requirements such as low-income periods).

*Death grant (national pension program):* The deceased was not an old-age or disability pensioner at the time of death and had at least three years of contributions (including any periods exempt from contribution requirements such as low-income periods).

*Employees' pension insurance:* The deceased must have met one of the following conditions: received or was eligible for an old-age or disability (Group I or II) pension; or was insured with paid contributions during 66.7% of the period from age 20 to two months before the month of the death (including any periods exempt from contribution requirements such as low-income periods).

Eligible survivors include a widow, a widower aged 55 or older at the time of the insured's death (benefits are paid from age 60), children or grandchildren up to the end of

the fiscal year in which the child reaches age 18 (age 19 if disabled), and parents or grandparents older than age 55 at the time of the insured's death (benefits are paid from age 60), if they were financially dependent on the deceased at the time of death. The pension is paid to the first eligible survivor in the following order of priority: spouse, children, parents, grandparents, and grandchildren.

Widow's supplement (employee's pension insurance): An additional benefit may be paid to a childless widow aged 40 to 64 if she was aged 40 or older at the time of the insured's death.

### Old-Age Benefits

#### Old-age pension

*National pension program:* The full pension is 786,500 yen a year. A reduced pension is paid according to the number of contributions paid and credited. The pension is paid every two months.

*Early pension:* For those born on or after April 2, 1941, the reduction is 0.5% multiplied by the number of months between application and one month before age 65. For older cohorts, the pension is reduced by 42% to 11%, depending on the age at which the pension is awarded from age 60 to 64.

*Deferred pension:* For those born on or after April 2, 1941, the increase is 0.7% multiplied by the number of months between application and one month before age 65. For older cohorts, the pension paid at age 65 is increased by 12% to 88%, depending on the age at which the pension is awarded from ages 66 to 70.

*Dependent's supplement:* The supplement is paid directly to a qualifying spouse aged 65 or older and ranges from 15,200 yen to 226,300 yen a year, depending on the spouse's age.

*Benefit adjustment:* Benefits are automatically adjusted annually according to changes in the cost of living and wages.

*Employees' pension insurance:* The pension is based on the insured's average monthly wage over the full career multiplied by a coefficient determined by the insured's date of birth multiplied by the number of months of coverage. The pension is paid every two months.

Pensioners aged 60 to 64 receive an additional 1,676 yen a month for each month of total coverage.

*Working pensioner (aged 60 to 64):* The full pension is paid for continued employment from age 60 to 64 if the combined total of monthly earnings and pension is no greater than 280,000 yen; if the combined monthly total is 280,000 yen to 460,000 yen, the pension is reduced by 50% of the amount exceeding 280,000 yen; if monthly earnings exceed 460,000 yen a month, the pension is further reduced.

*Working pensioner (aged 65 to 69):* If the combined monthly earnings and pension exceed 460,000 yen, the pension is reduced by 50% of the amount exceeding 280,000 yen.

*Dependent's supplement:* 226,300 yen a year is paid for a spouse; 226,300 yen a year for each of the first two children and 75,400 yen a year for each subsequent child.

*Benefit adjustment:* Benefits are automatically adjusted annually according to changes in the cost of living and wages.

### Permanent Disability Benefits

#### Disability pension

*National pension program:* 983,100 yen a year is paid for a Group I disability; 786,500 yen a year for a Group II disability.

*Dependent's supplement:* 226,300 yen a year is paid for each of the first two children and 75,400 yen a year for each subsequent child.

Benefits are paid every two months.

*Benefit adjustment:* Benefits are automatically adjusted annually according to changes in the cost of living and wages.

*Employees' pension insurance:* 125% of the old-age employees' pension plus additional benefits for dependents the insured received or was eligible to receive is paid for a Group I disability; 100% (plus additional benefits for dependents) for a Group II disability; or 100% for a Group III disability. For persons with less than 300 months of coverage, the pension is calculated based on a contribution period of 300 months.

The minimum benefit is 589,900 yen a year.

*Dependent's supplement:* 226,300 yen a year is paid for a spouse.

Benefits are paid every two months.

*Disability grant:* A lump sum of 200% of the old-age employees' pension the insured received or was eligible to receive is paid. The minimum lump sum is 1,150,200 yen.

*Benefit adjustment:* Benefits are automatically adjusted annually according to changes in the cost of living and wages.

### Survivor Benefits

#### Survivor pension

*National pension program:* 786,500 yen a year is paid for a widow.

*Dependent's supplement:* 226,300 yen a year is paid for each of the first two children and 75,400 yen a year for each subsequent child.

Full orphan's pension: The benefit is the same as for a widow plus dependent supplements and is split equally among all eligible full orphans.

Childless widow's pension: 75% of the old-age pension the deceased would have been eligible to receive is paid.

Benefits are paid every two months.

Death grant: A lump sum of 120,000 yen to 320,000 yen is paid according to the number of paid contributions from three to 35 years.

Benefit adjustment: Benefits are automatically adjusted annually according to changes in the cost of living and wages.

*Employees' pension insurance:* 75% of the old-age pension is paid to the first eligible survivor.

Widow's supplement: An additional benefit of 589,900 yen a year may be paid to a childless widow aged 40 to 65.

Benefits are paid every two months.

Benefit adjustment: Benefits are automatically adjusted annually according to changes in the cost of living.

### Administrative Organization

Pension Bureau of the Ministry of Health, Labour and Welfare (<http://www.mhlw.go.jp>) supervises both the national and employees' pension programs.

Japan Pension Service (<http://www.nenkin.go.jp>), under the fiscal and management responsibility of the Ministry of Health, Labour and Welfare, administers both programs nationally.

Japan Pension Service collects contributions, provides consultation services, and pays benefits for both programs through their branch offices.

### Sickness and Maternity

#### Regulatory Framework

**First and current laws:** 1922 (employees' health insurance), implemented in 1927; 1938 (national health insurance); and 1982 (medical system for the elderly), implemented in 1983.

**Type of program:** Social insurance system.

#### Coverage

**National health insurance:** All persons residing in Japan not covered under the employees' health insurance program.

Special national health insurance societies provide coverage for certain occupations.

#### Employees' health insurance

*Society-managed health insurance:* Members of an occupational health insurance society.

*Association-managed health insurance:* Employees of firms in industry and commerce with five or more employees are covered by the program managed by the Japan Health Insurance Association, unless the insured is a member of an occupational health insurance society.

Voluntary coverage for employees in private-sector workplaces with fewer than five workers and for agricultural, forestry, or fishery workers.

Exclusions: Self-employed persons.

Special systems for seamen, private-school employees, and local and national government employees.

A health and medical services program covers persons aged 75 or older.

### Source of Funds

#### Insured person

*National health insurance:* The contribution is set by the insurer but must not exceed 650,000 yen a year per household. (The average annual contribution in 2010 was 81,021 yen per insured person, or 141,658 yen per household.)

Contributions may be reduced for low-income persons.

*Employees' health insurance:* 5.00% of monthly payroll (salary and bonuses before tax), according to 47 wage classes (association-managed program). The annual average contribution in 2010 was 3.45% of monthly payroll (salary and bonuses before tax), according to 47 wage classes (society-managed program).

The minimum monthly earnings used to calculate contributions are 58,000 yen.

The maximum monthly earnings used to calculate contributions are 1,210,000 yen.

The minimum and maximum earnings levels are adjusted according to any increase in the national average wage.

#### Self-employed person

*National health insurance:* The contribution is set by the insurer but must not exceed 650,000 yen a year per household. (The average annual contribution in 2010 was 81,021 yen per insured person, or 141,658 yen per household.)

Contributions may be reduced for low-income persons.

*Employees' health insurance:* Not applicable.

#### Employer

*National health insurance:* None.

*Employees' health insurance:* 5.00% of monthly payroll (salary and bonuses before tax), according to 47 wage classes (association-managed program). The annual average contribution in 2010 was 4.22% of monthly payroll (salary and bonuses before tax), according to 47 wage classes (society-managed program).

The minimum monthly basic earnings used to calculate contributions are 58,000 yen.

The maximum monthly basic earnings used to calculate contributions are 1,210,000 yen.

The minimum and maximum earnings levels are adjusted according to any increase in the national average wage.

### Government

**National health insurance:** A subsidy of 50% (41% from the national government and 9% from the prefecture) of the cost of medical care.

**Employees' health insurance:** 16.4% of benefit costs, 16.4% of the cost of health care for older people, the total cost of administration for the association-managed program, and part of the cost of administration for the society-managed program.

Also, about 50% of the cost (excluding the cost covered by the insured) of medical care provided under the health and medical services program for older people.

### Qualifying Conditions

**National health insurance:** Must reside in Japan.

**Employees' health insurance:** Must be in covered employment. If an insured person leaves employment but was in covered employment during the previous two months, the insured may be covered on a voluntary basis for up to two years.

Eligible dependents include spouses, parents, grandparents, younger siblings, children, and grandchildren whether or not residing with the insured person; and fathers- and mothers-in-law, uncles, aunts, nephews, nieces, and older siblings if they reside with the insured.

### Sickness and Maternity Benefits

**National health insurance:** Each insurer provides maternity and child care allowances and funeral grants, according to the municipality.

#### Employees' health insurance

**Sickness and injury allowance:** 66.67% of the average daily basic wage is paid according to wage class. The benefit is paid after a three-day waiting period for up to 18 months. Health insurance societies may provide more generous benefits. If the insured receives wages, benefits are suspended or partially reduced.

**Maternity allowance:** Approximately 66.67% of the average daily basic wage is paid, according to wage class, for 42 days before (98 days for expected multiple births) and 56 days after the expected date of childbirth. If the insured receives wages, benefits are suspended or partially reduced.

**Child care allowance:** A lump sum of 420,000 yen is paid to an insured person or the dependent of an insured person.

**Funeral grant:** A lump sum of 50,000 yen is paid to a dependent who pays for the funeral. If there is no dependent, the actual cost is paid to the person who pays for the funeral, up to 50,000 yen.

### Workers' Medical Benefits

**National health insurance:** Clinics, hospitals, and pharmacists under contract with and paid by the insurer usually provide medical care and treatment (some insurers provide services directly through their own clinics and hospitals). Benefits include medical treatment, surgery, hospitalization, nursing care, dental care, maternity care (only for a difficult childbirth), and medicine.

There is no limit to duration.

**Cost sharing:** The amount depends on the person's age: 20% of the cost for preschool children; 30% of the cost for persons up to age 69; 10% or 30% of the cost (depending on income) for persons aged 70 or older.

Hospitalized persons also pay a daily fee toward the cost of nonmedical expenses, depending on family income.

**Employees' health insurance:** Benefits include medical treatment, surgery, hospitalization, nursing care, dental care, maternity care (only for a difficult childbirth), and medicine.

There is no limit to duration.

**Cost sharing:** The amount depends on the person's age: 20% of the cost for preschool children; 30% of the cost for persons up to age 69; 10% or 30% of the cost (depending on income) for persons aged 70 or older.

Hospitalized persons also pay a daily fee toward the cost of nonmedical expenses, depending on family income.

### Dependents' Medical Benefits

**National health insurance:** Not applicable.

**Employees' health insurance:** Medical benefits for dependents are the same as those for the insured.

### Administrative Organization

Health Insurance Bureau of the Ministry of Health, Labour and Welfare (<http://www.mhlw.go.jp>) oversees the National Health Insurance and Employee's Health Insurance programs.

Regional Bureaus of Health and Welfare and prefectures supervise the programs locally.

**National health insurance:** Municipalities administer the program.

**Employees' health insurance:** Japan Health Insurance Association (<http://www.kyoukaikenpo.or.jp>) administers the association-managed program nationally and 1,447 health insurance societies administer the society-managed program nationwide.

Municipalities administer the health and medical services program for older people.

## Work Injury

### Regulatory Framework

**First law:** 1911.

**Current law:** 1947 (workmen's accident compensation insurance).

**Type of program:** Social insurance system.

### Coverage

All employees not included under voluntary coverage or special systems.

Voluntary coverage for employees in agricultural, forestry, and fishery establishments with fewer than five workers.

Some self-employed persons and entrepreneurs (such as business owners of small- and medium-sized enterprises) are covered.

Special systems for civil servants.

### Source of Funds

**Insured person:** None.

**Self-employed person:** 0.25% to 8.9% of declared earnings.

**Employer:** 0.25% to 8.9% of payroll, according to a three-year accident rate.

**Government:** None.

### Qualifying Conditions

**Work injury benefits:** There is no minimum qualifying period.

### Temporary Disability Benefits

The benefit is 60% of the insured's average daily wage in the three months before the temporary disability began plus a temporary disability supplement of 20% of the insured's average daily wage. The benefit is paid after a three-day waiting period until recovery (the employer pays 60% of the average daily wage for the first three days).

The minimum daily benefit is 3,960 yen.

The maximum daily benefit is 12,984 yen to 24,608 yen, depending on the insured's age.

**Benefit adjustment:** Benefits are automatically adjusted quarterly for wage changes greater than 10% from the previous quarter.

From the 19th month, persons with less severe disabilities continue to receive the same level of benefit until recovery; persons with more severe disabilities receive the disease compensation pension (annual benefit is 100% of the

average daily wage in the preceding three months multiplied by 245 to 313 days until recovery, according to the degree of disability), plus a special supplement based on the worker's annual salary bonus.

Benefits are paid every two months.

**Benefit adjustment:** Benefits are automatically adjusted annually for changes in wages.

### Permanent Disability Benefits

**Permanent disability pension:** An annual pension of 131 to 313 times the insured's average daily wage in the three months before the disability began is paid to persons with serious disabilities (Grades 1 to 7). The pension varies according to the assessed degree of disability.

A lump sum of 56 to 503 times the average daily wage in the three months before the disability began is paid to persons with less serious disabilities (Grades 8 to 14). The pension varies according to the assessed degree of disability.

**Constant-attendance allowance (Grades 1 and 2):** Up to 104,290 yen a month is paid if the insured requires the constant attendance of others to perform daily functions (56,600 yen if family members provide care; up to 52,150 yen a month if the insured requires part-time care (28,300 yen if family members provide care).

Benefits are paid monthly.

**Benefit adjustment:** Benefits are automatically adjusted annually according to changes in wages.

### Workers' Medical Benefits

Benefits include medical treatment, surgery, hospitalization, nursing, dental care, medicine, appliances, and transportation.

There is no limit on the duration of benefits.

### Survivor Benefits

**Survivor pension:** An annual pension of the insured's average daily wage in the three months before the insured's death multiplied by 153 to 245 days is paid according to the number of survivors.

Eligible survivors include a widow or widower (aged 60 or older), children and grandchildren (up to the end of the fiscal year in which the child reaches age 18), parents and grandparents (aged 60 or older), and brothers and sisters (up to the end of the fiscal year in which the child reaches age 18; or aged 60 or older) who were dependent on the deceased worker at the time of death.

Benefits are paid every two months.

**Benefit adjustment:** Benefits are automatically adjusted annually according to changes in wages.

**Death grant:** If there are no eligible survivors, a lump sum of the insured's average daily wage in the three months

before the insured's death multiplied by 1,000 days is paid to a nondependent survivor.

**Funeral grant:** The grant is 60 days of the insured's average daily wage in the three months preceding death or 315,000 yen plus 30 days of wages, whichever is greater.

### Administrative Organization

Ministry of Health, Labour and Welfare (<http://www.mhlw.go.jp>) provides general supervision and administration.

Work Injury Compensation Department within the Ministry of Health, Labour and Welfare's Bureau of Labour Standards administers the program through prefectural Labour Bureaus and local Labour Standards Inspection Offices.

## Unemployment

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### Regulatory Framework

**First law:** 1947.

**Current law:** 1974 (employment insurance).

**Type of program:** Social insurance system.

### Coverage

Employees younger than age 65.

Voluntary coverage for employees in agricultural, forestry, and fishery establishments with fewer than five regular employees.

Exclusions: Workers with less than 20 scheduled working hours per week and self-employed persons.

Special systems for daily workers and seasonal workers.

### Source of Funds

**Insured person:** 0.5% of monthly earnings (salary and bonuses before tax); 0.6% for agricultural, forestry, fishery, or sake brewing industry workers.

**Self-employed person:** Not applicable.

**Employer:** 0.85% of payroll (salary and bonuses before tax); 0.95% for agricultural, forestry, fishery, or sake brewing industry workers; and 1.05% for construction workers.

**Government:** 13.8% of the cost of unemployment benefits and special allowances, 18.3% of the cost of benefits for daily workers, and 6.9% of the cost of benefits for insured persons on child care leave and for older workers.

### Qualifying Conditions

**Unemployment benefit:** Must have at least 12 months of coverage during the last 24 months before unemployment (in case of unemployment due to insolvency or dismissal, at least six months of insurance during the last 12 months). Must be registered with the Public Employment Security Office and be capable of, and willing to, work. The

unemployed person must report to the Public Employment Security Office once every four weeks. Unemployment must not be due to voluntary leaving, serious misconduct, refusal of a suitable job offer, or nonattendance at vocational training (otherwise, the benefit may be limited to one to three months).

**Special daily or monthly allowances:** The insured must have at least three years (one year if receiving the benefit for the first time) of coverage to receive education and training benefits and must take designated educational and training courses.

**Older worker benefit:** Paid to workers aged 60 to 64 with more than five years of coverage whose wage was reduced by 75% from the wage paid at age 60.

**Child care leave benefit:** Paid to insured persons who take child care leave to care for a newborn child up to age 1; up to age 18 months under certain conditions.

**Nursing care leave benefit:** Paid to insured persons who take leave to provide nursing care for family members.

### Unemployment Benefits

**Unemployment benefit:** 50% to 80% of the insured's average daily wage (higher percentages are awarded to lower-wage earners) in the six months before unemployment is paid; 45% to 80% if aged 60 to 64. The benefit is paid after a seven-day waiting period for 90 to 330 days, according to the length of coverage, age, and reasons for unemployment. The benefit may be extended for another 60 days for insured persons who are unemployed due to insolvency or dismissal and are having difficulty finding a new job, taking into consideration age and regional circumstances (temporary measure until March 31, 2014).

The minimum daily benefit is 1,864 yen.

The maximum daily benefit is 7,890 yen.

**Special daily or monthly allowances:** Allowances are paid to cover the cost of vocational training, transportation for job search activities, moving, and lodging expenses while seeking employment in the wider area.

**Older worker benefit:** The maximum benefit is 15% of the wage after age 60, depending on the percentage of wage reduction.

**Child care leave benefit:** The monthly benefit is 50% of the insured's average daily wage in the six months before the leave period multiplied by 30.

**Nursing care leave benefit:** 40% of the insured's wage before the leave period is paid.

### Administrative Organization

Ministry of Health, Labour and Welfare (<http://www.mhlw.go.jp>) provides general supervision and management.

Employment Security Bureau in the Ministry of Health, Labour and Welfare administers the national program through the Employment Insurance Divisions of prefectural Labour Bureaus and Public Employment Security Offices.

## Family Allowances

### Regulatory Framework

**First and current laws:** 1971 (child allowance), implemented in 1972, and 2010 (payment of child allowance).

**Type of program:** Employer-liability and social assistance system.

### Coverage

Persons raising or fostering one or more children younger than the age of graduation from junior high school.

### Source of Funds

**Insured person:** None.

**Self-employed person:** None.

**Employer:** 47% of the cost (about 0.15% of wages) for children younger than age 3.

**Government:** For employees' children younger than age 3: 36% of the cost paid by the National Treasury; 9% by the prefecture; and 9% by municipalities. For employees' children aged 3 to 15 and the children of self-employed and unemployed persons: 67% of the cost paid by the National Treasury; 17% by the prefecture; and 17% by municipalities.

### Qualifying Conditions

Must meet an income test of 9.6 million yen a year for parents with two children (June 2012).

### Family Allowance Benefits

The benefit is 15,000 yen a month for each child younger than age 3; 10,000 yen a month for each of the first two children aged 3 up to graduation from elementary school; 15,000 yen a month for each subsequent child aged 3 up to graduation from elementary school; and 10,000 yen a month for each child in junior high school.

For persons who do not meet an income test, 5,000 yen a month is paid for each child up to graduation from junior high school.

Allowances are normally paid every four months (February, June and October) and the sum of allowances for the previous three months is paid.

Benefit adjustment: Benefits are adjusted on an ad hoc basis.

### Administrative Organization

Ministry of Health, Labour and Welfare (<http://www.mhlw.go.jp>) supervises the program through its Equal Employment, Children, and Families Bureau.

Japan Pension Service Branch Offices collect contributions.

Municipalities pay allowances.

## Jordan

Exchange rate: US\$1.00 = 0.71 dinars.

### Old Age, Disability, and Survivors

#### Regulatory Framework

**First law:** 1978.

**Previous law:** 2001 (social security).

**Current law:** 2010 (social security).

**Type of program:** Social insurance system.

#### Coverage

Employees working in private firms with at least one worker; employers; most government and public-sector workers; and Jordanian citizens working at diplomatic missions or for international organizations.

Voluntary coverage for self-employed persons and all Jordanian citizens residing in the Kingdom or abroad who cease to be compulsorily covered and non-working citizens (including housewives and students), subject to a minimum and maximum wage.

Exclusions: Civil servants hired before 1995 and military staff hired before 2003; foreign employees in international organizations or foreign political or military missions; and casual labor. (A law on coverage for household workers has not yet been implemented.)

Special systems for public-sector employees covered under civil or military pension laws.

#### Source of Funds

**Insured person:** 5.5% of gross monthly earnings; insured workers can also contribute for previous uncovered work periods.

The maximum earnings used to calculate contributions range from five times the monthly average covered wage to 5,000 dinars.

The voluntarily insured pay 14.5% of monthly earnings between the national minimum wage and five times the monthly average covered wage.

The national monthly minimum wage is 190 dinars.

The monthly average covered wage for private-sector workers is 421 dinars.

**Self-employed person:** 14.5% of monthly earnings between the national minimum wage and five times the monthly average covered wage.

The national monthly minimum wage is 190 dinars.

The monthly average covered wage for private-sector workers is 421 dinars.

**Employer:** 9% of monthly payroll.

The maximum earnings used to calculate contributions range from five times the monthly average covered wage to 5,000 dinars.

The monthly average covered wage for private-sector workers is 421 dinars.

**Government:** Any deficit.

#### Qualifying Conditions

**Old-age pension:** Age 60 (men) or age 55 (women) with at least 180 months of coverage, including 84 months of paid contributions.

An insured person with a minimum number of months of coverage at the normal retirement age may continue to contribute up to age 65 (men) or age 60 (women) to either meet the qualifying conditions for, or increase the value of, the old-age pension.

Dependent's supplement: Eligible dependents include a dependent wife; a dependent, disabled husband; a son up to age 23 or disabled; an unmarried, unemployed, dependent daughter; and dependent parents, brothers, and sisters.

Early pension (for those covered before October 6, 2009): Age 50 with at least 300 months (men) or 264 months (women) of contributions.

Early pension for hazardous occupations: Age 45 with at least 216 months (men) or 180 months (women) of contributions.

Early pensions are also paid to certain groups before age 50, depending on the insured's age on January 1, 2011, gender, and contribution period.

Benefits are payable abroad.

**Disability pension:** The insured must be assessed with a total or partial incapacity for work and have at least 60 months of contributions, including 36 consecutive months.

Constant-attendance allowance: Paid if the insured requires the constant attendance of others to perform daily functions.

The Central Medical Committee and Appeal Medical Committee assess the degree of disability.

Benefits are payable abroad.

**Survivor pension:** The deceased had at least 24 months of contributions, including six consecutive months. If more than one survivor is eligible, the pension is split among survivors according to a schedule in law.

Eligible survivors include a widow; a disabled widower with no income; the insured's male children up to age 23; an unemployed, dependent daughter who is unmarried,

widowed, or divorced; dependent brothers younger than age 18; dependent sisters; parents; and an unborn child.

The pension for a widow, daughter, or sister is suspended on marriage but is resumed if she is subsequently widowed or divorced.

Benefits are payable abroad.

**Funeral grant:** Paid when an insured person dies.

### **Old-Age Benefits**

**Old-age pension:** The pension is 2.5% of the monthly covered wage up to 1,500 dinars multiplied by the insured's total number of monthly contributions divided by 12, plus 2% of the amount above 1,500 dinars multiplied by the insured's total number of monthly contributions divided by 12.

The monthly covered wage is the insured's average monthly covered wage in the last 36 months.

**Dependent's supplement:** The pension is increased by 10% for the first dependent (a minimum of 10 dinars and a maximum of 50 dinars) and 5% each for the second and third (a minimum of 5 dinars and a maximum of 25 dinars for each person), up to 20% of the pension.

**Early pension:** The pension is reduced proportionally according to a schedule in law and is based on the last 60 months of contributions and the insured person's age at application.

If an insured person is not entitled to an old-age pension at retirement age, a lump sum of 10% of the insured's average annual earnings is paid for each year of contributions for less than 10 years of contributions; 12% of the insured's average annual earnings for 10 to 18 years; or 15% of the insured's average annual earnings for more than 18 years of contributions.

Lump-sum benefits can also be paid in certain other cases as determined by the Board of Directors of the Social Security Corporation.

All newly awarded pension benefits are increased by 40 dinars, except for the early pension, which is increased at the normal retirement age.

**Benefit adjustment:** Pensions are indexed in March every year to inflation or the annual growth in the national average covered wage, whichever is lower, but may not increase more than 20 dinars. Early pensioners are not eligible for an adjustment until the normal retirement age.

### **Permanent Disability Benefits**

**Disability pension:** 50% of the insured's average monthly earnings in the last 36 months is paid for the first 1,500 dinars of earnings plus 30% of the amount above 1,500 dinars.

The pension is increased by 0.5% for each full year of contributions if the insured has 60 months to 119 months

of contributions; by 1% with at least 120 months of contributions.

**Constant-attendance allowance:** 25% of the pension is paid.

All newly awarded pension benefits are increased by 40 dinars.

There is no maximum pension.

**Benefit adjustment:** Pensions are indexed in March every year to inflation or the annual growth in the national average covered wage, whichever is lower, but may not increase more than 20 dinars.

### **Survivor Benefits**

**Survivor pension:** 50% of the insured's average monthly earnings in the last year of contributions is paid for the first 1,500 dinars of earnings, plus 30% of the amount above 1,500 dinars.

The pension is increased by 0.5% for each full year of contributions if the deceased had 60 to 119 months of contributions; by 1% with at least 120 months of contributions.

Pension benefits are increased by 40 dinars.

**Benefit adjustment:** Pensions are indexed in March every year to inflation or the annual growth in the national average covered wage, whichever is lower, but may not increase more than 20 dinars.

**Funeral grant:** 500 dinars is paid.

### **Administrative Organization**

Social Security Corporation (<http://www.ssc.gov.jo>) administers the program.

### **Sickness and Maternity**

#### **Regulatory Framework**

**First law:** 1978.

**Current law:** 2010 (social security), implemented in 2011.

**Type of program:** Social insurance system (cash maternity benefits only).

#### **Coverage**

Employees working in private firms with at least one worker.

**Exclusions:** The voluntarily insured, including self-employed persons, and certain categories of government and public-sector employees as determined by the Board of Directors of the Social Security Corporation.

#### **Source of Funds**

**Insured person:** None.

**Self-employed person:** Not applicable.

**Employer:** 0.75% of monthly payroll.

**Government:** Any deficit.

### **Qualifying Conditions**

**Cash maternity benefits:** Must have at least nine months of coverage before childbirth.

### **Sickness and Maternity Benefits**

**Cash maternity benefits:** 100% of the insured's last monthly earnings is paid for up to 10 weeks.

### **Administrative Organization**

Social Security Corporation (<http://www.ssc.gov.jo>) administers the program.

### **Work Injury**

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#### **Regulatory Framework**

**First law:** 1978.

**Current law:** 2010 (social security), implemented in 2011.

**Type of program:** Social insurance system.

#### **Coverage**

Employees working in private firms with at least one worker; employers; most government and public-sector employees; Jordanian citizens working at diplomatic missions or for international organizations; and apprentices.

Exclusions: Civil servants hired before 1995 and military staff hired before 2003; foreign employees in international organizations or foreign political or military missions; self-employed persons; and casual labor. (A law on coverage for household workers has not yet been implemented.)

Special systems for public-sector employees covered under civil or military pension law.

#### **Source of Funds**

**Insured person:** None.

**Self-employed person:** Not applicable.

**Employer:** At least 2% of monthly payroll (may be reduced to 1% if the employer assumes the full cost of medical treatment and the payment of daily allowances for temporary disability; may be increased up to 4% depending on the employer's sector risk and implementation of occupational health and safety standards). No contribution is required on wages paid to apprentices.

**Government:** Any deficit.

### **Qualifying Conditions**

**Work injury benefits:** There is no minimum qualifying period.

### **Temporary Disability Benefits**

75% of the insured's daily earnings is paid until the insured resumes work, is assessed with a permanent disability, or dies. The employer pays the insured's earnings for the first three days.

### **Permanent Disability Benefits**

**Permanent disability pension:** If assessed with a loss of working capacity of at least 75%, 75% of the monthly earnings on the day of the injury is paid.

Constant-attendance allowance: 25% of the pension is paid.

Partial disability: If assessed with a loss of working capacity of 30% to 74%, a pension is paid based on 75% of the monthly earnings on the day of the injury multiplied by the percentage of the assessed degree of disability.

The Central Medical Committee and Appeal Committee assess the degree of disability.

### **Workers' Medical Benefits**

Medical treatment, hospitalization, transportation, and rehabilitation services (including artificial limbs) are provided.

### **Survivor Benefits**

**Survivor pension:** 75% of the covered monthly earnings on the day of the injury is paid. If there is more than one eligible survivor, the pension is split according to a schedule in law.

Eligible survivors include a widow; a disabled widower with no income; the insured's male children up to age 23 if a student or until the completion of the first university degree, whichever comes first; an unemployed, dependent daughter who is unmarried, widowed, or divorced; dependent brothers younger than age 18; dependent sisters; parents; and an unborn child.

The pension for a widow, daughter, or sister is suspended on marriage but is resumed if she is subsequently widowed or divorced.

Pension benefits are increased by 40 dinars.

**Funeral grant:** 500 dinars is paid.

### **Administrative Organization**

Social Security Corporation (<http://www.ssc.gov.jo>) administers the program.

### **Unemployment**

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#### **Regulatory Framework**

**First law:** 1978.

**Current law:** 2010 (social security), implemented in 2011.

**Type of program:** Social insurance system.

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## Coverage

Employees working in private firms with at least one worker.

Exclusions: The voluntarily insured, including self-employed persons, and certain categories of government and public-sector employees as decided by the Board of Directors of the Social Security Corporation.

## Source of Funds

**Insured person:** 1% of monthly earnings.

**Self-employed person:** Not applicable.

**Employer:** 0.5% of monthly payroll.

**Government:** Any deficit.

## Qualifying Conditions

**Unemployment cash benefits:** Must have at least 36 months of old-age insurance coverage before the date of entitlement to unemployment benefits.

## Unemployment Benefits

**Unemployment cash benefits:** 75% of the insured's last covered wage is paid for the first month; 65% for the second month; 55% for the third month; and 45% for the fourth to sixth months. Paid for up to three months with contributions of less than 180 months; up to six months with contributions of 180 months or more.

## Administrative Organization

Social Security Corporation (<http://www.ssc.gov.jo>) administers the program.

## Kazakhstan

Exchange rate: US\$1.00 = 147.70 tenge.

### Old Age, Disability, and Survivors

#### Regulatory Framework

**First law:** 1991.

**Current laws:** 1997 (pensions), implemented in 1997 and 1998; 1997 (social allowances), implemented in 1997; 2003 (compulsory social insurance), implemented in 2005; and 2007 (social security).

**Type of program:** Mandatory individual account, social insurance, and social assistance system.

#### Coverage

**Mandatory individual account (old age):** Employed and self-employed residents of Kazakhstan.

**Solidarity pension (old age):** Employed Kazakh citizens with at least six months of contributions before January 1, 1998.

**State basic pension (old age):** Kazakh citizens.

**Social insurance (disability and survivors):** Employed and self-employed persons, including foreign citizens and persons without citizenship who work and reside permanently in Kazakhstan.

Exclusions: Employed pensioners.

Special systems for government employees, teachers, professional athletes, specific categories of performing artists, truck drivers, machine operators, railway employees, and test pilots.

**State social benefit (social assistance):** Residents of Kazakhstan.

#### Source of Funds

##### Insured person

**Mandatory individual account (old age):** 10% of monthly earnings.

**Solidarity pension (old age):** None.

**State basic pension (old age):** None.

**Social insurance (disability and survivors):** None.

**State social benefit (social assistance):** None.

##### Self-employed person

**Mandatory individual account (old age):** 10% of monthly income.

The minimum earnings used to calculate contributions are 10% of the monthly minimum wage.

The maximum earnings used to calculate contributions are 10% of 75 times the monthly minimum wage.

The monthly minimum wage is 17,439 tenge.

**Solidarity pension (old age):** None.

**State basic pension (old age):** None.

**Social insurance (disability and survivors):** 5% of monthly income.

The minimum earnings used to calculate contributions are 5% of the monthly minimum wage.

The monthly minimum wage is 17,439 tenge.

The self-employed person's social insurance contributions also finance disability, survivor, and unemployment benefits.

**State social benefit (social assistance):** None.

##### Employer

**Mandatory individual account (old age):** None.

**Solidarity pension (old age):** 11% levy on payroll.

**State basic pension (old age):** None.

**Social insurance (disability and survivors):** 5% of monthly payroll.

The employer's social insurance contributions also finance disability, survivor, and unemployment benefits.

**State social benefit (social assistance):** None.

##### Government

**Mandatory individual account (old age):** The cost of the guaranteed minimum pension.

**Solidarity pension (old age):** Subsidies as needed.

**State basic pension (old age):** The total cost.

**Social insurance (disability and survivors):** None; contributes as an employer.

**State social benefit (social assistance):** The total cost.

#### Qualifying Conditions

**Mandatory individual account (old age):** Age 63 (men) or age 58 (women) with at least 35 years of contributions. Age 50 (men) or age 45 (women) and lived in certain ecologically damaged zones for at least 10 years from 1949 to 1963. Age 53 for mothers living in rural areas with five or more children older than age 8.

Age 55 (men and women) if the accumulated capital is sufficient to finance a benefit at least equal to the minimum pension, or if unemployed with at least 35 years of contributions.

**Solidarity pension (old age):** Age 63 with at least 25 years of contributions (men) or age 58 with at least 20 years of contributions (women). Age 50 with at least 25 years of contributions (men) or age 45 with at least 20 years of contributions (women) and lived in certain ecologically damaged zones for at least 10 years from 1949 to 1963. Age 53 for mothers living in rural areas with five or more children older than age 8.

**Partial pension:** Paid if the insured does not meet the coverage requirements for the full old-age solidarity pension at the normal retirement age.

**State basic pension (old age):** Paid at the retirement age regardless of the insurance period and income to pensioners with less than a government-defined minimum level and to those who are not entitled to contributory benefits.

**Social insurance (disability):** Assessed with at least a 30% loss of working capacity.

**State social benefit (disability):** Assessed with a disability.

**Social insurance (survivors):** Paid to survivors when the insured family breadwinner dies.

Eligible survivors include dependents unable to work, including children younger than age 18 (age 23 if a full-time student; no limit if disabled before age 18); a widow(er) of retirement age, disabled, or caring for children younger than age 18; and any relative caring for children younger than age 18.

**State social benefit (survivors):** Paid to survivors when the family breadwinner dies.

Eligible survivors include dependents unable to work, including children younger than age 18 (age 23 if a full-time student; no limit if disabled before age 18); a widow(er) of retirement age, disabled, or caring for children younger than age 18; and any relative caring for children younger than age 18.

## Old-Age Benefits

### Old-age pension

**Mandatory individual account:** The benefit is based on the insured's contributions plus accrued interest and may be paid monthly, quarterly, or annually.

A lump sum is paid if the value of the insured's contributions plus accrued interest is less than 100,000 tenge or less than 12 times the minimum pension.

The monthly minimum pension is 17,490 tenge.

**Solidarity pension:** 60% of the insured's earnings in the best three consecutive years after 1995 plus 1% of earnings for each year in excess of 25 years (men) or 20 years (women) of work is paid.

The maximum monthly old-age solidarity pension is 75% of the insured's earnings in the best three consecutive years after 1995.

**Partial pension:** A percentage of the full pension is paid according to the number of years below the required number of years of coverage.

The monthly minimum pension is 17,490 tenge.

**Benefit adjustment:** Benefits are adjusted periodically according to changes in the consumer price index.

**State basic pension:** 50% of the monthly minimum wage is paid.

The monthly minimum wage is 17,439 tenge.

The monthly minimum pension is 17,490 tenge.

**Benefit adjustment:** The benefit is set annually in the national budget.

## Permanent Disability Benefits

**State social benefit (disability):** A flat-rate monthly benefit is paid according to the assessed degree of disability and the prescribed category of disability.

**Social insurance (disability):** A monthly benefit is paid based on the difference between average monthly insured earnings in the last 24 months and 80% of the monthly minimum wage, multiplied by the income replacement rate, the loss of working capacity rate, and the covered period rate.

The monthly minimum wage is 17,439 tenge.

The income replacement rate is 0.6.

The loss of working capacity rate is 0.7 for a loss of working capacity of 80% to 100%; 0.5 for a loss of 60% to 79%; and 0.3 for a loss of 30% to 59%.

The covered period rate is 0.1 with less than six months of coverage; 0.7 with six to 11 months; 0.75 with 12 to 23 months; 0.85 with 24 to 35 months; 0.9 with 36 to 47 months; 0.95 with 48 to 59 months; and 1.0 with 60 or more months.

The disability pension ceases at the retirement age and is replaced by the old-age pension.

**Benefit adjustment:** Benefits are adjusted periodically according to changes in the consumer price index.

## Survivor Benefits

**State social benefit (survivors):** A flat-rate monthly benefit is paid according to family size and whether any family members have disabilities.

**Social insurance (survivors):** A monthly benefit is paid based on the difference between the insured's average monthly earnings in the last 24 months and 80% of the monthly minimum wage, multiplied by the income

replacement rate, the number of survivors rate, and the covered period rate.

The monthly minimum wage is 17,439 tenge.

The income replacement rate is 0.6.

The number of survivors rate is 0.4 for one dependent survivor; 0.5 for two; 0.6 for three; and 0.8 for four or more.

The covered period rate is 0.1 with less than six months of coverage; 0.7 with six to 11 months; 0.75 with 12 to 23 months; 0.85 with 24 to 35 months; 0.9 with 36 to 47 months; 0.95 with 48 to 59 months; and 1.0 with 60 or more months.

Benefit adjustment: Benefits are adjusted periodically according to changes in the consumer price index.

### Administrative Organization

**Mandatory individual account:** Kazakhstan Agency for Financial Market and Financial Organizations supervises pension funds and insurance companies.

**Old-age solidarity pension:** Ministry of Labor and Social Protection of the Population provides general coordination and supervision. Regional departments administer the program.

**Social insurance:** Ministry of Labor and Social Protection of the Population provides general coordination and supervision.

State Fund of Social Insurance (<http://www.gfss.kz>) manages the program finances.

**State social benefit:** Regional departments of the Ministry of Labor and Social Protection of the Population administer the program.

### Sickness and Maternity

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#### Regulatory Framework

**First and current laws:** 1999 (employer-financed benefits); 2003 (compulsory social insurance), implemented in 2005; 2007 (labor code); and 2007 (social security), implemented in 2008.

**Type of program:** Employer-liability (cash sickness), social insurance (maternity), and universal (medical care) system.

#### Coverage

**Cash benefits:** Employed Kazakh citizens.

Exclusions: Self-employed persons.

**Medical benefits:** Permanent residents of Kazakhstan.

#### Source of Funds

**Insured person**

**Cash benefits:** None.

**Medical benefits:** None.

#### Self-employed person

**Cash benefits:** Not applicable.

**Medical benefits:** None.

#### Employer

**Cash benefits:** The total cost of sickness benefits.

**Medical benefits:** None.

#### Government

**Cash benefits:** None.

**Medical benefits:** The total cost.

### Qualifying Conditions

**Cash sickness and maternity benefits and medical benefits:** There is no minimum qualifying period.

### Sickness and Maternity Benefits

**Sickness benefit:** The daily benefit is calculated based on average earnings, according to a schedule in law.

Benefit adjustment: Benefits are adjusted periodically according to changes in the consumer price index.

**Maternity benefit:** A benefit based on the mother's average monthly earnings for the last 12 months, up to a maximum, is paid for children younger than age 1.

Benefit adjustment: Benefits are adjusted periodically according to changes in the consumer price index.

#### Workers' Medical Benefits

Benefits include general and specialist care, hospitalization, laboratory services, dental care, maternity care, and transportation.

### Administrative Organization

**Cash benefits:** Employers pay benefits directly to employees.

Ministry of Labor and Social Protection of the Population provides general coordination and supervision.

**Medical benefits:** Ministry of Health (<http://www.mz.gov.kz>) and health departments of local governments provide general supervision and coordination.

Clinics, hospitals, and other facilities administered by the Ministry of Health and local health departments provide medical services.

### Work Injury

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#### Regulatory Framework

**First law:** 1955 (temporary benefits).

**Current laws:** 1993 (work injury) and 2005 (employer-liability).

**Type of program:** Employer-liability, normally involving compulsory insurance with a private carrier, and social assistance system.

### Coverage

Employed persons.

### Source of Funds

**Insured person:** None.

**Self-employed person:** The cost of certain benefits.

**Employer:** Pays the total cost of insurance premiums that range from 0.04% to 9.9% of payroll or directly provides benefits to the insured (temporary disability benefit, the lump-sum grant, medical benefits, and the funeral benefit).

**Government:** The total cost of permanent disability and survivor benefits.

### Qualifying Conditions

**Work injury benefits:** There is no minimum qualifying period.

### Temporary Disability Benefits

100% of earnings is paid from the first day of incapacity until recovery or award of a permanent disability pension.

### Permanent Disability Benefits

**State social benefit (permanent disability):** A flat-rate monthly benefit is paid according to the assessed degree and prescribed category of disability.

Benefit adjustment: Benefits are adjusted periodically according to changes in the consumer price index.

**Lump-sum grant:** According to collective agreements, at least five times annual earnings is paid for a Group I (incapacity for any work) or Group II (incapacity for usual work) disability; two times annual earnings for a Group III (capacity for work) disability; or 100% of annual earnings for the permanent loss of working capacity if no disability group is determined.

Benefit adjustment: Benefits are adjusted periodically according to changes in the consumer price index.

### Workers' Medical Benefits

**Medical benefits:** Benefits include general and specialist care, hospitalization, laboratory services, transportation, appliances, and rehabilitation.

### Survivor Benefits

**State social benefit (survivors):** A flat-rate monthly allowance is paid according to family size and whether any family members have disabilities.

Eligible survivors include dependents unable to work, including children younger than age 18 (age 23 if a full-time student; no limit if disabled before age 18); a widow(er) of retirement age, disabled, or caring for children younger than age 18; and any other relative caring for children younger than age 18.

Benefit adjustment: Benefits are adjusted periodically according to changes in the consumer price index.

**Funeral benefit:** The cost of the funeral if the death was the result of a work injury or an occupational disease.

### Administrative Organization

**Temporary disability benefits:** Employers pay benefits directly to employees.

**Permanent disability and survivor benefits:** Regional departments of Ministry of Labor and Social Protection of the Population administer the program.

**Medical benefits:** Ministry of Health (<http://www.mz.gov.kz>) and health departments of local governments provide general supervision and coordination.

Clinics, hospitals, and other facilities administered by the Ministry of Health and local health departments provide medical services.

### Unemployment

#### Regulatory Framework

**First and current law:** 2003 (compulsory social insurance), implemented in 2005.

**Type of program:** Social insurance system.

### Coverage

Employed and self-employed permanent residents of Kazakhstan.

Exclusions: Employed pensioners.

### Source of Funds

**Insured person:** None.

**Self-employed person:** See source of funds under Old Age, Disability, and Survivors.

**Employer:** See source of funds under Old Age, Disability, and Survivors.

**Government:** See source of funds under Old Age, Disability, and Survivors.

### **Qualifying Conditions**

**Unemployment benefit:** Must have at least six months of coverage.

### **Unemployment Benefits**

A monthly benefit is paid based on average monthly insured earnings in the last 24 months multiplied by the income replacement rate and the covered period rate.

The income replacement rate is 0.3.

The covered period rate is 0.7 with six to 11 months of coverage; 0.75 with 12 to 23 months; 0.85 with 24 to 35 months; 0.9 with 36 to 47 months; 0.95 with 48 to 59 months; and 1.0 with 60 or more months.

The duration of the benefit depends on the insured's coverage period.

### **Administrative Organization**

Ministry of Labor and Social Protection of the Population provides general coordination and supervision.

State Fund of Social Insurance (<http://www.gfss.kz>) manages the program finances.

### **Family Allowances**

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#### **Regulatory Framework**

**First and current law:** 2001 (social assistance), implemented in 2002.

**Type of program:** Social assistance system.

### **Coverage**

Needy residents of Kazakhstan; persons with disabilities; full-time students and persons in training; persons aged 80 or older; and children younger than age 7.

### **Source of Funds**

**Insured person:** None.

**Self-employed person:** None.

**Employer:** None.

**Government:** The total cost.

### **Qualifying Conditions**

**Family allowances:** Must reside in Kazakhstan and satisfy needs and income tests.

### **Family Allowance Benefits**

**Family allowance:** Cash benefits are based on individual or family income, subject to needs and income tests. (Income from state social benefits is not included.)

**Benefit adjustment:** Benefits are adjusted periodically according to changes in the consumer price index.

### **Administrative Organization**

Ministry of Labor and Social Protection of the Population provides general coordination and supervision. Regional departments of labor and social protection administer the program.

## Kiribati

Exchange rate: US\$1.00 =  
0.96 Australian dollars (A\$).

### Old Age, Disability, and Survivors

#### Regulatory Framework

**First and current law:** 1976 (provident fund).

**Type of program:** Provident fund system.

#### Coverage

Employed persons.

Voluntary coverage for persons without mandatory coverage.

Exclusions: Expatriates working in Kiribati under an overseas contract, household workers, prisoners, and patients in mental hospitals.

#### Source of Funds

**Insured person:** 7.5% of gross wages.

Additional voluntary contributions are possible.

The minimum earnings used to calculate contributions are A\$10 a month.

**Self-employed person:** Voluntary contributions of at least A\$5 a month.

**Employer:** 7.5% of payroll.

The minimum earnings used to calculate contributions are A\$10 a month.

**Government:** None; contributes as an employer.

#### Qualifying Conditions

**Old-age benefit:** Age 50; at any age if emigrating permanently or unemployed for at least six months.

Early withdrawal: Age 45 if retired permanently from employment or if evidence of the intention to do so is provided.

Partial withdrawal: Age 45 and employed.

Loan scheme: Fund members must present a viable business plan to the Ministry of Commerce.

**Disability benefit:** Must be assessed with a physical or mental incapacity for work by two independent doctors or medical practitioners.

**Survivor benefit:** Paid to a named survivor or to the person(s) indicated by a court if there are no named survivors.

**Funeral grant:** Paid when a fund member dies.

#### Old-Age Benefits

**Old-age benefit:** A lump sum of total employee and employer contributions plus interest is paid.

Early withdrawal: A lump sum of total employee and employer contributions plus interest is paid.

Partial withdrawal: Multiple partial withdrawals of up to 50% of the balance of the fund member's account are permitted. If the fund member makes a partial withdrawal at age 45 while employed, the remaining amount cannot be withdrawn until age 50.

The interest rate is 7% a year.

Interest rate adjustment: The National Provident Fund Board reviews the interest rate annually.

Loan scheme: Up to 50% of 70% of the member's account balance may be pledged against a loan from approved lending institutions. In the event of loan default, the outstanding sum is paid from the account if under court order.

#### Permanent Disability Benefits

**Disability benefit:** A lump sum of total employee and employer contributions plus accumulated interest is paid.

The interest rate is 7% a year.

Interest rate adjustment: The National Provident Fund Board reviews the interest rate annually.

#### Survivor Benefits

**Survivor benefit:** A lump sum of total employee and employer contributions plus accumulated interest is paid.

The interest rate is 7% a year.

Interest rate adjustment: The National Provident Fund Board reviews the interest rate annually.

**Funeral grant:** A lump sum of 50% of the balance in the deceased member's fund at the time of death or A\$1,500, whichever is lower, is paid to eligible survivors before the final distribution of the survivor benefit.

#### Administrative Organization

The National Provident Fund Board, which consists of two representatives each from the government and employer and employee organizations, administers the program.

#### Sickness and Maternity

#### Regulatory Framework

No statutory benefits are provided for sickness and maternity.

Government employees are entitled to maternity leave at full pay for six weeks before and six weeks after childbirth for up to two children.

Free public health care is provided, including for treatment abroad in certain circumstances, to all citizens of Kiribati.

### Work Injury

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#### Regulatory Framework

**First and current law:** 1949 (workmen's compensation).

**Type of program:** Employer-liability system, involving compulsory insurance with a private carrier.

#### Coverage

Employed persons earning A\$10,000 or less a year, including seamen employed on Kiribati ships.

Exclusions: Casual employees and self-employed persons.

#### Source of Funds

**Insured person:** None.

**Self-employed person:** Not applicable.

**Employer:** The total cost.

**Government:** None.

#### Qualifying Conditions

**Work injury benefits:** There is no minimum qualifying period. Accidents that occur while commuting to and from work are covered. For occupational diseases, the incapacity or death must have occurred during employment or within 12 months after employment ended.

#### Temporary Disability Benefits

The benefit is 100% of monthly earnings up to A\$40; 75% of monthly earnings greater than A\$40 up to A\$60; and 66.6% of monthly earnings greater than A\$60.

The benefit is paid after a three-day waiting period.

The maximum benefit is A\$160 a month.

The total maximum temporary benefit is the permanent disability lump sum the insured would be eligible to receive.

#### Permanent Disability Benefits

**Permanent disability grant:** A lump sum of 48 months of earnings is paid.

The minimum grant is A\$500.

The maximum grant is A\$25,000.

Constant-attendance supplement: 25% of the permanent disability grant is paid if the insured requires the constant attendance of others to perform daily functions.

Partial disability: A percentage of the permanent disability grant is paid according to the assessed degree of disability and a schedule in law.

#### Workers' Medical Benefits

Medical and surgical care is provided.

#### Survivor Benefits

**Survivor grant:** A lump sum of 48 months of earnings is paid.

The minimum grant is A\$400.

The maximum grant is A\$25,000.

**Funeral grant:** Burial expenses of up to A\$30 are paid.

#### Administrative Organization

Ministry of Labor, Employment, and Cooperatives administers claims and calculates the benefits due.

Employers insure work injury liability with the Kiribati Insurance Corporation.

## Kuwait

Exchange rate: US\$1.00 = 0.28 dinars.

### Old Age, Disability, and Survivors

#### Regulatory Framework

**First and current laws:** 1976 (civilians), implemented in 1977; 1980 (military), implemented in 1981; and 1992 (supplementary), implemented in 1995.

**Type of program:** Social insurance system.

#### Coverage

**Basic system:** Public-, private-, and oil-sector employees, self-employed persons, and military personnel.

**Supplementary system:** Employees with covered monthly earnings greater than 1,500 dinars.

#### Source of Funds

##### Basic system

*Insured person:* 5% of monthly earnings.

The minimum monthly earnings used to calculate contributions are 230 dinars.

The maximum monthly earnings used to calculate contributions are 1,500 dinars.

*Self-employed person:* 5% to 15% of declared monthly income, chosen from 22 income bands by the self-employed person.

The minimum monthly earnings used to calculate contributions are 200 dinars.

The maximum monthly earnings used to calculate contributions are 1,250 dinars.

*Employer:* 10% of payroll.

The minimum monthly earnings used to calculate contributions are 230 dinars.

The maximum monthly earnings used to calculate contributions are 1,250 dinars.

*Government:* 10% of covered earnings (public employees), 32.5% of payroll (military personnel), and 25% of monthly income minus the self-employed persons' contributions (self-employed persons).

##### Supplementary system

*Insured person:* 5% of earnings.

The minimum monthly earnings used to calculate contributions are 1,501 dinars.

The maximum monthly earnings used to calculate contributions are 2,750 dinars.

*Self-employed person:* Not applicable.

*Employer:* 10% of payroll.

The minimum monthly earnings used to calculate contributions are 1,501 dinars.

The maximum monthly earnings used to calculate contributions are 2,750 dinars.

*Government:* 10% of payroll.

The minimum monthly earnings used to calculate contributions are 1,501 dinars.

The maximum monthly earnings used to calculate contributions are 2,750 dinars.

Benefit adjustments under both systems are financed by a combined additional monthly contribution by the insured person (2.5%), self-employed person (3.5%), employer (1%), and government (2.5%) on total earnings, up to 2,750 dinars a month.

#### Qualifying Conditions

##### Old-age pension

*Basic system:* Age 50 (gradually rising to age 55 by 2020) with at least 15 years of contributions; age 48 (men and unmarried women with no children, gradually rising to age 55 by 2020) with at least 20 years of contributions; age 43 (married women and women with children, gradually rising to age 50 by 2020) with at least 15 years of contributions; at any age with at least 20 years of contributions for those in arduous work (at least 15 years for women who care for a husband or child with disabilities); age 65 with at least 15 years of contributions or age 55 with 20 years of contributions for self-employed persons; age 50 with at least 15 years of contributions or age 45 with 20 years of contributions for military personnel, subject to other conditions.

The full basic old-age pension is paid with 30 years of contributions.

Employment must cease, except if moving from the public sector to the private sector; must meet certain length-of-service requirements in the public sector.

*Deferred basic pension:* The basic pension may be deferred if the insured continues to work.

Benefits are not payable abroad.

*Supplementary system:* Paid at the same time as the basic old-age pension.

*Deferred supplementary pension:* A deferred supplementary pension is possible.

Benefits are not payable abroad.

## Disability pension

**Basic system and supplementary system:** An assessed degree of incapacity for work of more than 50%.

The general medical council assesses the degree of disability.

Benefits are not payable abroad.

**Survivor pension:** The insured met the coverage requirements for an old-age pension or was a pensioner at the time of death.

Eligible survivors include widows; dependent widowers with a disability and incapable of working; children (sons must be younger than age 26 or age 28 if a full-time student); parents; brothers; sisters; and a son's children. There is no limit for unmarried female survivors or male survivors with disabilities.

**Marriage grant:** Paid to the deceased's daughter or the daughter of the deceased's son.

**Death grant:** Paid when an insured person or a pensioner dies.

Benefits are not payable abroad.

## Old-Age Benefits

### Old-age pension

**Basic system:** The benefit is 65% (75% for military personnel) of the insured's last monthly earnings or the insured's average monthly income in the last three years for self-employed persons, plus 2% for each year of contributions exceeding 15 years, up to 95% of earnings (100% for military personnel).

The minimum monthly earnings used to calculate benefits are 230 dinars; 200 dinars for self-employed persons.

The maximum monthly earnings used to calculate benefits are 1,500 dinars; 1,250 dinars for self-employed persons.

Part of the pension may be paid as a lump sum before age 65.

**Deferred basic pension:** In addition to the full basic old-age pension, a lump sum of 12% of the insured's average monthly income in the last year of employment is paid for each of the first five years exceeding 30 years; 15% for the next five years; and 20% thereafter.

**Benefit adjustment:** Flat-rate adjustments are made to benefits every three years.

**Supplementary system:** The benefit is based on 25% to 30% (according to age) of the insured's average monthly earnings during the total contribution period plus 5% for each year of contribution, divided by a fixed amount of 202 dinars to 120 dinars (according to age).

**Deferred pension (supplementary system):** The benefit is increased by 5% for each year of deferral.

Part of the pension may be paid as a lump sum before age 65.

**Benefit adjustment:** Flat-rate adjustments are made to benefits every three years.

The minimum monthly combined basic and supplementary pension ranges from 517 dinars (women and single men) to 930 dinars (men with five or more dependent children).

## Permanent Disability Benefits

### Disability pension

**Basic system:** The benefit is 65% (75% for military personnel) of the insured's last monthly earnings or the average monthly insured income in the last three years for self-employed persons, plus 2% for each year of contributions exceeding 15 years, up to 95% of earnings (100% for military personnel). The insured is credited with contribution years from the date the disability began until age 60.

**Benefit adjustment:** Flat-rate adjustments are made to benefits every three years.

**Supplementary system:** The benefit is the accrued sum in the insured's account divided by a fixed amount ranging from 202 dinars to 120 dinars, according to the insured's age.

The benefit is based on 15% to 25% (according to age) of the insured's average monthly earnings during the total contribution period, plus 5% for each year of contribution.

The insured is credited with contribution years from the date the disability began until age 60.

**Benefit adjustment:** Flat-rate adjustments are made to benefits every three years.

## Survivor Benefits

**Survivor pension:** The maximum pension is 100% of the deceased's pension, according to the number and category of eligible survivors. The survivor pension for different eligible categories of survivors is set according to a schedule in law.

The pension is suspended on marriage but reinstated if subsequently divorced or widowed.

The pension is suspended or ceases if the survivor (except the widow) starts working.

If a survivor's eligibility ceases, the pension is split among all remaining eligible survivors.

The minimum monthly pension is 234 dinars for a widow or a dependent widower; 184 dinars for each parent; 118 dinars for each of the other survivors.

**Marriage grant:** A lump sum of six months of the eligible survivor's share of the pension is paid. The grant is paid to each survivor only once.

**Death grant:** The grant is twice the deceased's last monthly earnings or pension. The minimum grant is twice the minimum wage in the oil and private sectors.

Benefit adjustment: Flat-rate adjustments are made to benefits every three years.

### ***Administrative Organization***

Public Institution for Social Security (<http://www.pifss.gov.kw>) administers the program and is managed by a board of directors that is chaired by the Minister of Finance.

## ***Work Injury***

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### ***Regulatory Framework***

**First and current law:** 1976 (social insurance), not yet implemented.

**Type of program:** Social insurance system.

There is no specific program for work injury. Cash benefits for a work-related injury are provided through the basic system of the Old Age, Disability, and Survivors program.

The government pays for any medical care required as the result of a work-related injury.

## Kyrgyzstan

Exchange rate: US\$1.00 = 46.40 soms.

### Old Age, Disability, and Survivors

#### Regulatory Framework

**First law:** 1922.

**Current law:** 1997 (state pension) and 2008 (individual account).

**Type of program:** Social insurance, notional defined contribution (NDC), mandatory individual account, and social assistance system.

#### Coverage

**Social insurance:** All employed persons and members of cooperatives and state and collective farms.

Special system for armed forces personnel.

Special provisions for workers in aviation and the performing arts and for citizens with special merits.

**Social assistance:** Needy persons who are not eligible for social insurance benefits.

#### Source of Funds

**Insured person:** 10% of earnings (2% is transferred to an individual account).

The insured person's contributions also finance sickness, maternity, work injury and unemployment benefits.

**Self-employed person:** 9.25% of monthly average earnings.

The self-employed person's contributions also finance work injury benefits.

**Employer:** 17.25% of payroll.

The employer's contributions also finance sickness and maternity and work injury benefits.

**Government:** The total cost of social assistance allowances and constant-attendance supplements for persons with disabilities.

#### Qualifying Conditions

**Old-age pension:** Age 63 with 25 years of covered employment (men) or age 58 with 20 years of covered employment (women).

Covered employment includes periods of study, maternity leave, caring for persons with disabilities, registered unemployment, and other leave periods approved by special decree.

The qualifying conditions are reduced for periods of full-time underground work, full-time work in hazardous conditions, Chernobyl disaster-related work, for mothers with five or more children or at least one child with a disability, and for little people.

**Partial pension:** Paid with less than the required number of years of covered employment for a full old-age pension.

**Pension supplement (old age):** Persons aged 80 or older, World War II veterans, Chernobyl disaster workers, persons with a Group I disability (requires constant attendance), caregivers of persons with a Group II disability (totally disabled with an 80% loss of mobility), and single persons with a Group II disability.

Pensions are payable in Russia under bilateral agreement.

**Old-age social pension (social assistance):** Paid at the normal retirement age to persons not eligible for an old-age pension. There is no income test.

**Disability pension:** The insured must have one to five years of covered employment, depending on the insured's age when the disability began. Must be assessed with a Group I (total disability and requires constant attendance), Group II (total disability with an 80% loss of mobility), or Group III (partial disability with some loss in working capacity) disability.

Covered employment includes periods of study, maternity leave, caring for persons with disabilities, registered unemployment, and other leave periods approved by special decree.

An expert commission of the Ministry of Labor and Social Protection assesses the degree of disability.

**Constant-attendance supplement:** Paid if the insured requires the constant attendance of others to perform daily functions.

**Partial disability pension:** Paid with less than the required number of years of covered employment for a full total disability pension.

**Pension supplement (disability):** Paid to a person with a Group I disability, single persons with a Group II disability, and Chernobyl disaster workers.

Pensions are payable in Russia under bilateral agreement.

**Disability social pension (social assistance):** Paid to persons assessed with disabilities who are not eligible for the disability pension.

**Survivor pension:** Paid if the deceased had one to five years of covered employment, depending on age at the time of death.

Covered employment includes periods of study, maternity leave, caring for disabled persons, registered unemployment, and other leave periods approved by special decree.

Eligible survivors include the spouse; children younger than age 16 (age 21 if a student); nonworking dependents,

including sisters, brothers, and grandchildren younger than age 16; and parents of pensionable age or disabled.

Pensions are not payable abroad if the pensioner emigrates permanently.

**Survivor social pension (social assistance):** Paid to survivors not eligible for a survivor pension. There is no income test.

### Old-Age Benefits

**Old-age pension:** The monthly benefit is the sum of several components: a basic flat-rate benefit, a social insurance component, an NDC component, and a benefit from the mandatory individual account.

The flat-rate benefit is 1,500 soms or 12% of the average wage in the last year, whichever is higher.

The social insurance component is calculated as average earnings for 60 consecutive working months multiplied by 1% for every complete year of insured employment before 1996.

The maximum average earnings used to calculate benefits are 50 times the basic rate.

The basic rate is 100 soms from (January 2010).

The NDC component is calculated as accumulated contributions (of at least one year) since 1996 divided by 12 months and multiplied by a coefficient.

There is no maximum pension.

The individual account benefit is based on the account balance at retirement.

Partial pension: A percentage of the full pension is paid according to the number of years of covered employment.

Pension supplement: 50% to 475% of the basic rate is paid.

Benefit adjustment: Benefits are adjusted periodically according to the changes in the national average wage and the consumer price index.

**Old-age social pension (social assistance):** A monthly pension is paid.

### Permanent Disability Benefits

**Disability pension:** If assessed with a Group I or Group II disability, the monthly pension is the sum of several components: a basic flat-rate benefit, a social insurance component, and an NDC component. If assessed with a Group III disability, 50% of the full disability pension is paid.

The flat-rate benefit is 1,500 soms or 12% of the average wage in the last year, whichever is higher.

The social insurance component is calculated as average earnings for 60 consecutive working months multiplied by 1% for every complete year of insured employment before 1996.

The maximum average earnings used to calculate benefits are 50 times the basic rate.

The basic rate is 100 soms (January 2010).

The NDC component is calculated as accumulated contributions (of at least one year) since 1996 divided by 12 months and multiplied by a coefficient.

There is no maximum disability pension.

Constant-attendance supplement: 200% of the basic rate is paid for blind persons and 100% of a specified rate for other categories of disabilities.

Partial disability pension: A percentage of the full pension is paid according to the number of years of covered employment.

Pension supplement: 50% to 475% of the basic rate is paid.

The basic rate is 100 soms (January 2010).

Benefit adjustment: Benefits are adjusted periodically according to changes in the national average wage and the consumer price index.

**Disability social pension (social assistance):** A monthly pension is paid.

### Survivor Benefits

**Survivor pension:** 50% of the Group II disability pension the deceased received or was eligible to receive is paid for one survivor; 90% for two; 120% for three; and 150% for four or more survivors.

**Full orphan's pension:** The pension is the sum of all pensions that both parents received or were eligible to receive.

Benefit adjustment: Benefits are adjusted periodically according to changes in the national average wage and the consumer price index.

**Social survivor pension (social assistance):** 150% of the guaranteed minimum standard of living (GM) is paid a month for each orphan younger than age 16 (age 21 if a full-time student); 225% for a full orphan. There is no income test.

The GM is 200 soms and is adjusted periodically according to changes in wages.

**Funeral grant:** A lump sum of 10 times the basic component is paid when a pensioner dies. If the deceased did not qualify for a pension, a lump sum of five to 15 times the basic rate is paid.

The basic component is 1,500 soms or 12% of the average wage in the last year, whichever is higher.

The basic rate is 100 soms (January 2010).

### Administrative Organization

Ministry of Labor and Social Protection (<http://www.mlsp.kg>) provides general coordination and oversight.

Provincial and county offices of the Ministry of Labor and Social Protection administer the program.

Social Fund pays benefits.

### Sickness and Maternity

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#### Regulatory Framework

**First law:** 1922.

**Current laws:** 1955, 1996 (social insurance), and 1997 (medical insurance).

**Type of program:** Social insurance (cash benefits) and universal (medical benefits) system.

#### Coverage

**Cash sickness and maternity benefits:** Employed persons, students, and members of cooperatives.

Exclusions: Self-employed persons.

**Medical benefits:** All persons residing in Kyrgyzstan.

#### Source of Funds

##### Insured person

**Cash benefits:** See source of funds under Old Age, Disability, and Survivors.

**Medical benefits:** None.

##### Self-employed person

**Cash benefits:** Not applicable.

**Medical benefits:** None.

##### Employer

**Cash benefits:** See source of funds under Old Age, Disability, and Survivors.

**Medical benefits:** None.

##### Government

**Cash benefits:** None.

**Medical benefits:** The total cost.

#### Qualifying Conditions

**Cash sickness and maternity benefits and medical benefits:** There is no minimum qualifying period.

#### Sickness and Maternity Benefits

**Sickness benefit:** The monthly benefit is 75% of seven times the minimum wage (100% with three or more dependent children, if a disabled veteran, or if disabled as a result of the Chernobyl disaster).

Benefit adjustment: Benefits are adjusted periodically according to changes in the national average national wage and the consumer price index.

**Maternity benefit:** Seven times the minimum wage is paid for a total of 126 calendar days before and after the expected date of childbirth (may be extended to 140 days if there are complications during childbirth).

Benefit adjustment: Benefits are adjusted periodically according to changes in the national average wage and the consumer price index.

#### Workers' Medical Benefits

Medical services are provided directly to patients through government or enterprise-administered health providers. Benefits include general and specialist care, hospitalization, laboratory services, dental care, maternity care, and transportation.

Providers may charge fees for services.

#### Dependents' Medical Benefits

Medical benefits for dependents are the same as those for the insured.

#### Administrative Organization

Ministry of Health and local government health departments provide general supervision and coordination and oversee medical services delivered through clinics, hospitals, maternity homes, and other facilities.

Mandatory Health Insurance Fund provides health care benefits.

### Work Injury

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#### Regulatory Framework

**First law:** 1922.

**Current laws:** 1955 (short-term benefits), 1990 (pensions), and 2005 (labor safety).

**Type of program:** Social insurance (cash benefits) and universal (medical benefits) system.

#### Coverage

Employed persons, students, and members of cooperatives.

Exclusions: Self-employed persons.

#### Source of Funds

##### Insured person

**Cash benefits:** See source of funds under Old Age, Disability, and Survivors.

**Medical benefits:** None.

##### Self-employed person

**Cash benefits:** Not applicable.

**Medical benefits:** None.

**Employer**

*Cash benefits:* See source of funds under Old Age, Disability, and Survivors.

*Medical benefits:* None.

**Government**

*Temporary disability benefits:* None.

*Permanent disability and survivor benefits:* See source of funds under Old Age, Disability, and Survivors.

*Medical benefits:* The total cost.

**Qualifying Conditions**

**Work injury benefits:** There is no minimum qualifying period.

**Temporary Disability Benefits**

100% of earnings is paid from the first day of incapacity until recovery or the award of a permanent disability pension.

Benefit adjustment: Benefits are adjusted periodically according to changes in the national average wage and the consumer price index.

**Permanent Disability Benefits**

**Permanent disability pension:** Must be assessed with a Group I (total disability and requires constant attendance), Group II (total disability with an 80% loss of mobility), or Group III (partial disability with some loss in working capacity) disability.

If assessed with a Group I or Group II disability, the monthly pension is the sum of a basic component, an insurance component based on years of covered employment and earnings for the period before 1996, and an insurance component based on the value of accumulated contributions since 1996. If assessed with a Group III disability, 50% of the full disability pension is paid.

The basic component is 1,500 soms or 12% of the average wage in the last year, whichever is higher.

The insurance component for the period before 1996 is calculated as average earnings for 60 consecutive working months multiplied by 1% for every complete year of insured employment.

The insurance component for the period since 1996 is calculated as accumulated contributions (of at least one year) divided by 12 months and multiplied by a coefficient.

Constant-attendance supplement: 100% of the basic rate is paid if blind and requiring the constant attendance of others to perform daily functions; 50% of the basic rate for other categories of disabilities.

The basic rate is 100 soms (January 2010).

Pension supplement: 50% to 475% of the basic rate is paid.

The basic rate is 100 soms (January 2010).

The minimum disability pension is 100% of the minimum wage.

Pensions for a work injury or an occupational disease are payable abroad.

Benefit adjustment: Benefits are adjusted periodically according to changes in the national average wage and the consumer price index.

**Workers' Medical Benefits**

All necessary medical care is provided.

**Survivor Benefits**

**Survivor pension:** 50% of the Group II disability pension the deceased received or was eligible to receive is paid for one survivor; 90% for two survivors; 120% for three survivors; and 150% for four or more survivors.

**Full orphan's pension:** Paid at the same rates as the survivor pension (above) but based on the Group II disability pensions both parents received or were eligible to receive.

The minimum full orphan's pension is 100% of the minimum wage.

Benefit adjustment: Benefits are adjusted periodically according to changes in the national average wage and the consumer price index.

**Administrative Organization**

**Temporary disability benefits:** Social Fund provides general supervision.

Enterprises and employers pay cash benefits to their employees.

**Permanent disability and survivor pensions:** Ministry of Labor and Social Protection provides general coordination and oversight.

Provincial and county offices of the Ministry of Labor and Social Protection administer the program.

**Medical benefits:** Ministry of Health (<http://www.med.kg>) and local government health departments provide general supervision and coordination and oversee medical services delivered through clinics, hospitals, maternity homes, and other facilities.

**Unemployment****Regulatory Framework**

**First law:** 1921.

**Current law:** 1998 (supporting employment).

**Type of program:** Social insurance system.

## Coverage

Employed persons.

Exclusions: Self-employed persons.

## Source of Funds

**Insured person:** See source of funds under Old Age, Disability, and Survivors.

**Self-employed person:** Not applicable.

**Employer:** None.

**Government:** Central and local governments provide subsidies as needed.

## Qualifying Conditions

**Unemployment benefit:** Must be registered at an employment office and able and willing to work. The benefit may be reduced, suspended, or terminated if the worker is discharged for violating work discipline, leaving employment without good cause, violating conditions for a job placement or vocational training, or filing fraudulent claims.

Also paid to students who register as unemployed in the 12 months after graduation.

## Unemployment Benefits

At least 100% of the minimum wage is paid monthly for up to six calendar months.

Dependent's supplement: 10% of the unemployment benefit is paid for each dependent.

## Administrative Organization

Ministry of Labor and Social Protection (<http://www.mlsp.kg>) provides general oversight.

Employment Service and local employment centers administer the program.

## Family Allowances

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### Regulatory Framework

**First law:** 1944.

**Current law:** 1998 (state allowances).

**Type of program:** Social assistance system.

### Coverage

Children of single-parent families or of unwed mothers; students (younger than age 18) with disabled or unemployed parents.

For orphans, see social survivor pension under Old Age, Disability, and Survivors.

## Source of Funds

**Insured person:** None.

**Self-employed person:** None.

**Employer:** None.

**Government:** The total cost.

## Qualifying Conditions

**Family allowances (income tested):** Household per capita income, based on average income during the three months before making the claim, must be lower than 100% of the guaranteed minimum standard of living (GM).

The GM is 200 soms and is adjusted periodically according to changes in wages.

**Social assistance allowance:** Paid for each child younger than age 16 (age 18 if a full-time student).

**Birth grant:** Paid for each newborn child.

## Family Allowance Benefits

**Family allowances (income tested):** 100% of the guaranteed minimum standard of living (GM) is paid monthly for a mother on leave caring for a child younger than age 18 months or caring for two children younger than age 3; 150% of the GM if caring for three children younger than age 16.

The GM is 200 soms and is adjusted periodically according to changes in wages.

**Social assistance allowance:** The allowance is the difference between family average per capita income and the GM.

The GM is 200 soms and is adjusted periodically according to changes in wages.

**Birth grant:** A lump sum of 300% of the GM is paid for each newborn child.

The GM is 200 soms and is adjusted periodically according to changes in wages.

## Administrative Organization

Ministry of Labor and Social Protection (<http://www.mlsp.kg>) and local offices administer the program.

## Laos

Exchange rate: US\$1.00 = 7,973 kip.

### Old Age, Disability, and Survivors

#### Regulatory Framework

**First and current law:** 1999 (employees in enterprises), implemented in 2001.

**Type of program:** Social insurance system.

#### Coverage

Employees of private-sector and state-owned enterprises with 10 or more employees. (Coverage is currently available only in certain regions of the country.)

Exclusions: Self-employed persons and employees of embassies and international organizations in Laos.

Voluntary coverage for workers in smaller enterprises.

Special system for civil servants, the police, and armed forces personnel.

#### Source of Funds

**Insured person:** 4.5% of gross monthly earnings.

The insured's contributions also finance sickness, maternity, and funeral benefits.

The minimum monthly earnings used to calculate contributions are 626,000 kip.

The maximum monthly earnings used to calculate contributions are 1,500,000 kip (rising to 2,000,000 kip by 2013).

**Self-employed person:** Not applicable.

**Employer:** 5% of monthly payroll.

The employer contributions also finance sickness, maternity, funeral, and work injury benefits.

The minimum monthly earnings used to calculate contributions are 626,000 kip.

The maximum monthly earnings used to calculate contributions are 1,500,000 kip (rising to 2,000,000 kip by 2013).

**Government:** Administrative costs for the Social Security Organization.

#### Qualifying Conditions

**Old-age pension:** Age 60 with at least five years of coverage. Retirement from gainful employment is not necessary.

Early pension: Age 55 with at least five years of coverage.

Deferred pension: The pension may be deferred until age 65.

**Old-age lump-sum benefit:** Age 60 with less than five years of coverage.

**Disability pension:** Paid for a permanent or long-term assessed disability resulting in an inability to earn normal income. Normal income for blue-collar workers must be more than the minimum wage; normal income for white-collar workers must be equal to their typical earnings. The insured must have at least five years of coverage and must have been covered when the disability began.

The monthly minimum wage is 626,000 kip.

The Social Security Organization's Medical Board assesses the disability.

The pension may be reduced or suspended if the pensioner refuses to undergo recommended medical treatment or rehabilitation.

Caregiver's benefit: Paid if the insured requires the frequent or constant attendance of others to perform daily functions.

**Disability lump-sum benefit:** Paid if the insured has less than five years of coverage and a permanent or long-term assessed disability resulting in the inability to earn normal income. Normal income for blue-collar workers must be more than the minimum wage; normal income for white-collar workers must be equal to their typical earnings.

The monthly minimum wage is 626,000 kip.

**Adaptation benefit:** The deceased was covered at the time of death. The benefit is paid to the widow(er) and children up to age 18 (age 25 if a full-time student, no limit if disabled).

Other survivor benefits are only paid after the adaptation benefit ceases.

**Survivor pension:** The deceased had at least five years of covered employment. Eligible survivors include a spouse married to the deceased at the time of death and not remarried; a widow at least age 44, younger than age 44 with dependents younger than age 18 (no limit if disabled), or with an incapacity for work; or a widower with an incapacity for work.

**Orphan's pension:** Paid to orphans up to age 18 (age 25 if a full-time student, no limit if disabled).

**Survivor lump-sum benefit:** Paid if the deceased had less than five years of covered employment.

**Death grant:** Paid if the deceased had at least 12 months of coverage in the last 18 months.

#### Old-Age Benefits

**Old-age pension:** The pension is the insured's total pension points multiplied by the insured's average covered earnings in the last 12 months before retirement multiplied by 1.5%.

Pension points may be earned, credited, and, under certain circumstances, purchased (not yet implemented). The

minimum earnings used to calculate earned points are the average earnings of all insured persons in that year.

For a working career that began before the point system was introduced, workers are credited with 0.8 pension points per year for one year (if age 31 when the program was introduced) to 15 years (if aged 45 or older at that time).

Early pension: Pensions are reduced by 0.5% for each month the pension is taken before age 60.

Deferred pension: Pensions are increased by 0.5% for each month the pension is deferred after age 60.

Benefit adjustment: Benefits are adjusted at least once a year according to changes in the average insured earnings of all insured persons.

**Old-age lump-sum benefit:** A lump sum of 70% of the insured's average covered earnings in the last 12 months multiplied by the number of years of coverage is paid.

### **Permanent Disability Benefits**

**Disability pension:** The pension is the insured's total pension points multiplied by the insured's average covered earnings in the last 12 months multiplied by 1.5%.

Pension points may be earned, credited, and, under certain circumstances, purchased (not yet implemented). The minimum earnings used to calculate earned points are the average earnings of all insured persons in that year. Pension points are credited based on the insured's average annual pension points over the insured period before the disability began until the insured reaches the normal pension age.

The disability pension is not reduced if the insured becomes employed.

Benefit adjustment: Benefits are adjusted at least once a year according to changes in the average insured earnings of all insured persons.

Caregiver's benefit: The benefit is based on the number of hours of care needed per month; 100% of the minimum wage is paid for at least 180 hours a month of care.

The monthly minimum wage is 626,000 kip.

**Disability lump-sum benefit:** A lump sum is paid.

### **Survivor Benefits**

**Adaptation benefit:** 80% of the deceased's average covered earnings in the 12 months before the death is paid for a 12-month period immediately after the death occurs.

**Survivor pension:** 60% of the deceased's old-age pension is paid to the widow(er); if the deceased was not of pensionable age, 60% of the disability pension the deceased would have been eligible to receive at the time of death is paid.

The survivor pension ceases on remarriage.

**Orphan's pension:** 20% of the deceased's old-age pension is paid to each orphan; if the deceased was not of

pensionable age, 60% of the disability pension the deceased would have been eligible to receive at the time of death is paid.

The maximum orphan pension is 60% of the deceased's old-age pension for up to two children; the disability pension the deceased was eligible to receive at the time of death for three or more children.

The maximum total survivor benefit is 80% of the deceased's old-age pension or 100% of the deceased's projected disability pension.

Benefit adjustment: Benefits are adjusted at least once a year according to changes in the average insured earnings of all insured persons.

**Survivor lump-sum benefit:** A lump sum is paid.

**Death grant:** A lump sum of the insured's average covered earnings in the six months before the death is paid.

### **Administrative Organization**

Ministry of Labor and Social Welfare supervises the program.

Social Security Organization (<http://www.ssolao.gov.la>) collects contributions and administers the payment of benefits.

### **Sickness and Maternity**

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#### **Regulatory Framework**

**First and current law:** 1999 (employees in enterprises), implemented in 2001.

**Type of program:** Social insurance system.

#### **Coverage**

Employees of private-sector and state-owned enterprises with 10 or more employees. (Coverage is currently available only in certain regions of the country.)

Exclusions: Self-employed persons and employees of embassies and international organizations in Laos.

Voluntary coverage for workers in smaller enterprises.

Special system for civil servants, the police, and armed forces personnel.

#### **Source of Funds**

**Insured person:** See source of funds under Old Age, Disability, and Survivors.

**Self-employed person:** Not applicable.

**Employer:** See source of funds under Old Age, Disability, and Survivors.

**Government:** See source of funds under Old Age, Disability, and Survivors.

## Qualifying Conditions

**Sickness benefit:** Must have at least three months of coverage in the last 12 months. The insured must provide a hospital-issued medical certificate and must be registered with that hospital.

The benefit may be reduced or suspended if the insured refuses recommended rehabilitation or partial reemployment.

**Maternity benefit:** Paid to an insured woman who stops working because of pregnancy, childbirth, or a miscarriage, or to an insured person who stops working to adopt a child younger than age 1. Must have at least nine months of coverage in the last 12 months.

**Birth grant:** Paid to an insured woman or the wife of an insured man for a pregnancy, childbirth, or miscarriage, or to an insured person who adopts a child younger than age 1. Must have at least 12 months of coverage in the last 18 months.

**Medical benefits:** Must have at least three months of coverage in the last 12 months. Benefits are provided up to three months after the last contribution or sickness benefit payment. The benefits may be extended for treatment of life-threatening conditions.

## Sickness and Maternity Benefits

**Sickness benefit:** 60% of the insured's average covered earnings in the six months before the incapacity began is paid; for the partial resumption of work, 60% of the difference between the insured's earnings from partial activity and the insured's previous earnings is paid.

The benefit is paid after seven days for up to 12 months and may be extended for up to six months if the insured is likely to return to work at the end of this period. (Under labor law, the employer provides statutory pay for the first seven days of each illness, up to 30 days a year.)

**Maternity benefit:** 100% of the insured's average covered earnings in the six months before employment ceases is paid for three months.

**Birth grant:** A lump sum of 60% of the monthly minimum wage is paid.

The monthly minimum wage is 626,000 kip.

## Workers' Medical Benefits

Benefits include preventive, curative, and rehabilitative services, including maternity care but excluding treatment resulting from motor vehicle accidents, chemotherapy, and open-heart surgery.

Hospitalization is limited to three months a year.

Each insured person must register with a hospital, and only services provided by that hospital are covered (except

in the case of emergencies). May change hospitals every 12 months.

There is no cost sharing.

## Dependents' Medical Benefits

Medical benefits for dependents are the same as those for the insured.

## Administrative Organization

Ministry of Labor and Social Welfare supervises the program.

Social Security Organization (<http://www.ssolao.gov.la>) collects contributions, administers cash benefit payments, and contracts with hospitals to provide medical benefits. The Ministry of Public Health must approve the contracts.

## Work Injury

### Regulatory Framework

**First and current law:** 1999 (employees in enterprises), implemented in 2001.

**Type of program:** Social insurance system (with an employer-liability system for noncovered employees).

### Coverage

Employees of private-sector and state-owned enterprises with 10 or more employees, paid trainees, and rescue operations volunteers.

Exclusions: Self-employed persons and employees of embassies and international organizations in Laos.

Special system for civil servants, the police, and armed forces personnel.

Employers must provide similar benefits for noncovered employees.

### Source of Funds

**Insured person:** None.

**Self-employed person:** Not applicable.

**Employer:** See source of funds under Old Age, Disability, and Survivors.

**Government:** See source of funds under Old Age, Disability, and Survivors.

### Qualifying Conditions

**Work injury benefits:** There is no minimum qualifying period.

### Temporary Disability Benefits

100% of the insured's average covered earnings in the six months before the disability began is paid for up to six

months (under labor law, the employer provides statutory pay for the first seven days of each temporary disability, up to 30 days a year); thereafter, 60% for up to 12 months. If the insured is reemployed part time, 100% of the difference between the insured's part-time earnings and previous earnings is paid.

The benefit may be reduced if the insured refuses recommended rehabilitation or part-time reemployment.

### **Permanent Disability Benefits**

**Permanent disability benefit:** The monthly benefit is the percentage of assessed permanent loss of earning capacity multiplied by 67.5% of the insured's average covered earnings in the last 12 months before the disability began. For less than a 25% loss, a lump sum of 12 times the insured's monthly disability pension may be paid.

The Social Security Organization's Medical Board assesses the disability, which is reassessed every three years.

The pension may be reduced or suspended if the pensioner refuses recommended medical treatment or rehabilitation.

**Benefit adjustment:** Benefits are adjusted at least once a year according to changes in the average insured earnings of all insured persons.

**Caregiver's benefit:** Paid if the insured requires the frequent or constant attendance of others to perform daily functions. The benefit is based on the number of hours of care needed per month; 100% of the minimum wage is paid for at least 180 hours a month of care.

The monthly minimum wage is 626,000 kip.

### **Workers' Medical Benefits**

Benefits include preventive, curative, and rehabilitative services, including the treatment of employment injuries and occupational diseases. Accidents that occur while commuting to and from work are covered.

Hospitalization is limited to three months a year.

Each insured person must register with a hospital, and only services provided by that hospital are covered (except in the case of emergencies). The choice of hospital may be changed every 12 months.

There is no cost sharing.

### **Survivor Benefits**

**Adaptation benefit:** 80% of the deceased's average covered earnings in the 12 months before the death is paid

to the widow(er) and children up to age 18 (age 25 if a full-time student, no limit if disabled) for a 12-month period after the death occurs. Other survivor benefits are paid only after the adaptation benefit ceases.

**Survivor pension:** 50% of the insured's average covered earnings in the last 12 months before the death is paid to the widow(er).

Eligible survivors include a spouse married to the deceased at the time of death and not remarried; a widow at least age 44, younger than age 44 with dependents younger than age 18 (no limit if disabled), or with an incapacity for work; or a widower with an incapacity for work.

**Parent's pension:** If there is no eligible widow(er), 50% of the deceased's average covered earnings in the last 12 months before the death is paid to dependent parents.

**Orphan's pension:** 15% of the deceased's average covered earnings in the last 12 months before the death is paid to each orphan up to age 18 (age 25 if a full-time student, no limit if disabled). If there is no eligible widow(er) or dependent parent, the orphan's pension is increased to 20% per child. The maximum total orphan pension is 60% of the deceased's average covered earnings.

All survivors benefits combined must not exceed 100% of the permanent disability benefit the deceased would have been eligible to receive.

**Benefit adjustment:** Benefits are adjusted at least once a year according to changes in the average insured earnings of all insured persons.

**Death grant:** A lump sum of the deceased's average covered earnings in the six months before the death is paid to the relatives who pay for the funeral.

### **Administrative Organization**

Ministry of Labor and Social Welfare supervises the program.

Social Security Organization (<http://www.ssolao.gov.la>) collects contributions and administers the payment of benefits.

## Lebanon

Exchange rate: US\$1.00 = 1,500 pounds.

### Old Age, Disability, and Survivors

#### Regulatory Framework

**First and current law:** 1963.

**Type of program:** Social insurance system. Lump-sum benefits only.

#### Coverage

Employees in industry, commerce, and agriculture.

Exclusions: Temporary agricultural employees, citizens of countries without reciprocal agreements with Lebanon, and self-employed persons.

Special system for public-sector employees and teachers.

#### Source of Funds

**Insured person:** None.

**Self-employed person:** Not applicable.

**Employer:** 8.5% of payroll.

**Government:** None.

#### Qualifying Conditions

**Old-age benefit:** Age 60 (compulsory at age 64); at any age with at least 20 years of employment or for a woman who marries and leaves employment during the first year of marriage.

**Reduced benefit:** At any age with five to 19 years of employment if the insured leaves employment permanently.

Employment must cease.

**Disability benefit:** Assessed with at least a 50% loss of normal working capacity.

**Survivor benefit:** The deceased had at least six years of covered employment and was in covered employment or receiving an old-age or disability benefit at the time of death.

Eligible survivors include a widow(er), orphans (no age limit), parents (no age limit), and brothers and sisters.

#### Old-Age Benefits

**Old-age benefit:** A lump sum is paid of the final month of earnings (or one month of the insured's average monthly earnings during the previous 12 months, if greater) multiplied by the number of years of service up to 20 years plus 0.5 months of earnings per year of service beyond 20 years.

**Reduced benefit:** A lump sum of 50% of the old-age benefit is paid with one to five years of contributions; 65% with more than five but less than 10 years; 75% with more than ten but less than 15 years; or 85% with more than 15 but less than 20 years.

#### Permanent Disability Benefits

**Disability benefit:** A lump sum of the insured's last month of earnings multiplied by the number of years of service is paid.

The minimum benefit is 20 months of the insured's last month of earnings.

#### Survivor Benefits

**Survivor benefit:** A lump sum of 25% of the deceased's final month of earnings multiplied by the number of years of service is paid to a widow(er) (75% is split equally among eligible orphans) if there are no surviving parents. If there are surviving parents, 10% of the deceased's final month of earnings multiplied by the number of years of service is paid to surviving parents; the remaining 90% is paid to the widow and orphans (25% and 75%, respectively).

**Other eligible survivors:** If there is no eligible widow(er) or orphan, 50% of the deceased's final month of earnings is paid to surviving parents and 50% to brothers and sisters (100% is paid to surviving brothers and sisters if there are no surviving parents).

The minimum benefit is six months of the deceased's final month of earnings.

#### Administrative Organization

Ministry of Labor (<http://www.labor.gov.lb>) provides general supervision.

National Social Security Fund (<http://www.cnss.gov.lb>), managed by a tripartite board and a director general, administers the program through its district offices.

### Sickness and Maternity

#### Regulatory Framework

**First and current law:** 1963.

**Type of program:** Social insurance system. Medical benefits only.

#### Coverage

Employees in industry and commerce, certain categories of agricultural employees, and teachers.

Public-sector employees, university students, dock workers, and doctors are covered for medical benefits only.

Exclusions: Temporary agricultural employees and citizens of countries without reciprocal agreements.

Voluntary coverage for self-employed persons and for workers previously covered by the mandatory system.

### Source of Funds

**Insured person:** 2% of earnings.

The maximum earnings used to calculate contributions are 1,500,000 pounds.

**Self-employed person:** 9% of earnings.

The maximum earnings used to calculate contributions are 1,000,000 pounds (1,500,000 pounds for self-employed persons with employees).

**Employer:** 7% of payroll.

The maximum earnings used to calculate contributions are 1,500,000 pounds.

**Government:** About 25% of the cost of benefits.

### Qualifying Conditions

**Cash sickness benefits:** No benefits are provided.

**Cash maternity benefits:** No benefits are provided.

**Medical benefits:** Must be currently covered. (Must have at least three months of coverage in the last six months for maternity care.)

### Sickness and Maternity Benefits

**Sickness benefit:** No benefits are provided.

**Maternity benefit:** No benefits are provided.

**Funeral grant:** 150% of the minimum wage is paid.

The monthly minimum wage is 675,000 pounds.

### Workers' Medical Benefits

Benefits include general and specialist care, hospitalization, maternity care, medicine, and laboratory services.

The National Social Security Fund contracts with and pays hospitals for 90% of the cost of benefits (the insured person pays 10%). The fund normally reimburses insured persons for 80% of the cost of a doctor's treatment and 100% of the cost of maternity care, cholesterol monitoring and treatment, and dialysis, according to a schedule in law.

The duration of benefits is 26 weeks; up to 52 weeks in special cases. For chronic illnesses, including heart disease and cancer, there is no limit to duration.

### Dependents' Medical Benefits

Medical benefits for dependents are the same as those for the insured.

### Administrative Organization

Ministry of Labor (<http://www.labor.gov.lb>) provides general supervision.

National Social Security Fund (<http://www.cnss.gov.lb>), managed by a tripartite board and a director general, administers the program through its district offices.

### Work Injury

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#### Regulatory Framework

**First and current law:** 1943.

**Type of program:** Employer-liability system, involving compulsory insurance with a private carrier.

#### Coverage

All wage earners covered by an employment contract.

Exclusions: Self-employed persons.

#### Source of Funds

**Insured person:** None.

**Self-employed person:** Not applicable.

**Employer:** The total cost.

Earnings used to calculate contributions are subject to a ceiling.

**Government:** None.

#### Qualifying Conditions

**Work injury benefits:** There is no minimum qualifying period.

#### Temporary Disability Benefits

75% of the covered worker's daily wage is paid from the day after the accident until full recovery, certification of permanent disability, or death.

#### Permanent Disability Benefits

**Permanent disability benefit:** 33.3% of monthly earnings is paid for an assessed degree of disability of more than 50%; 50% of the full permanent disability benefit is paid for an assessed degree of disability of 20% to 50%; a lump sum of three years of earnings is paid for an assessed degree of disability of less than 30%.

Partial disability: A percentage of the full benefit is paid according to the assessed loss of earning capacity.

Constant-attendance supplement: If the insured requires the constant attendance of others to perform daily functions, a set amount is paid according to a schedule in law.

#### Workers' Medical Benefits

The National Social Security Fund contracts with and pays hospitals for the cost of medical services. Medical benefits include general and specialist care, hospitalization, medicine, laboratory services, and appliances.

There is no cost sharing for doctors' services.

### **Survivor Benefits**

**Survivor pension:** A lump sum of up to 500 days of the deceased's pay is paid. The benefit formula limits the deceased's pay to 25% of the amount above the minimum wage and 12.5% of the amount above twice the minimum wage.

The monthly minimum wage is 675,000 pounds.

Eligible survivors include the widow, an aged or disabled widower, children younger than age 16 (age 25 if a student or disabled), aged or disabled parents, and dependent brothers and sisters.

**Funeral grant:** 150% of the minimum wage is paid.

The monthly minimum wage is 675,000 pounds.

### **Administrative Organization**

Ministry of Labor (<http://www.labor.gov.lb>) provides general supervision.

National Social Security Fund (<http://www.cnss.gov.lb>), managed by a tripartite board and a director general, administers benefits.

### **Family Allowances**

#### **Regulatory Framework**

**First law:** 1943.

**Current law:** 1963.

**Type of program:** Employment-related system.

#### **Coverage**

Employees and social insurance beneficiaries.

Exclusions: Self-employed persons.

### **Source of Funds**

**Insured person:** None.

**Self-employed person:** Not applicable.

**Employer:** 6% of payroll.

The maximum earnings used to calculate contributions are 1,500,000 pounds.

**Government:** None.

### **Qualifying Conditions**

**Family allowances:** The child must be younger than age 18 (age 25 if a full-time student or an unmarried, unemployed daughter; no limit if disabled). The wife must not be gainfully employed.

### **Family Allowance Benefits**

**Family allowances:** A monthly benefit of up to 75% of the minimum wage is paid, including a lump sum of 60,000 pounds paid to the wife and 33,000 pounds paid for each child, up to five children.

The monthly minimum wage is 675,000 pounds.

### **Administrative Organization**

Ministry of Labor (<http://www.labor.gov.lb>) provides general supervision.

National Social Security Fund (<http://www.cnss.gov.lb>), managed by a tripartite board and a director general, administers allowances.

## Malaysia

Exchange rate: US\$1.00 = 3.06 ringgits.

### Old Age, Disability, and Survivors

#### Regulatory Framework

**First law:** 1951 (provident fund).

**Current laws:** 1969 (social security) and 1991 (provident fund).

**Type of program:** Provident fund and social insurance system.

Note: Employees Provident Fund provides two types of accounts that finance old-age, survivors, and disability benefits. A portion of the Account 1 balance may be used to invest with an external manager. A portion of the Account 2 balance may be used for education, designated critical illnesses, or to purchase a house.

#### Coverage

**Provident fund:** Private-sector employees and certain public-sector employees not covered by the separate public-sector system.

Voluntary coverage for household workers, self-employed persons, and foreign workers.

Special systems for public-sector employees and military personnel.

**Social insurance:** Employees earning up to 3,000 ringgits a month. Previously enrolled employees earning more than 3,000 ringgits must continue to contribute.

Voluntary coverage for employees earning more than 3,000 ringgits a month when first employed, on agreement between the employer and the employee.

Exclusions: Household workers, self-employed persons, and foreign workers.

Special systems for public-sector employees and military personnel.

#### Source of Funds

##### Insured person

**Provident fund:** 11% of monthly earnings for members younger than age 55; 5.5% of monthly earnings for members aged 55 to 75. (70% and 30% of monthly contributions are placed in Accounts 1 and 2, respectively.) Insured persons and their spouses and children can make additional contributions.

The minimum monthly earnings used to calculate contributions are 10 ringgits.

There are no maximum earnings used to calculate contributions.

**Social insurance:** 0.5% of monthly earnings, according to 34 wage classes.

There are no minimum monthly earnings used to calculate contributions.

The maximum monthly earnings used to calculate contributions are 3,000 ringgits.

##### Self-employed person

**Provident fund:** 50 to 5,000 ringgits a month.

**Social insurance:** Not applicable.

##### Employer

**Provident fund:** 13% of monthly earnings for members younger than age 55 earning up to 5,000 ringgits, 12% if earning 5,001 ringgits or more; 6.5% of monthly earnings for members aged 55 to 75 earning up to 5,000 ringgits; 6% if earning 5,001 ringgits or more. (70% and 30% of monthly contributions are allocated to Accounts 1 and 2, respectively.)

Employers can make additional contributions.

**Social insurance:** 0.5% of monthly payroll, according to 34 wage classes.

There are no minimum monthly earnings used to calculate contributions.

The maximum monthly earnings used to calculate contributions are 3,000 ringgits.

##### Government

**Provident fund:** For self-employed persons only, 5% of contributions up to 60 ringgits a year.

**Social insurance:** None.

#### Qualifying Conditions

##### Provident fund

**Old-age benefit:** Withdrawals can be made under specified conditions:

Account 1: All funds can be withdrawn at age 55.

Drawdown payment: A portion of the funds can be drawn down before age 55 for investment in unit trusts through external fund management institutions approved by the Ministry of Finance. Members must have least 5,000 ringgits more than the required basic savings level based on their age.

The basic savings level ranges from 1,000 ringgits (a member at age 18) to 20,000 ringgits (a member at age 55).

Account 2: All funds can be withdrawn at age 55.

**Leaving the country withdrawal:** Paid at any age if the member permanently emigrates from Malaysia or is a foreign worker who returns home after the job contract expires.

*Purchase of house withdrawal:* Funds may be used for the one-time purchase of a house.

*Health withdrawal:* See Sickness and Maternity.

*Education withdrawal:* Members may use these funds to help pay for their children's higher education in an undergraduate or graduate degree program at an approved university.

*Age 50 withdrawal:* A one-time withdrawal at age 50.

The fund member is not required to retire at age 55 and may withdraw the funds and continue working up to age 75. Members who are still working and do not withdraw their funds at age 55 must continue to make contributions to the EPF. Those fund members who withdraw all of their funds (Accounts 1 and 2) at age 55 can choose to rejoin and contribute to the Employees Provident Fund if still employed or working in a new job.

*Incapacitation benefit:* Must be assessed by a medical doctor as mentally or physically unable to work. Fund members may be referred to an Employees Provident Fund panel clinic to confirm the disability assessed by the medical doctor.

Additional benefit: Paid up to age 55.

*Survivor benefit:* Paid to the named beneficiary (non-Muslims) or administrator (Muslims). In the absence of a named beneficiary, the benefit is paid (in order of priority) to the spouse, children, parents, and siblings.

Additional benefit: The cost of the funeral is paid to the dependent spouse (if married) or parents (if single) when a fund member dies (up to age 55).

All provident fund benefits are payable abroad.

### Social insurance

*Disability pension:* Must be younger than age 55, with at least a 66.7% loss of earning capacity, have at least 24 months of contributions in the last 40 months; or have contributions in at least 66.7% of the months since first becoming insured, with a total of at least 24 months of contributions.

Reduced disability pension: A reduced pension is paid if contributions were paid for at least 33.3% of the months since first becoming insured, with a total of at least 24 months of contributions.

A medical board appointed by the Social Security Organization in consultation with the Ministry of Health assesses the degree of disability.

Constant-attendance allowance: Paid if the insured requires the constant attendance of others to perform daily functions.

*Invalidity grant:* Paid if the insured is not eligible for a disability pension but has at least 12 months of contributions.

*Survivor pension:* The deceased had at least 24 months of contributions in the last 40 months prior to death; or had

contributions in at least 66.7% of the months since first becoming insured, with at least 24 months of contributions.

Reduced survivor pension: A reduced pension is paid if the deceased paid contributions for at least 33% of the months since first becoming insured, with a total of at least 24 months of contributions.

Eligible survivors include a widow(er) and unmarried children younger than age 21 (or until the completion of an undergraduate degree, no limit if disabled).

The spouse's pension ceases on remarriage.

*Other eligible survivors:* Paid to the parents (grandparents if the parents are deceased) and to unmarried dependent brothers and sisters younger than age 21.

*Funeral grant:* Paid to the insured's dependents, next of kin, or the individual who paid for the funeral.

## Old-Age Benefits

### Provident fund

*Accounts 1 and 2:* Members can withdraw total or partial savings through a lump-sum withdrawal (employee and employer contributions plus compound interest minus drawdown payments); a monthly pension of at least 250 ringgits for at least one year; a withdrawal at any time of at least 2,000 ringgits a month; or a combination of the last two options.

The minimum amount that can be invested is 1,000 ringgits; the maximum is 20% of the amount above the required basic savings level.

The basic savings level ranges from 1,000 ringgits (a member at age 18) to 20,000 ringgits (a member at age 55).

The guaranteed minimum interest rate is 2.5% a year. If funds remain in the accounts after age 55, members continue to earn compound interest until age 75.

*Leaving the country withdrawal:* A lump sum of total employee and employer contributions (Accounts 1 and 2) plus compound interest minus drawdown payments is paid.

*Purchase of house withdrawal:* The difference between the mortgage loan plus house price plus 10% of the house price and the balance in Account 2, whichever is lower, is paid.

*Health withdrawal:* See Sickness and Maternity.

*Education withdrawal:* Education fees or the balance in Account 2, whichever is lower, is paid to the university or the member.

*Age 50 withdrawal:* A lump sum of employee and employer contributions (Account 2) plus compound interest minus drawdown payments is paid.

### Permanent Disability Benefits

**Incapacitation benefit (provident fund):** A lump sum of total employee and employer contributions (Accounts 1 and

2) plus compound interest minus drawdown payments is paid.

The guaranteed minimum interest rate is 2.5% a year.

Additional benefit (provident fund): A lump sum of 5,000 ringgits is paid.

**Disability pension (social insurance):** 50% to 65% of the insured's average monthly earnings in the 24 months before the disability began is paid, depending on the number of contributions.

The maximum pension is 65% of the insured's average monthly earnings in the 24 months before the disability began.

The maximum monthly earnings used to calculate benefits are 2,950 ringgits.

Reduced disability pension: 50% of the insured's average monthly earnings in the 24 months before the disability began is paid.

The minimum monthly pension is 475 ringgits.

Constant-attendance allowance: 40% of the insured's pension (up to 500 ringgits a month) is paid.

**Invalidity grant (social insurance):** A lump sum of total employer and employee contributions plus interest is paid.

Benefit adjustment: Social insurance benefits are adjusted according to changes in the cost of living and the social insurance system's finances.

### Survivor Benefits

**Survivor benefit (provident fund):** A lump sum of total employee and employer contributions (Accounts 1 and 2) plus compound interest minus drawdown payments is paid.

The guaranteed minimum interest rate is 2.5% a year.

Additional benefit (provident fund): A lump sum of 2,500 ringgits is paid.

**Survivor pension (social insurance):** If the deceased was a disability pensioner, 100% of the disability pension is paid; if the deceased was employed at the time of death, 50% to 65% of the insured's average monthly earnings in the 24 months before death is paid, depending on the number of contributions.

The survivor pension is split as follows: 60% of the benefit is paid to the eligible widow(er) and 40% to eligible children.

If there are no other eligible survivors, 40% of the benefit is paid to parents or grandparents and 30% to eligible siblings up to age 21.

Reduced survivor pension: 50% of the deceased's average monthly earnings in the 24 months before death is paid.

The minimum monthly survivor pension is 475 ringgits.

**Funeral grant (social insurance):** Up to 1,500 ringgits is paid.

Benefit adjustment: Social insurance benefits are adjusted according to changes in the cost of living and the social insurance system's finances.

### Administrative Organization

**Provident fund:** Ministry of Finance (<http://www.treasury.gov.my>) provides general supervision.

Employees Provident Fund (<http://www.kwsp.gov.my>), managed by a tripartite governing board, administers contributions and benefits and is responsible for investing members' funds.

Social insurance: Ministry of Human Resources (<http://www.mohr.gov.my>) provides general supervision.

Social Security Organization (SOCISO) (<http://www.perkeso.gov.my>), managed by a tripartite governing board, administers contributions and benefits.

### Sickness and Maternity

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#### Regulatory Framework

**First laws:** 1951 (provident fund) and 1955 (public health).

**Current law:** 1991 (provident fund).

**Type of program:** Provident fund system (medical benefits only).

Note: Public health care services funded by general revenues and cost sharing are provided by the Ministry of Health.

Under the Employment Act of 2012, which amended the Employment Act of 1995, employers are required to provide 60 days of paid maternity leave to all female employees.

#### Coverage

**Cash sickness and maternity benefits:** No benefits are provided.

**Medical benefits:** Private-sector employees and certain public-sector employees not covered by the separate public-sector system.

Voluntary coverage for household workers, self-employed persons, foreign workers, and pensionable public-sector employees.

Special system for public-sector employees and military personnel.

#### Source of Funds

**Insured person:** See source of funds (provident fund) under Old Age, Disability, and Survivors.

**Self-employed person:** See source of funds (provident fund) under Old Age, Disability, and Survivors.

**Employer:** See source of funds (provident fund) under Old Age, Disability, and Survivors.

**Government:** See source of funds (provident fund) under Old Age, Disability, and Survivors.

### Qualifying Conditions

**Cash sickness and maternity benefits:** No cash benefits are provided.

**Medical benefits:** Provident fund members.

### Sickness and Maternity Benefits

**Sickness benefit:** No benefits are provided

**Maternity benefit:** No benefits are provided.

### Workers' Medical Benefits

Fund members can withdraw savings from Account 2 to pay for medical treatment for a critical illness, if the employer does not provide full coverage for such treatment. The Employees Provident Fund Board provides a list of 55 designated critical illnesses.

### Dependents' Medical Benefits

Medical benefits for dependents are the same as those for the insured.

### Administrative Organization

Ministry of Health (<http://www.moh.gov.my>) provides general supervision for the program.

Employees Provident Fund (<http://www.kwsp.gov.my>), managed by a tripartite governing board, administers contributions and benefits and is responsible for investing members' funds.

### Work Injury

#### Regulatory Framework

**First law:** 1929.

**Current law:** 1969 (social security).

**Type of program:** Social insurance system.

#### Coverage

Employees earning up to 3,000 ringgits a month. Previously enrolled employees earning more than 3,000 ringgits must continue to contribute.

Voluntary coverage for employees earning more than 3,000 ringgits a month, on agreement between the employer and the employee.

Exclusions: Household workers, military personnel, spouses of business owners, and self-employed persons.

Special systems for public-sector employees, foreign workers, and military personnel.

### Source of Funds

**Insured person:** None.

**Self-employed person:** Not applicable.

**Employer:** 1.25% of monthly payroll, according to 34 wage classes.

There are no minimum monthly earnings used to calculate contributions.

The maximum monthly earnings used to calculate contributions are 3,000 ringgits.

**Government:** None.

### Qualifying Conditions

**Work injury benefits:** There is no minimum qualifying period.

### Temporary Disability Benefits

80% of the insured's average daily wage in the six months before the disability began is paid. The insured must be certified by a medical doctor to be unfit for work for at least four days. The benefit is paid for the period the employee is on medical leave.

The minimum daily benefit is 10 ringgits.

The maximum daily benefit is 78.70 ringgits.

### Permanent Disability Benefits

**Permanent disability pension:** For a total (100%) disability, 90% of the insured's average daily wage in the six months before the disability began is paid.

The minimum daily benefit is 10 ringgits.

The maximum daily benefit is 88.50 ringgits.

Constant-attendance allowance (total permanent disability): 40% of the insured's pension (up to 500 ringgits a month) is paid if the insured requires the constant attendance of others to perform daily functions.

Partial disability: A percentage of the full pension is paid according to the assessed degree of disability.

The minimum daily benefit for a permanent partial disability is 10 ringgits.

If the disability is assessed as less than 20%, the insured can request the benefit as a lump sum. If the disability is at least 20%, the insured is paid monthly, and may request up to 20% of the benefit as a lump sum.

Benefit adjustment: Benefits are adjusted according to changes in the cost of living and the social insurance system's finances.

### **Workers' Medical Benefits**

Benefits include necessary medical treatment, hospitalization, medicine, artificial limbs and other prosthetic appliances, and physical and vocational rehabilitation.

Government hospitals and physicians under contract with the Social Security Organization provide care.

### **Survivor Benefits**

**Survivor pension:** 60% of the full daily benefit is paid to the widow (the widower if previously dependent on the insured) and 40% to unmarried children (60% to full orphans) younger than age 21 (until the completion of a graduate degree, no limit if disabled).

The full daily benefit is 90% of the insured's average daily wage in the six months before death.

The spouse's pension ceases on remarriage.

**Other eligible survivors:** 40% of the full daily benefit is paid to parents (grandparents if the parents are deceased) and 30% to unmarried dependent brothers and sisters younger than age 21.

The minimum daily survivor benefit is 10 ringgits.

The maximum daily survivor benefit is 88.50 ringgits.

**Benefit adjustment:** Benefits are adjusted according to changes in the cost of living and the social insurance system's finances.

**Funeral grant:** Up to 1,500 ringgits is paid to the person who paid for the funeral.

**Benefit adjustment:** Benefits are adjusted according to changes in the cost of living and the social insurance system's finances.

### **Administrative Organization**

Ministry of Human Resources (<http://www.mohr.gov.my>) provides general supervision.

Social Security Organization (SOCSO) (<http://www.perkeso.gov.my>), managed by a tripartite governing board, administers contributions and benefits and contracts with health care providers for medical services.

## Marshall Islands

Exchange rate: Currency is the US dollar (US\$).

### Old Age, Disability, and Survivors

#### Regulatory Framework

**First law:** 1967.

**Current law:** 1990 (social security).

**Type of program:** Social insurance system.

#### Coverage

Gainfully employed persons, including self-employed persons.

Exclusions: Certain casual workers.

#### Source of Funds

**Insured person:** 7% of earnings.

The maximum earnings used to calculate contributions are US\$5,000 a quarter.

**Self-employed person:** 14% of 75% of gross income.

The maximum earnings used to calculate contributions are US\$5,000 a quarter.

**Employer:** 7% of payroll; small business employers contribute 14% of twice the salary of the highest-paid employee.

The maximum earnings used to calculate contributions are US\$5,000 a quarter.

**Government:** None; contributes as an employer.

#### Qualifying Conditions

**Old-age pension:** Age 60 with one quarter of coverage for each year after June 30, 1968 (or since age 21, if younger than age 21 on June 30, 1968).

A minimum pension is paid with at least 12 quarters of coverage.

Early pension: Age 55 with at least 80 quarters of coverage.

Deferred pension: The pension may be deferred.

**Disability pension:** Must have an incapacity for usual work and at least one quarter of coverage for each year after June 30, 1968 (or since age 21, if younger than age 21 on June 30, 1968), with at least 12 quarters of coverage including at least six quarters of coverage in the last 40 quarters before the disability began.

**Survivor pension:** The deceased had one quarter of coverage for each year after June 30, 1968 (or since age 21, if

younger than age 21 on June 30, 1968), or at least six quarters of coverage in the 40 quarters before death.

Eligible survivors include a widow(er) of any age and orphans younger than age 18 (age 22 if a full-time student, no limit if disabled before age 22).

**Income test:** The pension is reduced by US\$1 for each US\$3 of earnings above US\$1,500 a quarter for pensioners who are younger than age 62.

Benefits are normally payable abroad to noncitizens for six months; may be paid for longer under a reciprocal agreement.

**Lump-sum survivor benefit:** Paid when all eligible survivors no longer qualify for survivor benefits as a result of death, remarriage, or age.

#### Old-Age Benefits

**Old-age pension:** 8.3% of the sum of 2% of indexed covered earnings plus 14.5% of the first US\$11,000 of cumulative covered earnings plus 0.7% of cumulative covered earnings from US\$11,001 to US\$44,000 is paid.

The minimum old-age pension is US\$128.99 a month.

**Early pension:** The pension is reduced by 0.5% for each month the pension is taken before age 60.

**Deferred pension:** The pension is increased by 0.5% for each month the pension is deferred after age 60.

#### Permanent Disability Benefits

**Disability pension:** 8.3% of the sum of 2% of indexed covered earnings plus 14.5% of the first US\$11,000 of cumulative covered earnings plus 0.7% of cumulative covered earnings from US\$11,001 to US\$44,000 is paid.

The minimum disability pension is US\$128.99 a month.

#### Survivor Benefits

**Survivor pension:** 8.3% of the sum of 2% of the insured's indexed earnings plus 14.5% of the first US\$11,000 of cumulative covered earnings plus 0.7% of cumulative covered earnings from US\$11,001 to US\$44,000 is paid.

The minimum survivor pension is US\$128.99 a month.

**Orphan's pension:** 25% of the old-age or disability pension the deceased received or was eligible to receive is paid to each eligible orphan.

The minimum survivor pension is US\$128.99 a month.

The maximum survivor pension is 100% of the deceased's pension.

**Lump-sum survivor benefit:** A lump sum is paid of 4% of cumulative covered earnings minus the sum of all survivor benefits already paid.

### **Administrative Organization**

Marshall Islands Social Security Administration (<http://www.rmimissa.org>) administers the program.

### **Sickness and Maternity**

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#### **Regulatory Framework**

**First law:** 1991 (health fund).

**Current law:** 2002 (health fund administration).

**Type of program:** Social insurance program. Medical benefits only.

#### **Coverage**

Gainfully employed persons, including self-employed persons.

Exclusions: Certain casual workers.

#### **Source of Funds**

**Insured person:** 3.5% of earnings.

The maximum earnings used to calculate contributions are US\$5,000 a quarter.

**Self-employed person:** 10% of 75% of gross income.

The maximum earnings used to calculate contributions are US\$5,000 a quarter.

**Employer:** 3.5% of payroll; small business employers contribute 10% of twice the salary of the highest-paid employee.

The maximum earnings used to calculate contributions are US\$5,000 a quarter.

**Government:** None; contributes as an employer.

### **Qualifying Conditions**

**Cash sickness and maternity benefits:** No cash benefits are provided.

**Medical benefits:** There is no minimum qualifying period.

### **Sickness and Maternity Benefits**

**Sickness benefits:** No cash benefits are provided.

**Maternity benefits:** No cash benefits are provided.

### **Workers' Medical Benefits**

General medical services are delivered through a public hospital and a private clinic in Majuro and through a public hospital in Ebeye.

### **Dependents' Medical Benefits**

**Medical benefits for dependents:** No information is available.

### **Administrative Organization**

Ministry of Health Services administers the Social Security Health Fund.

Marshall Islands Social Security Administration (<http://www.rmimissa.org>) is responsible for the collection of contributions for the Social Security Health Fund.

## Micronesia

Exchange rate: Currency is the US dollar (US\$).

### Old Age, Disability, and Survivors

#### Regulatory Framework

**First law:** 1968.

**Current law:** 1982 (social security), implemented in 1983.

**Type of program:** Social insurance system.

#### Coverage

Gainfully employed persons, including certain self-employed persons.

Exclusions: Casual employees who work less than one week in any calendar month, certain self-employed persons, and family labor.

Special systems (individual retirement plans) for some government employees.

#### Source of Funds

**Insured person:** 7.5% of earnings (January 2013).

The minimum earnings used to calculate contributions are US\$300 a quarter.

The maximum earnings used to calculate contributions are US\$7,000 (rising by US\$1,000 every five years until reaching US\$10,000 in 2028) a quarter (January 2013).

**Self-employed person:** 5% of business annual gross revenue for the previous calendar year.

The maximum earnings used to calculate contributions are US\$7,000 (rising by US\$1,000 every five years until reaching US\$10,000 in 2028) a quarter (January 2013).

**Employer:** 7.5% of twice the salary of the highest-paid employee per quarter (January 2013).

**Government:** None; contributes as an employer.

#### Qualifying Conditions

**Old-age pension (earnings tested):** Age 65 with one quarter of coverage for each year after June 1968 (or since age 21, if younger than age 21 in June 1968) up to age 60 and a total of at least 50 quarters and US\$2,500 in contributions.

A reduced benefit (no earnings test) is paid to persons aged 60 to 64 who meet the qualifying conditions for an old-age pension. They may continue to work.

The pension is payable abroad to citizens of Palau, the Marshall Islands, and the United States, under reciprocal

agreement. For citizens of other nations who are fully insured and older than age 60, benefits are paid over a six-month period.

**Old-age lump-sum benefit:** Paid to insured citizens of Micronesia who do not meet the qualifying conditions for the old-age pension at retirement age.

The lump-sum benefit is payable abroad to citizens of Palau, the Marshall Islands, and the United States under reciprocal agreement.

**Disability pension:** Must have an assessed incapacity for substantial gainful activity due to a disability that will last for at least one year or result in death. Must have at least one quarter of coverage for each year after June 1968 (or since age 21, if younger than age 21 in June 1968) and a total of at least 45 quarters of coverage (including 20 in the last 25 quarters) and US\$1,500 in contributions.

Eligibility for the disability pension may cease if the insured's condition improves.

Micronesia's Social Security Administration's certified disability examiners conduct periodic examinations to assess the degree of disability.

**Dependent disabled child benefit:** Paid to a dependent child disabled before age 22 when an insured person eligible for a disability pension dies. The benefit may continue as long as the disability exists.

Disability benefits are payable abroad to citizens of Palau, the Marshall Islands, and the United States, under reciprocal agreement. For citizens of other nations who are fully insured and older than age 60, benefits are paid over a six-month period.

**Survivor pension (earnings tested):** The deceased had one quarter of coverage for each year after June 1968 (or since age 21, if younger than age 21 in June 1968) and a total of at least 50 quarters of coverage and US\$2,500 in contributions.

Eligible survivors include the insured's spouse and dependent, unmarried children younger than age 18 (age 22 if a student, no limit if the child was disabled before age 22).

The spouse's pension ceases on remarriage.

Earnings test: The survivor's pension is reduced by US\$1 for each US\$2 of earnings exceeding US\$300 a quarter.

The pension is payable abroad to citizens of Palau, the Marshall Islands, and the United States, under reciprocal agreement. For citizens of other nations (if the deceased was fully insured and older than age 60), benefits are paid over a six-month period.

**Survivor lump-sum benefit:** If the survivor pension is less than 4% of the deceased's cumulative covered earnings, a lump sum is paid to eligible survivors.

The lump-sum survivor benefit is payable abroad to citizens of Palau and the Marshall Islands under reciprocal agreement.

### **Old-Age Benefits**

**Old-age pension (earnings tested):** The monthly pension is 16.5% of the first US\$10,000 of cumulative covered earnings plus 3% of the next US\$30,000 plus 2% of the next US\$262,500 plus 1% of cumulative earnings exceeding US\$302,500.

The minimum monthly old-age pension is US\$100.

Earnings test: The old-age pension is reduced by US\$1 for each US\$2 of earnings exceeding US\$300 a quarter.

A reduced benefit (no earnings test) is 50% of the total monthly pension.

Benefit adjustment: Benefits are adjusted according to changes in the earnings test.

**Old-age lump-sum benefit:** 4% of the insured's cumulative covered earnings are paid.

### **Permanent Disability Benefits**

**Disability pension:** The monthly pension is 16.5% of the first US\$10,000 of cumulative covered earnings plus 3% of the next US\$30,000 plus 2% of the next US\$262,500 plus 1% of cumulative earnings exceeding US\$302,500.

The minimum monthly disability pension is US\$100.

**Dependent disabled child benefit:** 15% of the monthly disability pension the deceased received or was eligible to receive is paid.

### **Survivor Benefits**

**Survivor pension (earnings tested):** 60% of the deceased's pension is paid to a widow(er).

**Orphan's pension (earnings tested):** 15% of the deceased's pension is paid for each eligible child.

The maximum combined half orphan's pension is 40% of the deceased's pension (if there are three or more children and if a survivor pension is paid to the spouse).

The maximum combined full orphan's pension is 100% of the deceased's pension (if there are seven or more children).

The minimum monthly survivor pension is US\$100.

The maximum survivor pension is 100% of the old-age pension the deceased was eligible to receive.

Benefit adjustment: Benefits are adjusted according to changes in the earnings test.

**Survivor lump-sum benefit:** 4% of the deceased's total cumulative covered earnings is paid (reduced by the amount of any benefits paid to the insured and his or her eligible dependents).

### **Administrative Organization**

Federated States of Micronesia Social Security Administration (<http://www.fm/fsmss>) administers the program.

## Nepal

Exchange rate: US\$1.00 = 81.60 rupees.

### Old Age, Disability, and Survivors

#### Regulatory Framework

**First and current laws:** 1962 (provident fund), 1994 (old-age allowance), and 2011 (social security fund).

**Type of program:** Provident fund and social assistance system.

Note: Additional cash benefits are provided to Nepalese citizens based on ethnicity and geographic location.

Government employees and their widow(er)s receive a non-contributory monthly pension in addition to the provident fund benefit.

The 2011 law established a Social Security Fund Secretariat to administer a contributory social insurance scheme covering old-age, disability, unemployment, and various other insurance programs. Public- and private-sector employees already contribute 1% of earnings to the fund, but no benefits have been introduced.

#### Coverage

**Provident fund:** All government employees.

Voluntary coverage for firms with 10 or more employees.

Exclusions: Self-employed persons, temporary workers, part-time workers, and household workers.

**Social assistance:** Nepalese citizens.

#### Source of Funds

##### Provident fund

**Insured person:** 10% of monthly earnings.

**Self-employed person:** Not applicable.

**Employer:** 10% of monthly payroll. (Employers may make additional voluntary contributions for employees.)

**Government:** None.

##### Social assistance

**Insured person:** None.

**Self-employed person:** None.

**Employer:** None.

**Government:** The total cost.

#### Qualifying Conditions

**Old-age benefit (provident fund):** Age 58 or upon termination of employment.

The benefit may be deferred until age 60.

Loan scheme: Loans are provided from the fund member's account to help finance the cost of housing, education, and other needs. The qualifying conditions vary according to the nature of the loan.

**Old-age allowance (social assistance):** Age 70 or older (age 60 or older for Dalits and residents of Karnali Zone).

**Personal accident insurance (provident fund):** Paid for the partial or permanent disability or accidental death of the fund member.

**Disability pension (social assistance):** Age 16 or older and assessed as blind or having lost the use of feet or hands.

**Survivor benefit (provident fund):** Paid when a fund member dies.

**Funeral grant (provident fund):** Paid when a fund member dies.

**Survivor allowance (social assistance):** Paid to Nepalese widows aged 60 or older who satisfy a means test (no personal income, no family support, and no survivor pension as a widow).

#### Old-Age Benefits

**Old-age benefit (provident fund):** A lump sum of employer and employee contributions plus 8% interest a year is paid.

An annual bonus based on the fund's operating profit is credited to each member's account.

Loan scheme: The maximum amount that may be borrowed and the maximum borrowing period vary according to the nature of the loan.

Interest rate adjustment: The Board of Directors of the Provident Fund sets the interest rate based on the fund's annual income.

**Old-age allowance (social assistance):** 500 rupees a month is paid; 1,000 rupees a month for members of the Rautes ethnic group.

#### Permanent Disability Benefits

**Personal accident insurance (provident fund):** A lump sum of 100,000 rupees is paid for a total disability.

Partial disability: A lump sum of 10,000 rupees to 25,000 rupees is paid according to the assessed degree of disability.

**Disability pension (social assistance):** 500 rupees a month is paid.

## Survivor Benefits

**Survivor benefit (provident fund):** A lump sum of 150,000 rupees is paid to a named survivor or heir. If there is more than one named survivor, the amount is split equally.

**Funeral grant (provident fund):** A lump sum of 25,000 rupees is paid.

**Personal accident insurance (provident fund):** A lump sum of 100,000 rupees is paid.

**Survivor allowance (social assistance):** 500 rupees a month is paid.

## Administrative Organization

**Provident fund:** Employees' Provident Fund (<http://www.epfnepal.com.np>), an autonomous body under the general supervision of the Ministry of Finance (<http://www.mof.gov.np>) and managed by a board of directors, administers the program.

**Social assistance:** Ministry of Local Development administers the program.

Benefits are administered at the local level by Village Development Committees.

## Sickness and Maternity

### Regulatory Framework

No statutory cash benefits are provided.

The 1974 Bonus Act requires private-sector enterprises to provide basic medical benefits to employees and their dependents.

The 1992 Labor Act requires employers to pay 100% of wages for maternity leave of up to 52 days before or after each childbirth for up to two births. It also requires employers to pay 50% of wages for sick leave for up to 15 days a year.

The 1992 Civil Servant Act provides maternity leave to employed women for up to 60 days before or after childbirth, for up to two births. Additional maternity leave without pay is possible for up to six months.

Medical expenses may be reimbursed up to the equivalent of 12 to 21 months of salary for government employees. The amount may be paid as a lump sum at retirement.

Free medical treatment is provided to people aged 75 or older in government hospitals.

## Work Injury

### Regulatory Framework

**First law:** 1959.

**Current law:** 1992 (work injury).

**Type of program:** Employer-liability system, involving compulsory insurance with a private carrier.

### Coverage

Employees of firms with 10 or more employees.

Exclusions: Self-employed persons and household workers.

Special system for miners.

### Source of Funds

**Insured person:** None.

**Self-employed person:** Not applicable.

**Employer:** The total cost; provides benefits directly or pays insurance premiums.

**Government:** None.

### Qualifying Conditions

**Work injury benefits:** There is no minimum qualifying period.

### Temporary Disability Benefits

50% of earnings (100% if hospitalized) is paid from the first day of incapacity for up to a year.

An authorized doctor assesses the degree of disability, according to a schedule in law.

### Permanent Disability Benefits

**Permanent disability benefit:** A lump sum of five years of earnings is paid for a total disability (100%).

Partial disability: A percentage of the total disability lump sum is paid according to the assessed degree of disability.

An authorized doctor assesses the degree of disability, according to a schedule in law.

### Workers' Medical Benefits

The total cost of necessary treatment is paid.

### Survivor Benefits

**Survivor benefit:** A lump sum of three years of the deceased's earnings is paid to a dependent survivor.

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## ***Administrative Organization***

Labor and Employment Promotion Department under the Ministry of Labour and Employment enforces the law.

## ***Unemployment***

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### ***Regulatory Framework***

No statutory unemployment benefits are provided.

The 1992 Labor Act requires employers to pay lump-sum severance benefits to laid-off employees of one month of wages for each year of service in all firms with 10 or more employees.

The 1993 Labor Rules require employers in firms with 10 or more employees to pay a cash benefit to workers with at least three years of employment when they retire or resign (50% of monthly wages is paid for each of the first seven years of service, 66% for each year from eight to 15 years, and 100% for each year exceeding 15 years).

The employee may choose between a cash benefit and a lump sum.

## New Zealand

Exchange rate: US\$1.00 =  
1.22 New Zealand dollars (NZ\$).

### Old Age, Disability, and Survivors

#### Regulatory Framework

**First laws:** 1898 (old-age pension), 1911 (widow's pension), 1924 (blind person's pension), and 1936 (disability pension).

**Current laws:** 1964 (social security), implemented in 1965, and 2001 (New Zealand superannuation).

**Type of program:** Universal and social assistance system.

Note: All net benefits reflect the applied primary tax rate.

#### Coverage

All persons residing in New Zealand.

#### Source of Funds

**Insured person:** None.

**Self-employed person:** None.

**Employer:** None.

**Government:** The total cost is financed from general revenues.

#### Qualifying Conditions

**Old-age pension (New Zealand superannuation):** Age 65 with at least 10 years of residence in New Zealand since age 20, including at least five years as of age 50, and must be a resident on date of application. There is no income or asset test (except for a married pensioner with an unqualified spouse).

The pension is payable abroad for up to 26 weeks if the beneficiary is not abroad for more than 30 weeks; the amount of time abroad may be extended and the benefit paid at a rate according to the length of residence in New Zealand.

**Assistance benefits (old age):** Other assistance benefits may be paid to old-age pensioners (some needs tested).

**Disability pension (invalid's benefit):** Assessed with a permanent and severe loss of working capacity or total blindness and has resided in New Zealand for at least two years. The benefit is income tested (the personal earnings of totally blind persons are exempt). The beneficiary must be a citizen or permanent resident of New Zealand aged 16 or older.

The disability benefit may be paid abroad temporarily, depending on individual circumstances.

**Assistance benefits (disability):** Other assistance benefits may be paid to disability pensioners (some needs-tested).

**Survivor pension (widow's benefit, orphan's benefit, unsupported child's benefit):** Paid to a widow, an orphan's caregiver aged 19 or older, or an unsupported child must reside in New Zealand (the widow for at least two years). A widow must be available for full-time or part-time work or make preparations to return to work, depending on the age of her dependent child. The widow's and caregiver's benefits are income tested. For orphan and unsupported child benefits, there is an income test on the child's nonpersonal income (such as money from trusts).

The survivor pension may be paid abroad temporarily, depending on individual circumstances.

**Domestic purposes benefit (women alone, single parent, care of sick or infirm):** Paid to a single woman aged 50 or older, a single parent aged 19 or older with a dependent child younger than age 18, or a caregiver providing full-time at-home care for a person (other than a spouse or partner) who would otherwise need professional care. A single woman must have lost the financial support of a partner or have finished caring for a child or sick relative and be available for full-time work. A single parent must be available for full-time or part-time work or make preparations to return to work, depending on the age of the parent's dependent children. Must be a citizen or permanent resident and have resided in New Zealand for the last two years.

**Funeral grant:** A lump sum is paid to assist with funeral expenses. There is an income and asset test based on the deceased's circumstances before death.

**Assistance benefits (survivors):** Other assistance benefits may be paid to survivors (some needs-tested).

#### Old-Age Benefits

**Old-age pension (New Zealand superannuation):** NZ\$348.92 (net) a week is paid for a single person living alone, NZ\$322.08 (net) if sharing accommodation, or NZ\$536.80 (net) for a married, civil-union, or de facto couple living together where both partners qualify for the pension.

The pension may be reduced if the beneficiary is receiving a benefit or pension from an overseas government.

A pensioner with a spouse or partner who is ineligible for the pension may receive half the married rate (NZ\$268.40 (net) a week) with no income test (the ineligible partner receives no payment). If the pensioner chooses to include the ineligible partner in the calculation of the pension, up to NZ\$510.18 (net) a week is paid, subject to an income test (benefits are reduced according to a decreasing scale for joint income above NZ\$5,200 (gross) a year).

**Benefit adjustment:** Benefits are adjusted annually on April 1, according to changes in the consumer price index

for the previous year, with a further adjustment based on the net average ordinary time weekly earnings rate if required. Net average ordinary time weekly earnings are determined by the quarterly employment survey published by Statistics New Zealand.

**Assistance benefits:** An accommodation supplement, a disability allowance, a special needs grant, and other benefits may be paid.

### Permanent Disability Benefits

**Disability pension (invalid's benefit):** Up to NZ\$207.32 (net) a week is paid for a single person aged 16 or 17; NZ\$256.19 (net) for a single person aged 18 or older; NZ\$213.49 (net) for each member of a married, civil-union, or de facto couple, with or without children; NZ\$336.55 (net) for a single person with children.

**Income test:** The benefit is reduced by NZ\$0.30 for each dollar of gross earned income above NZ\$5,200 a year and by NZ\$0.70 for each dollar of gross earned income above NZ\$10,400. The personal earnings of totally blind persons are exempt.

**Benefit adjustment:** Benefits are adjusted annually on April 1, according to changes in the consumer price index for the previous calendar year.

**Assistance benefits:** An accommodation supplement, a family tax credit, an advance payment of benefit, a training incentive allowance, transition-to-work assistance, a disability allowance, a temporary additional benefit, a special needs grant, and other benefits may be paid.

### Survivor Benefits

#### Survivor pension

**Widow's benefit:** Up to NZ\$213.49 (net) a week is paid for a single woman without children whose spouse or partner has died; NZ\$293.58 (net) for a single woman with dependent children.

**Orphan's benefit:** Up to NZ\$199.43 (net) a week is paid, according to age, for each orphan younger than age 18 (not taxable).

**Unsupported child's benefit:** Up to NZ\$199.43 (net) a week is paid, according to age, for each unsupported child younger than age 18 (not taxable).

**Domestic purposes benefit:** NZ\$213.49 (net) a week is paid for a single person with no dependent children; NZ\$293.58 (net) for a single parent with dependent children.

**Funeral grant:** Up to NZ\$1,959.42 is paid to the surviving spouse, partner, or dependent child for funeral costs (not taxable but income and asset tested).

**Income test:** The widow's benefit and domestic purposes benefit are reduced by NZ\$0.30 for each dollar of gross

earned income above NZ\$5,200 a year and by NZ\$0.70 for each dollar of gross earned income above NZ\$10,400.

**Benefit adjustment:** Benefits are adjusted annually on April 1, according to changes in the consumer price index for the previous calendar year.

**Assistance benefits:** An accommodation supplement, an advance payment of benefit, a training incentive allowance, transition-to-work assistance, a disability allowance, a special needs grant, and other benefits may be paid.

### Administrative Organization

Ministry of Social Development (<http://www.msd.govt.nz>) administers pensions and benefits through its local offices.

### Sickness and Maternity

#### Regulatory Framework

**First law:** 1938.

**Current laws:** 1964 (social security), implemented in 1965, and 1987 (parental leave and employment protection).

**Type of program:** Universal and social assistance system.

#### Coverage

**Cash sickness benefits:** Persons temporarily incapacitated for full-time work.

**Cash maternity benefits:** Single women.

**Paid parental leave:** All female employees or adoptive parents residing in New Zealand, according to employment and self-employment history. Partial or full entitlement is transferable to a qualifying spouse or partner.

**Medical benefits:** All persons residing in New Zealand and some others according to the 2012 Health and Disability Services Eligibility Direction (such as beneficiaries under reciprocal agreements, refugees, and suspected victims of human trafficking). Subsidized treatment for accidents under the Accident Compensation Corporation is not dependent on residency.

#### Source of Funds

**Insured person:** None.

**Self-employed person:** None.

**Employer:** None.

**Government:** The total cost is financed from general revenues.

#### Qualifying Conditions

**Cash sickness and maternity benefits:** Aged 18 or older (19 or older with a dependent child) and, due to sickness, injury, pregnancy, or disability, has stopped working, has

reduced hours and income, or is unemployed or working part-time and is unable to perform full-time work. Must reside in New Zealand with at least two years of continuous residence. Benefits are income tested.

For citizens or permanent residents with less than two years of residence in New Zealand, a benefit may be paid in cases of hardship. For nonpermanent residents, an income- and asset-tested emergency benefit may be paid in cases of hardship.

**Paid parental leave:** The recipient must have been working for the same employer for at least six months before the expected date of childbirth or the adoption of a child younger than age 5 and have worked at least 10 hours a week, including at least one hour a week or 40 hours a month. Self-employed persons must have been employed for at least six months and have worked an average of 10 hours a week prior to the birth or intended adoption.

**Medical benefits:** Must reside or have a stated intent to remain in New Zealand for at least two years. There is no income test.

### ***Sickness and Maternity Benefits***

**Sickness benefit:** Up to NZ\$204.96 (net) a week is paid if aged 25 or older, single, and with no children; NZ\$170.80 (net) if aged 20 to 24, or if aged 18 or 19 and living away from home; NZ\$136.64 (net) if aged 18 or 19 and living with a parent.

Up to NZ\$293.58 (net) a week is paid for a single beneficiary with children; up to NZ\$170.80 (net) for each member of a married or civil-union couple with or without children.

The benefit is paid after a waiting period of up to two weeks, depending on previous income.

There is no limit on the period of eligibility for the sickness benefit (unless paid because of pregnancy or a pregnancy-related medical complication, see below). A medical professional must periodically assess the illness.

**Income test:** The benefit is reduced by NZ\$0.70 for each dollar of gross earned income exceeding NZ\$80 a week.

**Benefit adjustment:** Benefits are adjusted annually on April 1, according to changes in the consumer price index for the previous calendar year.

**Maternity benefit:** The benefit may be paid to a single pregnant woman at the sickness benefit rate (see above) after the 26th week of pregnancy (or earlier if the insured is unable to work due to pregnancy complications, an illness, or disability). Payment may continue for up to 13 weeks after childbirth.

**Income test:** The benefit is reduced by NZ\$0.70 for each dollar of gross earned income above NZ\$80 a week.

**Benefit adjustment:** Benefits are adjusted annually on April 1, according to changes in the consumer price index for the previous calendar year.

**Paid parental leave:** 100% of previous earnings, up to NZ\$475.16 of gross earnings a week, is paid for up to 14 weeks. The benefit is paid to one parent or shared between both parents if they are both eligible. Self-employed persons who earn less than the equivalent of 10 hours a week at the highest rate of the minimum wage receive the minimum rate of NZ\$135 a week.

**Benefit adjustment:** The maximum benefit rate is adjusted annually on July 1, according to the increase in net average ordinary time weekly earnings. Net average ordinary time weekly earnings are determined by the quarterly employment survey published by Statistics New Zealand. The minimum benefit rate for the self-employed is adjusted annually on July 1, according to the highest rate of the minimum wage.

### ***Workers' Medical Benefits***

Free services include inpatient care in public hospitals, general practitioner care for children up to age 6, maternity services, and most laboratory services. Partial subsidies are provided for general practice visits. Costs for care in a private hospital are not subsidized.

**Cost sharing:** Partial subsidy for approved prescribed medicines, according to a patient's number of copayments, income, and frequency of use.

After a patient or family makes 20 copayments of NZ\$3 per item a year (rising to NZ\$5 in January 2013), subsequent items are fully subsidized.

Low-income families have access to a Community Services Card (CSC) for reduced prescription charges, after hours doctor visits, specialist visits, children's eyeglasses (up to age 15), emergency dental care, travel and lodging support for certain hospitalizations, and home help.

Individuals who do not qualify for a CSC can obtain a High Use Health Card (HUHC) if they have made 12 or more doctor's visits in the last 12 months. The HUHC is for individual use only and is not income tested. For HUHC cardholders, visits are subsidized at NZ\$15 a visit for adults aged 18 or older, and NZ\$20 a visit for children aged 6 to 17.

No reimbursement is provided for dental treatment, physical therapy, work-related injuries, or children's eyeglasses (aged 5 or younger).

Free basic dental care is provided for school children up to age 18.

The Accident Compensation Corporation (ACC) subsidizes treatment for accident-related injuries.

### ***Dependents' Medical Benefits***

Medical benefits for dependents are the same as those for the insured, with special subsidies for low-income families or those who need intensive medical care.

## Administrative Organization

Ministry of Social Development (Work and Income) (<http://www.msd.govt.nz>) administers cash benefits through its service centers.

Ministry of Social Development (Community Services Card Service Center) administers Community Services Cards.

Ministry of Health (Sector Services) (<http://www.health.govt.nz>) administers medical benefits.

Inland Revenue (<http://www.ird.govt.nz>) administers statutory paid parental leave benefits.

## Work Injury

### Regulatory Framework

**First law:** 1908.

**Current law:** 2001 (accident compensation), implemented in 2002.

**Type of program:** Universal and employer-liability (with a public carrier) system. Employers may self-manage claims.

### Coverage

*Work injury:* New Zealand citizens and residents.

*Nonwork injury:* New Zealand citizens, residents, and temporary visitors.

### Source of Funds

#### Insured person

*Work injury:* None.

*Nonwork injury:* Contribution rates are set each year based on the actual cost of injuries, according to a schedule in law.

#### Self-employed person

*Work injury:* Contribution rates are set each year based on the actual cost of injuries, according to a schedule in law.

*Nonwork injury:* Contribution rates are set each year based on the actual cost of injuries, according to a schedule in law.

#### Employer

*Work injury:* Contribution rates are set each year based on experience ratings, which take into account both the industry and the employer's performance in injury prevention and returning employees to work.

*Nonwork injury:* None.

#### Government

*Work injury:* Contributes as an employer.

*Nonwork injury:* The cost of the program for nonearners is financed from general revenues.

## Qualifying Conditions

**Work injury benefits:** There is no minimum qualifying period for weekly compensation. Must be substantially unable to perform usual work as a result of the work injury or occupational disease. A medical practitioner must provide a medical certificate. For noise-induced hearing loss, must be assessed with at least a 6% loss.

**Nonwork-related injury benefits:** There is a one-week waiting period. Must be assessed with at least a 10% permanent incapacity for work.

## Temporary Disability Benefits

**Temporary disability benefit (weekly compensation):** 80% of the worker's average weekly earnings in the period before the incapacity began is paid until he or she is able to return to work.

For work-related personal injuries, the employer pays for the first week of incapacity. (There is a one-week waiting period for nonwork-related personal injuries.) The benefit is paid for as long as a certified incapacity lasts or up to age 65 (when the New Zealand superannuation is paid). Claimants aged 65 or older who are eligible for weekly compensation can receive the benefit for up to 12 months after the date they were first eligible for weekly compensation or the date they became eligible for the New Zealand Superannuation, whichever is later.

The minimum weekly benefit for incapacitated full-time workers is NZ\$432 (gross).

The maximum weekly benefit is NZ\$1,785.99 (gross).

**Earnings test:** The benefit is reduced by NZ\$1 for every NZ\$1 of earnings over 20% of the worker's weekly earnings.

Employers may make an additional weekly payment to increase the employee's income during incapacity to the level of his or her normal wage. The additional payment is exempt from the benefit reduction.

**Benefit adjustment:** Benefits are increased annually according to changes in the labor cost index.

## Permanent Disability Benefits

### Permanent disability pension

**Lump-sum payment:** Assessment for entitlement begins two years after the injury occurred or occupational disease began, or once the condition stabilizes, whichever is earlier.

The lump sum ranges from NZ\$3,266.56 for an assessed incapacity of 10% to NZ\$130,662.25 for an assessed incapacity of 80% or more.

**Independence allowance:** Paid for any long-term incapacity resulting from an injury suffered before April 1, 2002.

## New Zealand

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The allowance is paid on a quarterly basis for as long as the worker remains eligible. The allowance is paid in addition to other cash assistance.

The quarterly allowance ranges from NZ\$186.94 for an assessed incapacity of 10% to NZ\$1,121.90 for an assessed incapacity of 80% or more. The allowance is nontaxable.

Medical practitioners assess the degree of incapacity.

Benefit adjustment: Benefits may increase if the initial assessed level of incapacity increases.

### Workers' Medical Benefits

#### Medical benefits

*Medical care:* A co-payment may be required for medical care and physical rehabilitation, according to a schedule in law. The insured pays for the full cost of benefits that are not specified. The full cost of elective surgery performed by a contracted provider is fully funded; partially funded if performed by a non-contracted provider.

*Social rehabilitation:* Attendant care, household help, childcare, assistive devices and appliances, modification of motor vehicles and residence, and travel-related costs are provided.

*Vocational rehabilitation:* Provided for up to three years (may be extended) to those entitled to compensation for loss of earnings and potential earnings.

#### Survivor Benefits

##### Survivor pension

*Spouse's benefit:* 60% of the deceased's weekly earnings is paid. The benefit is paid for up to five years, the date the deceased's youngest child reaches age 18, or the date that the spouse no longer cares for the deceased's children younger than age 18 or any other eligible dependent, whichever is latest. (The spouse can choose between survivor benefits under superannuation or work injury.)

*Orphan's benefit:* 20% of the deceased's weekly earnings is paid to an orphan up to age 18 (age 21 if a full-time student; no limit if disabled, dependent on the deceased, and with earnings lower than a set amount); 40% for a full orphan.

*Other dependents:* 20% of weekly benefit the deceased would have received for a total incapacity is paid to other dependents with average weekly earnings over a 12 month-period lower than the minimum full-time earner rate.

All survivor benefits combined must not exceed 80% of the deceased's weekly earnings, up to a maximum.

**Survivor's grant:** A lump sum of NZ\$6,303.91 is paid to a spouse; NZ\$3,151.97 to each child younger than age 18 or other dependent.

**Child care:** NZ\$134.05 a week is paid for one child; NZ\$80.42 each a week for two children; NZ\$187.67 a week for three or more children.

**Funeral grant:** A lump sum of up to NZ\$5,879.81 is paid to a named survivor.

### Administrative Organization

Ministry of Business, Innovation, and Employment (<http://www.mbie.govt.nz>) oversees the program and monitors the performance of the Accident Compensation Corporation.

Accident Compensation Corporation (<http://www.acc.co.nz>) administers benefits.

### Unemployment

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#### Regulatory Framework

**First law:** 1930.

**Current law:** 1964 (social security), implemented in 1965.

**Type of program:** Social assistance system.

#### Coverage

Residents of New Zealand.

Exclusions: Pensioners, full-time students, and striking workers.

#### Source of Funds

**Insured person:** None.

**Self-employed person:** None.

**Employer:** None.

**Government:** The total cost is financed from general revenues.

#### Qualifying Conditions

**Unemployment benefit:** Aged 18 or older (19 or older with a dependent child), unemployed, and a resident of New Zealand for at least two years. The benefit is income tested. For citizens or permanent residents with less than two years of residence in New Zealand, a benefit may be paid in cases of hardship. For nonpermanent residents, an income- and asset-tested emergency benefit may be paid in cases of hardship.

The person must be available for and actively seeking full-time work and must comply with the work test, which includes acceptance of any offer of suitable employment. The unemployed person is ineligible for benefits for the first 13 weeks in cases of voluntary unemployment or dismissal for serious misconduct (during which time a provisional benefit may be paid if specified tasks are performed for six weeks).

#### Unemployment Benefits

Up to NZ\$204.96 (net) a week is paid if aged 25 or older, single, and with no children; NZ\$170.81 (net) if aged 20

to 24 or if aged 18 or 19 and living away from home; NZ\$136.64 (net) if aged 18 or 19 and living with a parent.

Up to NZ\$293.58 (net) a week is paid if single with children; up to NZ\$170.80 (net) for each member of a married or civil-union couple, with or without children.

**Income test:** The benefit is reduced by NZ\$0.70 for each dollar of gross earned income above NZ\$80 a week.

The benefit is paid after a waiting period of up to two weeks, depending on previous income and family circumstances.

Unemployment benefits may be paid for up to 52 weeks, after which beneficiaries may reapply for the benefits.

**Benefit adjustment:** Benefits are adjusted annually on April 1, according to changes in the consumer price index for the previous calendar year.

### Administrative Organization

Ministry of Social Development (Work and Income) (<http://www.msd.govt.nz>) administers benefits through its service centers.

### Family Allowances

#### Regulatory Framework

**Current laws:** 1973 (social security), 1978 (social security), 1999 (taxation), 2004 (taxation), and 2007 (income tax and tax credits).

**Type of program:** Universal and social assistance system.

#### Coverage

Residents of New Zealand.

Note: It is possible to be eligible for more than one tax credit and allowance.

#### Source of Funds

**Insured person:** None.

**Self-employed person:** None.

**Employer:** None.

**Government:** The total cost is financed from general revenues.

### Qualifying Conditions

#### Family allowances

**Domestic purposes benefit (women alone, single parent, care of sick or infirm):** Paid to a single woman aged 50 or older, a single parent aged 19 or older with a dependent child younger than age 18, or a caregiver providing full-time at-home care for a person (other than a spouse or partner) who would otherwise need professional care. A single woman must have lost the financial support of a

partner or have finished caring for a child or sick relative and be available for full-time work. A single parent must be available for full-time or part-time work or make preparations to return to work, depending on the age of the parent's dependent children. Must be a citizen or permanent resident and have resided in New Zealand for the last two years.

For persons with less than two years of residence in New Zealand, an emergency benefit may be paid in cases of hardship.

**Emergency maintenance allowance:** Paid to single parents who are not eligible for the domestic purposes benefit, the widow's benefit, or any other benefit and who would experience hardship without the benefit.

**Child disability allowance:** Paid to the principal caregiver of a dependent child with a serious disability. The benefit is not income or asset tested.

**Family tax credit:** Paid to families with dependent children aged 17 or younger (age 18 if a student). The principal caregiver or the child must meet a family income test and a residence test.

**In-work tax credit:** Paid to families with dependent children aged 17 or younger (age 18 if a student). A two-parent family must work jointly more than 30 hours a week; 20 hours a week for single parents. Parents receiving paid parental leave or accident compensation for an injury suffered after January 1, 2006, can meet the work hours test. No eligible parent may receive an income-tested benefit, a student allowance, or a parental allowance under the War Pensions Act 1954. The principal caregiver or the child must meet a family income test and a residence test.

**Minimum family tax credit:** Paid to working families with dependent children aged 17 or younger (age 18 if a student) with annual income less than NZ\$22,568 (net). A two-parent family must be working jointly more than 30 hours a week; 20 hours a week for single parents. Parents receiving paid parental leave or accident compensation for an injury suffered after January 1, 2006, can meet the work hours test. No eligible parent may receive an income-tested benefit or a student allowance. The principal caregiver or the child must meet a residence test.

**Parental tax credit:** Paid to working families on the birth of a child. The credit is paid to families who qualify for the family tax credit, the in-work tax credit, or both, but not to parents claiming paid parental leave, or receiving superannuation or income-tested benefits. The principal caregiver or the child must meet a residence test.

**Youth payment:** Aged 16 to 17, single and in exceptional circumstances (neither living with nor supported by parents or another guardian), married or in a recognized union, or divorced or separated. Must have lived continuously in New Zealand for at least two years. Must be undertaking or available to undertake full-time secondary or tertiary studies, approved training, or approved work-based

learning, or be exempt from this condition due to personal circumstances.

The benefit is income tested. For citizens or permanent residents with less than two years of residence in New Zealand, a benefit may be paid in cases of hardship. For nonpermanent residents, an income- and asset-tested emergency benefit may be paid in cases of hardship.

*Young parent payment:* Paid to parents aged 16 to 18 who have resided in New Zealand for at least two years. Parents aged 18 must be single; parents aged 16 to 17 must be single and in exceptional circumstances (neither living with nor supported by parents or guardians), must have been married or in a recognized union but are no longer in a relationship, or must be single and living at home or financially supported by parents or guardians with earnings below a certain threshold.

The young parent must be undertaking or available to undertake full-time secondary or tertiary studies, approved training, or approved work-based learning; or must be exempt from this condition due to personal circumstances.

The benefit is income tested. For citizens or permanent residents with less than two years of residence in New Zealand, a benefit may be paid in cases of hardship. For nonpermanent residents, an income- and asset-tested emergency benefit may be paid in cases of hardship.

### Family Allowance Benefits

#### Family allowances

*Domestic purposes benefit:* NZ\$293.58 (net) a week is paid for single parents. Other rates depend on age, civil status, number of dependents, and income. The benefit is paid after a waiting period of up to two weeks, depending on previous income and family circumstances.

*Income test:* The benefit is reduced by NZ\$0.30 for each dollar of gross earned income above NZ\$5,200 a year and by NZ\$0.70 for each dollar of gross earned income above NZ\$10,400.

*Emergency maintenance allowance:* NZ\$293.58 (net) a week is paid after a waiting period of up to two weeks, depending on previous income and family circumstances.

*Income test:* The benefit is reduced by NZ\$0.30 for each dollar of gross earned income above NZ\$5,200 a year and by NZ\$0.70 for each dollar of gross earned income above NZ\$10,400.

*Child disability allowance:* NZ\$45.34 a week is paid. There is no income test and the benefit is not taxable.

*Family tax credit:* Up to NZ\$101.98 a week is paid for the first child and NZ\$91.25 a week for each additional child, depending on the age of the children.

*Income test:* The total benefit is reduced by NZ\$0.2125 for each dollar of gross earned income above NZ\$36,350.

*In-work tax credit:* Up to NZ\$60 a week is paid for up to three children; NZ\$15 a week for each additional child.

*Income test:* The total benefit is reduced by NZ\$0.2125 for each dollar of gross earned income above NZ\$36,350.

*Minimum family tax credit:* A guaranteed gross income for working families of NZ\$22,568 a year is paid.

*Parental tax credit:* NZ\$150 (net) a week per eligible child is paid for the first eight weeks after the birth or adoption of a child.

*Income test:* The total benefit is reduced by NZ\$0.2125 for each dollar of gross earned income above an income threshold determined by the number of dependent children in the family.

*Youth Payment and Young Parents Payment:* Accommodations, utilities, and other related expenses are paid directly; a food allowance is credited to a payment card; and an allowance of up to NZ\$50 a week is paid.

*Income test:* The benefit is reduced if gross income is over NZ\$206.75 a week.

*Benefit adjustment:* The domestic purposes benefit, the emergency maintenance allowance, the child disability allowance, the youth payment, and the young parent payment are adjusted on April 1, according to changes in the consumer price index for the previous year. The family tax credit is adjusted when there has been a cumulative 5% increase in the consumer price index. The in-work tax credit and the parental tax credit are subject to periodic review, while the minimum family tax credit is reviewed annually; all three are adjusted at the discretion of the government.

### Administrative Organization

Ministry of Social Development (Work and Income) (<http://www.msd.govt.nz>) administers allowances through its service centers. It also administers family tax credits for beneficiaries with gross annual income below NZ\$36,350.

Inland Revenue (<http://www.ird.govt.nz>) administers the in-work tax credit, minimum family tax credit, parental tax credit, and family tax credit for working families who do not receive a benefit.

## Oman

US\$1.00 = 0.39 rials.

### Old Age, Disability, and Survivors

#### Regulatory Framework

**First and current law:** 1991 (social insurance), implemented in 1992.

**Type of program:** Social insurance system.

#### Coverage

Citizens of Oman employed in the private sector under a permanent work contract or working in one of the Gulf Cooperation Council countries (Bahrain, Kuwait, Qatar, Saudi Arabia, or United Arab Emirates).

Voluntary coverage for Omani citizens working abroad.

Exclusions: Foreign workers, household workers, self-employed persons, and artisans.

#### Source of Funds

**Insured person:** 6.5% of monthly salary.

The minimum monthly earnings used to calculate contributions are 180 rials if working in Oman; 200 rials if working abroad.

The maximum monthly earnings used to calculate contributions are 3,000 rials if working in Oman; 1,000 rials if working abroad.

**Self-employed person:** Not applicable.

**Employer:** 9.5% of monthly salary.

The minimum monthly earnings used to calculate contributions are 180 rials if working in Oman; 200 rials if working abroad.

The maximum monthly earnings used to calculate contributions are 3,000 rials if working in Oman; 1,000 rials if working abroad.

**Government:** 4% of monthly salary.

#### Qualifying Conditions

**Old-age pension:** Age 60 with at least 180 months of paid contributions (men) or age 55 with at least 120 months of paid contributions (women).

Early pension: Age 45 to 59 with at least 240 months (men) or 180 months (women) of paid contributions.

**End-of-service benefit:** Age 60 (men) or age 55 (women) with at least 12 months but less than 180 months (120 months for women) of paid contributions.

**End-of-service grant:** Must be eligible for the old-age pension or the end-of-service benefit.

**Disability pension:** Must have at least six months of contributions before the disability began or at least 12 months of contributions including the three months immediately before the disability began.

**Survivor pension:** The deceased had at least six months of contributions immediately before death or 12 months of contributions including the three months immediately before death.

Eligible survivors include widow(er)s and the eldest son. If there is no eligible widow(er) or son, the pension may be paid to a dependent parent, brother, or sister.

The widow's pension ceases on remarriage.

**Orphan's pension:** Paid to sons up to age 22 (age 26 if a full-time student, no limit if disabled) and unmarried daughters. The orphan's pension for daughters ceases on marriage.

**Marriage grant:** Paid to an orphaned daughter upon marriage.

**Funeral grant:** Paid for the cost of the insured's funeral.

**Death grant:** Paid when the insured dies.

#### Old-Age Benefits

**Old-age pension:** The pension is 2.5% of the insured's average wage in the last five years of employment multiplied by the number of full years of contributions.

The minimum pension is 150 rials.

The maximum pension is 80% of the pensionable salary.

Early pension: The pension is reduced according to age and gender. For men, the reduction is from 6% (age 59) to 30% (age 45); for women, the reduction is from 7% (age 54) to 25% (age 45).

**End-of-service benefit:** A lump sum of the insured's last monthly salary for each of the first three years of contribution plus two times the last monthly salary for each contribution year thereafter is paid.

**End-of-service grant:** A lump sum of the insured's last monthly salary for each year of contribution is paid, up to 10 years. The grant is paid in addition to the old-age pension or the end-of-service benefit.

#### Permanent Disability Benefits

**Disability pension:** The pension is 40% of the insured's earnings when the disability began or is based on the old-age pension formula, whichever is greater.

## Survivor Benefits

**Survivor pension:** 25% of the deceased's pension is paid to the widow(er) and the eldest son. If there is more than one widow, the pension is split equally.

**Orphan's pension:** 50% of the deceased's pension is paid to eligible sons and daughters.

**Other eligible survivors:** 25% of the deceased's pension is split equally among other eligible survivors.

All survivor benefits combined must not exceed 100% of the deceased's pension.

**Marriage grant:** A lump sum of 15 times the orphan's pension is paid.

**Funeral grant:** A lump sum of the last three months of salary is paid if the insured was employed at the time of death or three months of the deceased's pension if the deceased was a pensioner, up to 1,000 rials.

**Death grant:** A lump sum of the last three months of salary is paid if the insured was employed at the time of death or three months of the deceased's pension if the deceased was a pensioner.

## Administrative Organization

Minister of Manpower (<http://www.manpower.gov.om/ar/index.asp>) provides general supervision.

Public Authority for Social Insurance (<http://www.taminat.gov.om>), managed by a 13-member board of directors chaired by the Minister of Manpower, administers the program.

## Work Injury

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### Regulatory Framework

**First law:** 1977.

**Current law:** 1991 (social insurance), implemented in 1997.

**Type of program:** Social insurance system.

### Coverage

Citizens of Oman employed in the private sector under a permanent work contract.

Exclusions: Foreign workers, household workers, self-employed persons, and artisans.

### Source of Funds

**Insured person:** None.

**Self-employed person:** Not applicable.

**Employer:** 1% of payroll.

**Government:** None.

## Qualifying Conditions

**Work injury benefits:** There is no minimum qualifying period to receive benefits for a work injury or an occupational disease.

## Temporary Disability Benefits

Daily allowances of 75% of the insured's current monthly earnings divided by 30 are paid for as long as the insured is unable to work.

## Permanent Disability Benefits

**Permanent disability pension:** If the insured has a total disability, the pension is 75% of the insured's monthly basic earnings or is based on the old-age pension formula, whichever is greater.

The minimum pension is 150 rials.

Partial disability: If assessed with a disability of at least 30%, a percentage of the full pension is paid according to the assessed degree of disability; if assessed with a disability of less than 30%, a percentage of a lump sum of 36 times the monthly pension is paid according to the assessed degree of disability.

## Survivor Benefits

**Survivor pension:** 25% of the deceased's pension is paid to a widow(er). If there is more than one widow, the pension is split equally.

The widow's pension ceases on remarriage.

**Orphan's pension:** 50% of the deceased's pension is paid to sons up to age 22 (age 26 if a full-time student, no limit if disabled) and unmarried daughters.

**Other eligible survivors:** 25% of the deceased's pension is split equally among other dependents, including the father, mother, brothers up to age 22, and unmarried sisters.

If there is no eligible widow(er), orphan, parent, or sibling, that portion of the survivor pension is split among the other survivors, up to 100% of the deceased's pension.

## Administrative Organization

Minister of Manpower (<http://www.manpower.gov.om/ar/index.asp>) provides general supervision.

Public Authority for Social Insurance (<http://www.taminat.gov.om>), managed by a 13-member board of directors chaired by the Minister of Manpower, administers the program.

## Pakistan

Exchange rate: US\$1.00 = 90.54 rupees.

### Old Age, Disability, and Survivors

#### Regulatory Framework

**First law:** 1972, never implemented.

**Current law:** 1976 (old-age benefits).

**Type of program:** Social insurance system.

#### Coverage

Employees of firms with five or more workers.

Exclusions: Family laborers and self-employed persons.

Special systems for public-sector employees; members of the armed forces; police officers; and employees of statutory bodies, local authorities, and railways.

#### Source of Funds

**Insured person:** 1% of the minimum wage.

The minimum wage is 8,000 rupees a month.

**Self-employed person:** Not applicable.

**Employer:** 5% of the minimum wage.

The minimum wage is 8,000 rupees a month.

**Government:** None.

#### Qualifying Conditions

**Old-age pension:** Age 60 (men), age 55 (women), or age 50 (miners) with at least 15 years of contributions. Retirement from covered employment is not necessary.

Early pension: A reduced pension is paid from age 55 to 59 (men) or age 50 to 54 (women) with at least 15 years of contributions.

**Old-age grant:** Age 60 (men), age 55 (women), or age 50 (miners) with at least two years of covered employment but not eligible for the old-age pension.

**Disability pension:** Assessed with a 67% loss in earning capacity with at least 15 years of contributions or five years of contributions including three of the last five years.

**Survivor pension:** The deceased had at least 36 months of covered employment or was a pensioner at the time of death.

In order of priority, eligible survivors include the spouse, children younger than age 18 (no limit if disabled or for unmarried daughters), the deceased's parents, and other dependents. The surviving spouse must have been married

to the deceased before the deceased reached the minimum pensionable age for the old-age pension.

#### Old-Age Benefits

**Old-age pension:** 2% of the insured's average monthly earnings in the last 12 months multiplied by the number of years of covered employment is paid.

The minimum old-age pension is 3,600 rupees a month (January 2012).

Early pension: The pension is reduced by 0.5% for each month that the pension is taken before the normal retirement age.

Benefit adjustment: Benefits are adjusted on an ad-hoc basis.

**Old-age grant:** A lump sum of one month of the insured's average monthly earnings for each year of covered employment is paid.

#### Permanent Disability Benefits

**Disability pension:** 2% of the insured's average monthly earnings in the last 12 months multiplied by the number of years of covered employment is paid.

The minimum pension is 3,600 rupees a month (January 2012).

#### Survivor Benefits

**Survivor pension:** 100% of the minimum pension is paid to, or split equally among, the surviving spouse or spouses. If there is no surviving spouse, the pension is split equally among eligible orphans. If there are no eligible orphans and if the surviving spouse dies within five years of first receiving the survivor pension, the survivor pension is paid to the deceased's surviving parents for up to five years after the death of the insured's spouse; if there are no surviving parents, the remaining balance of the first five years of survivor pension may be paid to a dependent.

The minimum pension is 3,600 rupees (January 2012).

#### Administrative Organization

Ministry of Labour, Manpower, and Overseas Pakistanis (<http://www.molm.gov.pk>) provides general supervision.

Employees' Old-Age Benefits Institution (<http://www.eobi.gov.pk>) administers the program.

#### Sickness and Maternity

##### Regulatory Framework

**First law:** 1962 (national law), never implemented.

**Current law:** 1965 (provincial social security).

**Type of program:** Social insurance system. Cash and medical benefits.

## Coverage

Employees of industrial, commercial, and other types of firms, and household workers with monthly earnings up to 10,000 rupees.

Eligibility for benefits does not cease on leaving covered employment.

Exclusions: Family laborers and self-employed persons.

Special systems for public-sector employees; members of the armed forces; police officers; and employees of local authorities and railways.

## Source of Funds

**Insured person:** None.

**Self-employed person:** Not applicable.

**Employer:** 6% of monthly payroll.

The maximum earnings used to calculate contributions are 10,000 rupees a month or 400 rupees a day.

The employer's contributions also finance work injury benefits.

**Government:** None.

## Qualifying Conditions

**Cash sickness benefits:** The insured must have at least 90 days of contributions in the last six months.

**Cash maternity benefits:** The insured must have at least 180 days of contributions in the last 12 months.

**Medical benefits:** The insured must be currently covered.

## Sickness and Maternity Benefits

**Sickness benefit:** 75% of the insured's earnings is paid; 100% for tuberculosis and cancer (50% in North-West Frontier Province and Balochistan). The benefit is paid after a two-day waiting period for up to 121 days (365 days for tuberculosis and cancer) in a one-year period.

**Maternity benefit:** 100% of the insured's earnings is paid for six weeks before and six weeks after the expected date of childbirth.

**Death grant:** A death grant is provided.

## Workers' Medical Benefits

Social security facilities provide medical services. Benefits include general medical care, specialist care, medicine, hospitalization, maternity care, and transportation.

Benefits are awarded for as long as it is considered necessary or for six months after the patient has exhausted entitlement to sickness benefits, whichever period is shorter.

## Dependents' Medical Benefits

Social security facilities provide medical services. Benefits include general medical care, specialist care, medicine, hospitalization (for maternity, surgery, and cancer only), maternity care, and transportation.

Eligible dependents include the insured's wives or a dependent, disabled husband; dependent, unmarried children up to age 21; and dependent parents.

## Administrative Organization

Provincial Labour Department provides general supervision.

Provincial Employees' Social Security Institutions administer the program in each province. The institutions are managed by a tripartite governing body and a commissioner and are authorized to establish their own dispensaries and hospitals or to contract with public and private agencies to provide medical services.

## Work Injury

### Regulatory Framework

**First and current laws:** 1923 (workmen's compensation), implemented in 1924; and 1965 (provincial social security).

**Type of program:** Social insurance and employer-liability system.

Note: The 1923 workmen's compensation law remains in force for employees not covered by the 1965 social security law.

## Coverage

**Social security:** Employees of industrial, commercial, and other types of firms, and household workers with monthly earnings up to 10,000 rupees.

Exclusions: Family laborers and self-employed persons.

**Workmen's compensation:** Employees of firms with at least 10 workers.

Exclusions: Self-employed persons.

Special systems for public-sector employees; members of the armed forces; police officers; and employees of local authorities and railways.

## Source of Funds

**Insured person**

*Social security:* None.

*Workmen's compensation:* None.

**Self-employed person**

*Social security:* Not applicable.

*Workmen's compensation:* Not applicable.

## Employer

*Social security:* See source of funds under Sickness and Maternity.

*Workmen's compensation:* The total cost, including the cost of medical examinations.

## Government

*Social security:* None.

*Workmen's compensation:* None.

## Qualifying Conditions

**Work injury benefits:** There is no minimum qualifying period.

## Temporary Disability Benefits

*Social security:* 60% of earnings is paid (100% in Punjab and Sindh) after a three-day waiting period for up to 180 days (no waiting period in Punjab).

*Workmen's compensation:* 50% of monthly earnings is paid for up to one year; for lung disease, 33% of monthly earnings for up to five years.

## Permanent Disability Benefits

### Permanent disability pension

*Social security:* For a total disability (loss of earning capacity of 67% or more), 75% of earnings (100% in Punjab) is paid.

Partial disability: Up to 66% of the total disability benefit is paid, according to a schedule in law.

*Workmen's compensation:* For a permanent total disability, a lump sum of 300,000 rupees is paid. The employer pays the cost of any medical examination.

## Workers' Medical Benefits

Social security facilities provide medical services. Benefits include general medical care, specialist care, medicine, hospitalization, maternity care, and transportation.

There is no limit to the duration of benefits.

## Survivor Benefits

**Survivor pension (social security):** 60% of the deceased's total disability pension is paid to a widow or a needy widower with a disability.

**Orphan's pension (social security):** 20% of the deceased's total disability pension is paid to each orphan younger than age 16; 40% for a full orphan.

**Dependent parent's pension (social security):** If there is no eligible widow(er) or orphan, 20% of the deceased's total disability pension is paid to each dependent parent.

All survivor benefits combined must not exceed 100% of the deceased's total disability pension.

**Death grant (social security):** A lump sum of at least 1,500 rupees is paid.

**Survivor grant (workmen's compensation):** A lump sum of 200,000 rupees is paid.

## Administrative Organization

**Social security:** Provincial Labour Department provides general supervision.

Provincial Employees' Social Security Institutions in each province administer contributions and benefits.

**Workmen's compensation:** Workmen's compensation commissioners in each province provide general supervision.

## Unemployment

### Regulatory Framework

No statutory unemployment benefits are provided.

The labor code requires employers with 20 employees or more to provide a severance payment of the last 30 days of wages for each year of employment.

## Palau

Currency is the US dollar (US\$).

### Old Age, Disability, and Survivors

#### Regulatory Framework

**First law:** 1967.

**Current law:** 1987, implemented in 1991.

**Type of program:** Social insurance system.

#### Coverage

Gainfully employed persons, including some categories of self-employed persons.

Voluntary coverage for self-employed persons (including farmers, fishermen, and taxi drivers) with no employees and gross earnings of more than US\$300 a quarter but less than US\$10,000 a year.

Exclusions: Casual labor and self-employed persons with no employees and annual gross income of less than US\$300 a quarter.

#### Source of Funds

**Insured person:** 6% of earnings.

The maximum earnings used to calculate contributions are US\$5,000 a quarter.

**Self-employed person:** 12% of twice the salary of their highest-paid employee (12% of one-quarter of gross annual earnings with no employees).

The maximum earnings used to calculate contributions are US\$5,000 a quarter.

**Employer:** 6% of payroll.

The maximum earnings used to calculate contributions are US\$5,000 a quarter.

**Government:** None; contributes as an employer.

#### Qualifying Conditions

**Old-age pension:** Age 60 with at least 38 quarters of coverage.

Pensioners may continue to work but their pension is earnings tested.

**Disability pension:** Assessed with an incapacity for substantial gainful activity due to a physical or mental disability that is likely to last at least a year or result in death. One-quarter of coverage for each year after June 1968 (or since age 21, if younger than age 21 in June 1968) with at least 12 quarters of coverage; at least eight quarters of

coverage during the last 13 quarters; or a total of at least 120 quarters of contributions at the time the disability began.

Pensioners may continue to work but their pension is earnings tested.

**Survivor pension:** The deceased had at least one quarter of coverage for each year after June 1968 (or since age 21, if younger than age 21 in June 1968) or had at least eight quarters of coverage in the 13 quarters before death. Survivors are eligible for only one survivor pension.

Eligible survivors include a widow(er) who was married to the deceased at the time of death and unmarried children younger than age 18 (22 if a student) who were dependent on or living with the deceased. Employed widow(er)s younger than age 60 are subject to an earnings test.

Surviving spouses may continue to work but their pension is earnings tested.

The survivor pension is payable abroad under reciprocal agreement.

**Lump-sum survivor benefit:** Paid when a worker with less than the minimum number of required quarters of coverage for a pension dies.

Eligible survivors include (in order of priority) the spouse, children, parents, a legal representative, or persons who lived with the deceased.

#### Old-Age Benefits

**Old-age pension:** The monthly pension is 8.3% of the sum of the following: 21.5% of the first US\$11,000 of the insured's cumulative covered earnings, 2.9% of earnings greater than US\$11,000 up to US\$44,000, and 1.5% of earnings above US\$44,000.

The minimum monthly old-age pension is US\$98.

Earnings test: The old-age pension is reduced by US\$1 for each US\$3 of earnings above US\$1,800 a quarter if younger than age 65 and employed.

#### Permanent Disability Benefits

**Disability pension:** The monthly pension is 8.3% of the sum of the following: 21.5% of the first US\$11,000 of the insured's cumulative covered earnings, 2.9% of earnings greater than US\$11,000 up to US\$44,000, and 1.5% of earnings over US\$44,000.

The minimum monthly disability pension is US\$98.

Earnings test: The disability pension is reduced by US\$1 for each US\$3 of earnings above US\$1,800 a quarter if younger than age 65 and employed.

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## **Survivor Benefits**

**Survivor pension:** 100% of the deceased's pension is paid to a widow(er) aged 60 or older; 60% if younger than age 60.

In case of remarriage, 60% of the pension is paid if aged 60 or older; if younger than age 60, the pension ceases.

**Orphan's pension:** 15% of the deceased's pension is paid to each orphan younger than age 18 (age 22 if a student; no limit if disabled before age 22).

Earnings test: The survivor pension is reduced by US\$1 for each US\$3 of earnings above US\$1,500 a quarter if aged 59 or younger and employed.

The minimum monthly survivor pension is US\$98.

The maximum survivor pension is 100% of the deceased's pension.

**Lump-sum survivor benefit:** A lump sum is paid and split equally among eligible survivors.

## **Administrative Organization**

Palau Social Security System (<http://www.ropssa.org>) administers the program.

## Papua New Guinea

Exchange rate: US\$1.00 = 1.99 kina.

### Old Age, Disability, and Survivors

#### Regulatory Framework

**First law:** 1980 (National Provident Fund Act).

**Current law:** 2000 (Superannuation, General Provisions Act), implemented in 2002.

**Type of program:** Mandatory occupational retirement system.

#### Coverage

Employed persons in firms with 15 or more employees.

Exclusions: Casual workers with employment contracts of less than three months, and household workers.

Voluntary coverage for noncitizens, self-employed persons, and employed persons in firms with fewer than 15 employees (if their employer agrees to join the fund).

#### Source of Funds

**Insured person:** 6% of gross earnings.

**Self-employed person:** Voluntary contribution of at least 20 kina.

**Employer:** 8.4% of gross earnings.

**Government:** None.

#### Qualifying Conditions

**Old-age benefit:** Age 55 and retired from active employment; at any age after a one-year waiting period.

A member may make a full withdrawal if unemployed and not contributing for 12 months; a partial withdrawal if not contributing for three months.

Housing drawdown payment: Younger than age 55 with at least five consecutive years of contributions.

**Disability benefit:** Assessed with a total permanent incapacity.

**Survivor benefit:** Paid to a named survivor when the insured dies before retirement.

#### Old-Age Benefits

**Old-age benefit:** A lump sum of total employee and employer contributions plus interest is paid.

If an unemployed fund member has less than 1,000 kina in the account, the total amount can be withdrawn after three months.

Housing drawdown payment: Funds may be drawn down to purchase or build a house or to pay for repairs, maintenance, or extensions to an existing house. Members must make an additional monthly contribution of 2% of gross earnings to repay the loan.

#### Permanent Disability Benefits

**Disability benefit:** A lump sum of total employee and employer contributions plus interest is paid.

#### Survivor Benefits

**Survivor benefit:** A lump sum of total employee and employer contributions plus interest is paid.

#### Administrative Organization

Bank of Papua New Guinea (<http://www.bankpng.gov.pg>) regulates the superannuation funds.

Superannuation funds are responsible for the administration of contributions and benefits and the investment of funds.

Trustees of authorized superannuation funds appoint licensed investment managers and administrators.

Directors, investment managers, and fund administrators oversee the management, investment, and administration of superannuation funds.

### Sickness and Maternity

#### Regulatory Framework

Limited medical services are available free of charge or at nominal cost in government clinics and hospitals.

The 1981 Employment Act requires employers to provide sick leave and maternity leave to employees.

#### Work Injury

#### Regulatory Framework

**First law:** 1958.

**Current law:** 1978 (workers' compensation).

**Type of program:** Employer-liability system, involving compulsory insurance with a private carrier.

#### Coverage

All employees, including household workers. (Workers are covered while traveling to and from work.)

Exclusions: Self-employed persons and casual workers.

### Source of Funds

**Insured person:** None.

**Self-employed person:** Not applicable.

**Employer:** The total cost is financed through the direct provision of benefits or payment of insurance premiums.

**Government:** None.

### Qualifying Conditions

**Work injury benefits:** There is no minimum qualifying period.

### Temporary Disability Benefits

Information is not available.

### Permanent Disability Benefits

**Permanent disability pension:** The weekly pension is 80% of average weekly earnings.

The minimum annual earnings used to calculate benefits are 625 kina.

The maximum annual earnings used to calculate benefits are 1,875 kina.

The minimum weekly pension is 18 kina.

The maximum weekly pension is 75 kina plus 10 kina for each dependent child if the insured has a fully or partially dependent spouse; 65 kina for a single person. The maximum pension is 100% of the insured's earnings.

The maximum employer liability for total disability is 22,000 kina.

Partial disability: A percentage of the full pension is paid according to the assessed loss of earnings.

The maximum employer liability for partial disability is 25,000 kina.

### Workers' Medical Benefits

Medical benefits include the reasonable cost of treatment, medicine, hospitalization, surgery, transportation, appliances, and specialist treatment, up to a maximum.

### Survivor Benefits

**Survivor grant:** A lump sum of eight times the deceased's annual earnings at the time of injury plus 10 kina a week for each dependent child is paid.

The minimum grant is 8,750 kina plus 10 kina a week for each dependent child.

The maximum grant is 25,000 kina plus 10 kina a week for each dependent child.

Eligible survivors include all family members (children younger than age 16) who were totally or partially dependent on the deceased's earnings and any person who by custom has a right to share compensation.

The insured's spouse and children must receive at least 50% of the survivor grant. A court may decide eligibility and the amount paid to each other survivor.

**Funeral grant:** Up to 750 kina is paid for the cost of the funeral.

### Administrative Organization

Department of Labor and Industry administers the program.

## Philippines

Exchange rate: US\$1.00 = 42.92 pesos.

### Old Age, Disability, and Survivors

#### Regulatory Framework

**First and current law:** 1954 (old age, disability, and survivors).

**Type of program:** Social insurance system.

#### Coverage

Private-sector employees, household workers, and self-employed persons.

Voluntary coverage for Filipino citizens working abroad; insured persons who are no longer eligible for compulsory coverage; and nonworking spouses of insured persons.

Special systems for government employees and military personnel.

#### Source of Funds

**Insured person:** 3.33% of gross monthly earnings, according to 29 income classes.

Voluntarily insured persons pay the combined insured person and employer contributions of 10.4% of gross monthly earnings, according to 29 income classes. The contributions for a voluntarily insured nonworking spouse are based on 50% of the gross monthly earnings of the working spouse.

The minimum monthly earnings used to calculate contributions are 1,000 pesos (5,000 pesos for voluntarily insured overseas workers).

The maximum monthly earnings used to calculate contributions are 15,000 pesos.

The insured person's contributions also finance cash sickness and maternity benefits and funeral benefits.

**Self-employed person:** 10.4% of gross monthly earnings, according to 29 income classes.

The minimum monthly earnings used to calculate contributions are 1,000 pesos.

The maximum monthly earnings used to calculate contributions are 15,000 pesos.

The self-employed person's contributions also finance cash sickness and maternity benefits and the funeral grant.

**Employer:** 7.07% of the employee's monthly earnings.

The minimum monthly earnings used to calculate contributions are 1,000 pesos.

The maximum monthly earnings used to calculate contributions are 15,000 pesos.

The employer's contributions also finance cash sickness and maternity benefits and the funeral grant.

**Government:** Any deficit.

The minimum and maximum monthly earnings used to calculate contributions are adjusted periodically by the Social Security Commission, subject to the approval of the President of the Philippines.

#### Qualifying Conditions

**Old-age pension:** Age 60 with at least 120 months of contributions before the six-month period (January-June, April-September, July-December, or October-March) in which the pension is first paid. Employment or self-employment must cease, unless the insured is aged 65 or older.

Age 55 for miners who worked underground for at least five years and who are involuntarily unemployed or have ceased self-employment.

The pension is suspended if an old-age pensioner resumes employment or self-employment before age 65 (60 for underground mineworkers). There is no employment test after age 65 (60 for underground mineworkers).

**Dependent's supplement:** Paid for each of the five youngest children under age 21 (no limit if disabled) conceived on or before the insured's date of retirement. The supplement ceases before age 21 if a child marries or becomes employed.

**Old-age grant:** Age 60 with less than 120 months of contributions.

**Disability pension:** Must be assessed with a permanent total or partial disability of at least 20% and have at least 36 months of contributions before the six-month period (January-June, April-September, July-December, or October-March) in which the disability began.

**Dependent's supplement (permanent total disability):** Paid for each of the five youngest unmarried, unemployed children younger than age 21 (no limit if disabled) conceived on or before the insured's date of retirement.

**Supplementary allowance:** Paid to persons receiving a disability pension.

A Social Security System doctor assesses the degree of disability annually.

The pension is suspended if the disability pensioner recovers, resumes employment (in the case of a total disability), or fails to report for the annual physical examination.

**Disability grant:** Must be assessed with a permanent total or partial disability of at least 20% and have less than 36 months of contributions.

**Survivor pension:** The deceased had at least 36 months of contributions before the six-month period (January-June,

April-September, July-December, or October-March) in which the death occurred.

Eligible survivors include the surviving spouse and up to five dependent, unmarried, and unemployed children younger than age 21 (no age limit if disabled). The spouse's benefit ceases on remarriage and the amount is split between the eligible surviving children.

**Dependent's supplement:** Paid for each of the five youngest unmarried and unemployed children younger than age 21 (no limit if disabled) conceived on or before the date of death.

**Survivor grant:** The deceased had less than 36 months of contributions before the six-month period (January-June, April-September, July-December, or October-March) in which the death occurred.

Eligible survivors include the surviving spouse and up to five dependent, unmarried, and unemployed children under age 21 (no limit if disabled). If there is no spouse or dependent child, the benefit is paid to dependent parents or to the person named by the deceased.

**Funeral grant:** Paid to the person who paid for the funeral.

### **Old-Age Benefits**

**Old-age pension:** The pension is the highest of: 300 pesos plus 20% of the insured's average monthly covered earnings and 2% of the insured's average monthly covered earnings for each credited year of service exceeding 10 years; 40% of the insured's average monthly covered earnings; 1,200 pesos with at least 10 but less than 20 credited years of service; or 2,400 pesos with at least 20 credited years of service.

Average monthly covered earnings are the sum of the last 60 months of covered earnings immediately before the six-month period (January-June, April-September, July-December, or October-March) in which the pension is first paid divided by 60, or the sum of all monthly covered earnings paid before the six-month period (January-June, April-September, July-December, or October-March) in which the pension is first paid divided by the number of monthly contributions paid in the same period, whichever is greater.

A credited year of service is a year in which the insured made at least six months of contributions.

The minimum monthly earnings used to calculate benefits are 1,000 pesos (5,000 pesos for voluntarily insured overseas workers).

The maximum monthly earnings used to calculate benefits are 15,000 pesos.

There is no maximum monthly pension.

**Partial lump sum:** The insured may choose to receive the first 18 monthly pension payments (not including dependent supplements and the 13th pension payment in the first year) as a lump sum.

**Dependent's supplement:** 10% of the old-age pension or 250 pesos, whichever is greater, is paid.

**Schedule of payments:** 13 payments a year.

**Benefit adjustment:** Benefits are adjusted on an ad hoc basis according to changes in prices and wages and the financial health of the fund, subject to approval by the Social Security Commission.

**Old-age grant:** A lump sum of employee and employer contributions plus 6% interest is paid.

### **Permanent Disability Benefits**

**Disability pension:** The pension is the highest of: 300 pesos plus 20% of the insured's average monthly covered earnings and 2% of the insured's average monthly covered earnings for each credited year of service exceeding 10 years; 40% of the insured's average monthly covered earnings; 1,200 pesos with at least 10 but less than 20 credited years of service; or 2,400 pesos with at least 20 credited years of service.

Average monthly covered earnings are the sum of the last 60 months of covered earnings immediately before the six-month period (January-June, April-September, July-December, or October-March) in which the disability began divided by 60, or the sum of all monthly covered earnings paid before the six-month period (January-June, April-September, July-December, or October-March) in which the disability began divided by the number of monthly contributions paid in the same period, whichever is greater.

A credited year of service is a year in which the insured made at least six months of contributions.

The minimum monthly earnings used to calculate benefits are 1,000 pesos (5,000 pesos for voluntarily insured overseas workers).

The maximum monthly earnings used to calculate benefits are 15,000 pesos.

There is no maximum disability pension.

**Dependent's supplement (permanent total disability):** 10% of the disability pension or 250 pesos, whichever is greater, is paid.

**Partial disability:** A percentage of the full pension is paid according to the assessed degree of disability. The total pension benefit is paid as a lump sum if the payment period is less than 12 months.

**Supplementary allowance:** 500 pesos a month is paid.

**Schedule of payments:** 13 payments a year.

**Benefit adjustment:** Benefits are adjusted on an ad hoc basis according to changes in prices and wages and the financial health of the fund, subject to approval by the Social Security Commission.

**Disability grant:** For a permanent total disability, a lump sum of the insured's monthly pension multiplied by the

number of monthly contributions or 12 times the monthly pension, whichever is greater, is paid.

For a permanent partial disability, a lump sum of the insured's monthly pension multiplied by the number of monthly contributions multiplied by the assessed degree of disability or 12 monthly pensions multiplied by the assessed degree of disability, whichever is greater, is paid.

### Survivor Benefits

**Survivor pension:** 100% of the old-age or disability pension the deceased received or was eligible to receive is paid.

The minimum pension is 1,000 pesos if the deceased had less than 10 years of credited service; 1,200 pesos with at least 10 but less than 20 credited years of service; 2,400 pesos with at least 20 credited years of service.

A credited year of service is a year in which the insured made at least six months of contributions.

There is no maximum survivor pension.

Dependent's supplement: 10% of the monthly old-age or disability pension the deceased received or was eligible to receive or 250 pesos, whichever is greater, is paid.

If there is no surviving spouse or dependent child and if the insured died within 60 months of first receiving a pension, a lump sum of the remaining balance of 60 months of pension is paid to dependent parents, or if there are no dependent parents, to the person named by the deceased.

Schedule of payments: 13 payments a year.

Benefit adjustment: Benefits are adjusted on an ad hoc basis according to changes in prices and wages and the financial health of the fund, subject to approval by the Social Security Commission.

**Survivor grant:** A lump sum of the deceased's old-age pension multiplied by the number of monthly contributions or 12 times the monthly pension, whichever is greater, is paid.

**Funeral grant:** A lump sum of 20,000 pesos is paid.

### Administrative Organization

A tripartite Social Security Commission is responsible for the general management, supervision, and regulation of the program.

Social Security System (<http://www.sss.gov.ph>) collects contributions and pays benefits.

### Sickness and Maternity

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#### Regulatory Framework

**First and current laws:** 1954 (sickness), 1969 (medical benefits), and 1977 (maternity).

**Type of program:** Social insurance system. Cash and medical benefits.

### Coverage

**Cash sickness and maternity benefits:** Private-sector employees, household workers, and self-employed persons.

Voluntary coverage for Filipino citizens working abroad; insured persons who are no longer eligible for compulsory coverage; and nonworking spouses of insured persons.

Special system for government employees (sickness benefits only).

**Medical benefits:** Private- and public-sector employees, self-employed persons and certain other groups of voluntary contributors earning at least 1,000 pesos a month, retirees who have made at least 120 monthly contributions, qualified indigents; and overseas workers.

### Source of Funds

#### Insured person

**Cash sickness and maternity benefits:** See source of funds under Old Age, Disability, and Survivors.

**Medical benefits:** 1.5% of gross monthly earnings. Overseas workers and voluntarily insured persons with gross monthly earnings up to 25,000 pesos pay 2,400 pesos a year.

The minimum monthly earnings used to calculate contributions are 7,000 pesos.

The maximum monthly earnings used to calculate contributions are 50,000 pesos.

Employed persons pay contributions monthly; overseas workers pay annually; other voluntarily insured persons may pay monthly, quarterly, semi-annually, or annually.

#### Self-employed person

**Cash sickness and maternity benefits:** See source of funds under Old Age, Disability, and Survivors.

**Medical benefits:** 2,400 pesos a year with gross monthly earnings up to 25,000 pesos; 3,600 pesos a year with gross monthly earnings above 25,000 pesos.

Self-employed persons may pay contributions monthly, quarterly, semi-annually, or annually.

#### Employer

**Cash sickness and maternity benefits:** See source of funds under Old Age, Disability, and Survivors.

**Medical benefits:** 1.5% of the employee's basic monthly salary.

The minimum monthly earnings used to calculate contributions are 7,000 pesos.

The maximum monthly earnings used to calculate contributions are 50,000 pesos.

**Government:** Any deficit; 2,400 pesos a year for certain categories of people with low or no income.

The minimum and maximum monthly earnings used to calculate contributions for cash sickness and maternity benefits are adjusted periodically by the Social Security Commission, subject to the approval of the President of the Philippines.

The minimum and maximum monthly earnings used to calculate contributions for medical benefits are adjusted periodically by the Philippine Health Insurance Corporation Board.

### Qualifying Conditions

**Cash sickness benefits:** Must have at least three months of contributions in the 12 months immediately before the six-month period (January-June, April-September, July-December, or October-March) in which the incapacity began. The insured must be hospitalized or incapacitated at home for at least four days. Medical certification must be provided.

**Cash maternity benefits:** Must have at least three months of contributions in the 12 months immediately before the six-month period (January-June, April-September, July-December, or October-March) in which the birth or miscarriage occurred. Benefits are paid for up to four pregnancies, including miscarriages. Medical certification of the pregnancy and a birth certificate must be provided.

**Medical benefits:** Employed persons must have at least three months of contributions in the six months before hospitalization. Self-employed persons and voluntarily insured persons must have at least three months of contributions in the six months before hospitalization if no surgical procedure is involved; nine months in the 12 months before hospitalization if a surgical procedure is involved. Contribution conditions are waived for registered retirees and pensioners, certain categories of people with low or no income, and overseas workers.

### Sickness and Maternity Benefits

**Sickness benefit:** 90% of the insured's average daily covered earnings is paid after a three-day waiting period (except for an injury or an acute disease) for up to 120 days in a calendar year. The benefit payment period may not exceed 240 days for the same illness.

Daily covered earnings are the sum of the six highest months of covered earnings in the 12 months before the six-month period (January-June, April-September, July-December, or October-March) in which the incapacity began divided by 180.

**Maternity benefit:** 100% of the insured's average daily covered earnings is paid for 60 days each for up to four births or miscarriages (78 days for a caesarian birth).

Daily covered earnings are the sum of the six highest months of covered earnings in the 12 months before the six-month period (January-June, April-September,

July-December, or October-March) in which the birth or miscarriage occurred divided by 180.

### Workers' Medical Benefits

Accredited health care providers offer inpatient and outpatient services and are paid directly by the health fund according to a fixed schedule (fee for service and case rates for select medical and surgical procedures).

Cost sharing: There is some cost sharing for general and specialist care, hospital care, laboratory and X-ray fees, surgery, and medicine.

There is no cost sharing for certain categories of people with low or no income and their dependents who are treated at government hospitals and facilities.

Inpatient treatment is limited to 45 days a year.

### Dependents' Medical Benefits

Medical benefits for dependents are the same as those for the insured.

Eligible dependents include a spouse, unmarried and unemployed children younger than age 21 (no limited if disabled), and parents aged 60 or older who are not covered.

### Administrative Organization

**Cash sickness and maternity benefits:** A tripartite Social Security Commission manages, supervises, and regulates the program.

Employers pay sickness and maternity benefits directly to employees and are reimbursed by the Social Security System. The Social Security System pays benefits to self-employed and voluntary members.

Social Security System (<http://www.sss.gov.ph>) collects contributions and administers benefits.

**Medical benefits:** Department of Health (<http://www.doh.gov.ph>) provides policy coordination and guidance.

Philippine Health Insurance Corporation (<http://www.philhealth.gov.ph>) collects contributions for the medical care program and oversees the provision of benefits. Medical care is provided by accredited providers.

### Work Injury

#### Regulatory Framework

**First and current law:** 1974 (work injury), implemented in 1975.

**Type of program:** Social insurance system.

#### Coverage

Employers and employed persons, including household employees.

There is no voluntary coverage.

Exclusions: Self-employed persons.

Special systems for government employees and military personnel.

### Source of Funds

**Insured person:** None.

**Self-employed person:** Not applicable.

**Employer:** 0.2% of monthly earnings of at least 15,000 pesos; 10 pesos with monthly earnings below 15,000 pesos.

The maximum monthly earnings used to calculate contributions are 15,000 pesos.

The Employees' Compensation Commission periodically adjusts the maximum monthly earnings used to calculate contributions.

**Government:** Any deficit.

### Qualifying Conditions

**Work injury benefits:** Must have at least one month of contributions.

### Temporary Disability Benefits

90% of the insured's average daily covered earnings is paid from the first day of disability for a work-related injury or illness for up to 120 days; may be extended up to 240 days if further treatment is required.

Daily covered earnings are the sum of the six highest months of covered earnings during the last 12 months before the six-month period (January-June, April-September, July-December, or October-March) in which the incapacity began divided by 180.

The minimum daily benefit is 10 pesos.

The maximum daily benefit is 200 pesos.

The benefit is suspended if the beneficiary does not provide a doctor's monthly medical report.

### Permanent Disability Benefits

**Permanent disability pension:** The monthly pension is 115% of the sum of 300 pesos, 20% of the insured's average monthly covered earnings, and 2% of the insured's average monthly covered earnings for each year of service exceeding 10 years or 115% of 40% of the insured's average monthly covered earnings, whichever is greater.

Average monthly covered earnings are the sum of the last 60 months of covered earnings immediately before the six-month period (January-June, April-September, July-December, or October-March) in which the disability began divided by 60, or the sum of all monthly covered earnings paid before the six-month period (January-June, April-September, July-December, or October-March) in which the

disability began divided by the number of monthly contributions paid in the same period, whichever is greater.

The minimum monthly pension is 2,000 pesos.

There is no maximum monthly pension.

Dependent's supplement (permanent total disability): 10% of the disability pension or 250 pesos, whichever is greater, is paid for each of the five youngest unmarried and unemployed children younger than age 21 (no limit if disabled).

Partial disability: The pension is the same as the permanent total disability pension but is paid for a limited period according to a schedule in law for each specified disability. If the awarded duration of the pension is less than a year, the pension is paid as a lump sum.

Supplementary pension (permanent total and partial disability): 575 pesos a month is paid.

The insured must have an assessed degree of disability of at least 20%. The degree of disability is assessed annually by a Social Security System doctor. The pension is suspended if the beneficiary is gainfully employed (in the case of a total disability), fails to undergo an annual physical examination, does not provide a doctor's quarterly medical report, or is fully rehabilitated.

### Workers' Medical Benefits

Benefits include medical, surgical, and hospital services; appliances; and rehabilitation.

### Survivor Benefits

**Survivor pension:** 100% of the monthly permanent total disability pension the deceased would have been eligible to receive is paid.

Dependent's supplement: 10% of the deceased's monthly pension is paid for each of the five youngest unmarried, unemployed children younger than age 21 (no limit if disabled).

The minimum monthly pension is 2,000 pesos.

There is no maximum monthly pension.

The pension is shared between the spouse and dependent, unmarried children younger than age 21 (no limit if disabled) earning less than 300 pesos a month.

If there is no eligible spouse or dependent child, the insured's monthly pension (excluding dependent supplements) is paid to dependent parents for up to 60 months, minus the number of months the pension was paid to the deceased before his or her death.

**Funeral grant:** 10,000 pesos is paid to the person who paid for the funeral.

### Administrative Organization

Department of Labor and Employment (<http://www.dole.gov.ph>) provides general supervision.

Employees' Compensation Commission (<http://www.ecc.gov.ph>), part of the Department of Labor, initiates and coordinates program policies and determines contribution rates.

Employers pay temporary disability benefits directly to employees and are reimbursed by the Social Security System.

Social Security System (<http://www.sss.gov.ph>) collects contributions and pays permanent disability benefits.

## Qatar

Exchange rate: US\$1.00 = 3.64 riyals.

### Old Age, Disability, and Survivors

#### Regulatory Framework

**First law:** 2002 (retirement and pensions), implemented in 2003.

**Current laws:** 2002 (retirement and pensions), implemented in 2003; and 2007 (extension of protection to Gulf Cooperation Council citizens working abroad).

**Type of program:** Social insurance system.

Note: Programs exist that cover sickness and maternity (including medical benefits), work injury, unemployment, and family allowances, but details on these programs were not readily available.

#### Coverage

Public-sector Qatari employees, some categories of private-sector workers, and Qatari citizens working in one of the Gulf Cooperation Countries (Bahrain, Kuwait, Oman, Saudi Arabia, or United Arab Emirates).

Exclusions: Self-employed persons; and household, family, and foreign workers.

Special system for military personnel.

#### Source of Funds

**Insured person:** 5% of gross earnings.

**Self-employed person:** Not applicable.

**Employer:** 10% of gross payroll.

**Government:** Contributes as an employer; covers administrative costs and any deficit.

#### Qualifying Conditions

**Old-age pension:** Age 60 (men) or age 55 (women) with 15 years of contributions.

Early pension: Age 40 with 15 years of contributions.

**Old-age settlement:** Paid if the insured does not meet the qualifying conditions for an old-age pension.

**Disability pension:** Younger than age 60 (men) or age 55 (women) and assessed with a total incapacity for work.

**Disability settlement:** Paid if the insured does not meet the qualifying conditions for a disability pension.

**Survivor pension:** The deceased was in covered employment or was a pensioner at the time of death.

**Survivor settlement:** Paid if the insured does not meet the qualifying conditions for a survivor pension.

Eligible survivors include the widow(er), children, parents, and siblings.

#### Old-Age Benefits

**Old-age pension:** 5% of the insured's average gross earnings in the last five years before retirement (last gross monthly salary for public-sector workers) is paid for each year of contributions.

The minimum monthly pension is 75% of the insured's gross monthly earnings.

The maximum monthly pension is 100% of the insured's gross monthly earnings.

Early pension: The pension is reduced by 2% to 2.5% for each year that the pension is taken before the normal retirement age.

**Old-age settlement:** A lump sum of the insured's contributions is paid.

#### Permanent Disability Benefits

**Disability pension:** The pension is 5% of the insured's average gross monthly earnings in the last five years before retirement (last gross monthly salary for public-sector workers) multiplied by the number of years of contributions or 15 years (20 years for a nonwork-related disability), whichever is greater.

In case of a work-related disability, a full pension is paid regardless of contributory period.

The minimum monthly pension is 75% of the insured's gross monthly earnings.

The maximum monthly pension is 100% of the insured's gross monthly earnings.

**Disability settlement:** A lump sum of the insured's contributions is paid.

#### Survivor Benefits

**Survivor pension:** 75% of the old-age or disability pension the deceased received or was eligible to receive is paid to a widow(er) with no children (100% is split equally if there is more than one widow); 33.3% with one or more children (50% is split equally if there is more than one widow).

**Orphan's pension:** 50% of the old-age or disability pension the deceased received or was eligible to receive is paid for one eligible orphan; 66.7% for more than one orphan (50% for more than one orphan and more than one widow); 75% for a full orphan (100% is split equally if there is more than one full orphan).

Other eligible survivors: 16.7% to 50% of the old-age or disability pension the deceased received or was eligible to receive is paid to other eligible survivors.

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All survivor benefits combined must not exceed 100% of the insured's gross monthly earnings.

**Survivor settlement:** A lump sum of the insured's contributions is paid.

### ***Administrative Organization***

Ministry of Social Affairs (<http://www.mosa.gov.qa>) provides general supervision.

General Retirement Social Insurance Authority administers the program.

## Samoa

Exchange rate: US\$1.00 = 2.14 tala.

### Old Age, Disability, and Survivors

#### Regulatory Framework

**First and current law:** 1972 (national provident fund).

**Type of program:** Provident fund and universal old-age pension system.

#### Coverage

**Provident fund:** Employed persons, including household workers.

Voluntary coverage for self-employed and unemployed persons.

**Senior citizen benefit scheme:** Citizens residing in Samoa.

#### Source of Funds

##### Provident fund

**Insured person:** At least 5% of gross monthly earnings. Additional voluntary contributions are permitted.

**Self-employed person:** Voluntary contributions of 100 to 2,000 tala.

**Employer:** At least 5% of monthly payroll.

**Government:** None; contributes as an employer.

##### Senior citizen benefit scheme

**Insured person:** None.

**Self-employed person:** None.

**Employer:** None.

**Government:** The total cost.

#### Qualifying Conditions

##### Provident fund

**Old-age pension:** Age 55 and retired from covered employment; at any age if emigrating permanently. If covered employment continues after age 55, the fund member must continue to make contributions to the fund. If new employment begins after funds are withdrawn at age 55, the fund member must contribute for 12 months before withdrawing funds again.

**Early withdrawal:** Age 50 and unemployed for at least five years.

**Drawdown payment:** Must have a minimum balance of 500 tala.

**Disability pension:** Must be assessed with a total incapacity for work in covered employment.

A general medical practitioner assesses the disability.

**Survivor pension:** The fund member must have had least 24 months of contributions and not made any withdrawals before death.

Eligible survivors include the spouse, children, and siblings or parents if the deceased was unmarried.

**Death benefit:** Paid when a registered fund member dies with at least one month of contributions.

Eligible survivors include the spouse, children, and siblings or parents if the deceased was unmarried.

**Senior citizen benefit scheme:** Age 65.

#### Old-Age Benefits

**Old-age pension (provident fund):** A fund member can choose from three benefit options: a monthly pension of total employee and employer contributions plus interest; a monthly pension of 75% of total employee and employer contributions plus interest, with the remaining 25% paid as lump sum; or a lump sum of total employee and employer contributions plus interest taken at age 55.

**Benefit adjustment:** The pension amount is adjusted every three years according to an actuarial review.

**Drawdown payment:** Up to 50% of the total employee and employer contributions may be drawn down. The payment is repaid as a loan at an annual interest rate of 9.5%.

**Senior citizen benefit scheme:** 130 tala a month is paid. (Senior citizens also receive free health care in public hospitals and free interisland travel on public seagoing vessels.)

**Benefit adjustment:** The senior citizen benefit is reviewed periodically by the government.

#### Permanent Disability Benefits

**Disability pension (provident fund):** A fund member can choose from three benefit options: a monthly pension of total employee and employer contributions plus interest; a monthly pension of 75% of total employee and employer contributions plus interest, with the remaining 25% paid as a lump sum; or a lump sum of total employee and employer contributions plus interest taken at age 55.

**Interest rate adjustment:** The interest rate is adjusted every three years according to an actuarial review.

#### Survivor Benefits

**Survivor pension (provident fund):** The total employee and employer contributions plus interest is split among named survivors according to proportions stated by the deceased.

**Death benefit (provident fund):** A lump sum of 5,000 tala is paid.

Benefit adjustment: The death benefit is adjusted according to the financial health of the fund.

### **Administrative Organization**

Samoa National Provident Fund (<http://www.npf.ws>), managed by a tripartite board, administers the scheme.

Senior Citizen Benefit Scheme Department of the Samoa National Provident Fund administers the senior citizen benefit scheme.

### **Sickness and Maternity**

#### **Regulatory Framework**

No statutory cash benefits are provided. (Cash benefits for temporary and permanent disability are provided for nonwork-related injuries under Work Injury.)

Some medical services are provided free of charge to the population through government health centers.

Other hospital and medical services are provided under the senior citizen benefit scheme and the work injury program.

### **Work Injury**

#### **Regulatory Framework**

**First law:** 1960.

**Current laws:** 1978 and 1989 (accident compensation).

**Type of program:** Employer-liability system, involving compulsory insurance with a private carrier.

#### **Coverage**

Employed persons.

Exclusions: Self-employed persons.

The total population is covered under a separate scheme for nonwork-related injuries, including injuries resulting from an accident involving a motor vehicle or a boat traveling within Samoa.

#### **Source of Funds**

**Insured person:** None for work-related injuries; 1% of earnings for nonwork-related injuries.

**Self-employed person:** Not applicable.

**Employer:** 1% of payroll for work-related injuries.

**Government:** None; an earmarked tax of 0.05 tala per gallon of motor fuel finances benefits for victims of motor vehicle and boat accidents.

### **Qualifying Conditions**

**Work injury benefits:** There is no minimum qualifying period.

#### **Temporary Disability Benefits**

70% of the insured's earnings is paid after a five-day waiting period for up to five years (may be extended). The benefit is paid for a temporary disability resulting from a work-related or a nonwork-related injury (including motor vehicle and boat accidents).

The maximum weekly benefit is 1,000 tala.

#### **Permanent Disability Benefits**

**Permanent disability benefit:** If the assessed degree of disability is at least 80%, the weekly benefit is 70% of the insured's last earnings multiplied by the assessed degree of disability, up to 1,000 tala. The benefit is paid until rehabilitation or death.

A mobility allowance and a living allowance, both 60% of the minimum wage, are paid.

**Partial disability:** If the assessed degree of disability is less than 80% and the injured person returns to work before the period of entitlement to temporary disability benefits ceases, a lump sum is paid according to the assessed degree of disability, up to 8,000 tala.

#### **Workers' Medical Benefits**

Benefits include reasonable medical expenses; 150,000 tala is provided for artificial limbs or aids and for treatment abroad.

#### **Survivor Benefits**

**Survivor grant:** A lump sum of 20,000 tala, plus up to 1,000 tala a week for up to five years, is paid to dependents.

**Funeral grant:** 4,000 tala is paid for a death caused by a work-related accident (or motor vehicle or boat accidents).

#### **Administrative Organization**

Labor Department provides general supervision.

Accident Compensation Corporation administers the program.

## Saudi Arabia

US\$1.00 = 3.75 riyals.

### Old Age, Disability, and Survivors

#### Regulatory Framework

**First law:** 1969 (social insurance), implemented in 1973.

**Current law:** 2000 (social insurance), implemented in 2001.

**Type of program:** Social insurance system.

#### Coverage

Private-sector and some categories of public-sector Saudi workers.

Voluntary coverage for persons who are self-employed, are working abroad, or no longer satisfy the conditions for compulsory coverage.

Exclusions: Agricultural workers, fishermen, household workers, family labor, and foreign workers. Excluded workers may be covered under certain conditions.

Special system for civil servants and military personnel. Under certain conditions, former contributors under the civil and military scheme may request to have contribution periods credited toward the public social insurance scheme and vice versa.

#### Source of Funds

**Insured person:** 9% of gross earnings.

The minimum monthly earnings used to calculate contributions are 1,500 riyals.

The maximum monthly earnings used to calculate contributions are 45,000 riyals.

**Self-employed person:** 18% of declared income.

The minimum monthly earnings used to calculate contributions are 1,200 riyals.

The maximum monthly earnings used to calculate contributions are 45,000 riyals.

**Employer:** 9% of payroll.

The minimum monthly earnings used to calculate contributions are 1,500 riyals.

The maximum monthly earnings used to calculate contributions are 45,000 riyals.

**Government:** Any operating deficit.

#### Qualifying Conditions

**Old-age pension:** Age 60 (men) or age 55 (women) with at least 120 months of paid or credited contributions (credited contributions must not exceed 60 months); age 55 (men) with at least 120 months of contributions if engaged in arduous or unhealthy work; at any age (men and women) with at least 300 months of contributions.

Employment must cease.

**Old-age settlement:** Paid if the insured does not meet the qualifying conditions for an old-age pension.

**Disability pension:** Assessed with an incapacity to work before age 60. Must have at least 12 consecutive months of contributions or 18 nonconsecutive months of contributions (twice this amount for voluntarily insured persons who joined the scheme at age 50 or older). The disability began while the insured was in covered employment.

If no longer in covered employment when the disability began, the pension is paid with at least 120 months of paid or credited contributions (credited contributions must not exceed 60 months).

Constant-attendance supplement: Paid if the insured requires the constant attendance of others to perform daily functions. The General Organization for Social Insurance's medical board assesses the need for constant attendance.

**Disability settlement:** Paid if the insured does not meet the qualifying conditions for a disability pension.

**Survivor pension:** The deceased was in covered employment at the time of death and had three consecutive months of contributions or six nonconsecutive months of contributions (12 consecutive months or 18 nonconsecutive months for voluntarily insured persons who first joined the scheme when aged 50 or older); or was a pensioner.

If the deceased was no longer in covered employment at the time of death and was not a pensioner, the pension is paid with at least 120 months of paid or credited contributions (credited contributions must not exceed 60 months).

Eligible survivors include the widow(er); a son younger than age 21 (age 26 if a full-time student, no limit if unable to engage in any occupation); an unmarried daughter; dependent brothers, sisters, parents, grandparents, and grandchildren in certain circumstances; and an ex-wife (according to Islamic law).

The pension for a female survivor ceases upon marriage but may be reinstated if she is subsequently divorced or widowed.

**Survivor settlement:** Paid to eligible survivors if the deceased did not meet the qualifying conditions for a pension.

**Marriage grant:** Paid upon marriage to a widow or an eligible daughter, sister, or granddaughter.

**Death grant:** Paid to eligible survivors.

## Old-Age Benefits

**Old-age pension:** 2.5% of the insured's average monthly earnings during the last two years is paid for each year of contributions, up to 100%.

The average monthly earning used to calculate benefits must not exceed 150% of the insured's monthly earnings at the beginning of the last five-year contribution period.

If the insured's monthly earnings decrease during the last two years before retirement, special provisions apply to adjust the average monthly earnings used to calculate benefits.

The minimum pension is 1,725 riyals a month.

**Old-age settlement:** A lump sum of 10% of the insured's average monthly earnings during the last two years before retirement is paid for each month of the first five years of contributions plus 12% for each additional month.

**Cost of living allowance:** 15% of the first 25,000 riyals of the pension benefit is paid for a period of 12 months (March 2012).

## Permanent Disability Benefits

**Disability pension:** If the insured was in covered employment when the disability began, the pension is 2.5% of the insured's average monthly earnings during the last two years for each year of contributions, up to 100%, or 50% of the insured's average monthly earnings during the last two years, whichever is greater.

The average monthly earnings used to calculate benefits must not exceed 150% of the insured's monthly earnings at the beginning of the last five-year contribution period.

If the insured's monthly earnings decrease during the last two years before the disability began, special provisions apply to adjust the average monthly earnings used to calculate benefits.

The minimum pension is 1,725 riyals a month.

Constant-attendance supplement: 50% of the disability pension is paid.

**Disability settlement:** A lump sum of 10% of the insured's average monthly earnings during the last two years before the disability began is paid for each month of the first five years of contributions plus 12% for each additional month.

## Survivor Benefits

**Survivor pension:** If there are three or more survivors, 100% of the pension the deceased received or was eligible to receive is paid; 75% for two dependents; 50% for one dependent. The pension is split equally among all eligible survivors.

The amount of pension the deceased was eligible to receive depends on whether the deceased was a pensioner or in covered employment at the time of death.

The minimum individual survivor pension is 345 riyals a month.

The minimum combined survivor pension is 1,725 riyals a month.

**Survivor settlement:** A lump sum of 10% of the insured's average monthly earnings during the last two years before death is paid for each month of the first five years of contributions plus 12% for each additional month.

**Marriage grant:** A grant of 18 times the survivor's monthly pension is paid.

**Death grant:** A lump sum of three months of pension is split equally among eligible survivors.

The maximum death grant is 10,000 riyals.

## Administrative Organization

Ministry of Labor (<http://www.mol.gov.sa>) provides general supervision.

The General Organization for Social Insurance (<http://www.gosi.gov.sa>) administers the program through district offices.

## Work Injury

### Regulatory Framework

**First law:** 1969 (social insurance), implemented in 1973.

**Current law:** 2000 (social insurance), implemented in 2001.

**Type of program:** Social insurance system.

### Coverage

Private-sector Saudi and non-Saudi employees.

Exclusions: Self-employed persons.

### Source of Funds

**Insured person:** None.

**Self-employed person:** Not applicable.

**Employer:** 2% of payroll.

The minimum monthly earnings used to calculate contributions are 400 riyals.

The maximum monthly earnings used to calculate contributions are 45,000 riyals.

**Government:** Any operating deficit.

### Qualifying Conditions

**Work injury benefits:** There is no minimum qualifying period for a work injury or an occupational disease. Accidents that occur while commuting to and from work are covered.

### **Temporary Disability Benefits**

100% of the insured's daily wage is paid for each day that the insured is not able to work; 75% if receiving inpatient treatment in a medical center at the expense of the General Organization for Social Insurance.

### **Permanent Disability Benefits**

**Permanent disability pension:** For an assessed degree of disability of 100%, 100% of average monthly earnings is paid to insured Saudi workers; a lump sum of 84 months of the benefit paid to insured Saudi workers, up to 330,000 riyals, is paid to non-Saudi workers.

Average monthly earnings are based on the three-month period immediately before the disability began.

The minimum pension is 1,725 riyals a month.

Constant-attendance supplement: 50% of the disability pension is paid (up to 3,500 riyals) if the insured requires the constant attendance of others to perform daily functions. The General Organization for Social Insurance's medical board assesses the need for constant attendance.

Partial disability: If assessed with a degree of disability of 50% to 99%, a pension equal to the permanent disability pension amount multiplied by the assessed degree of disability is paid to insured Saudi workers; a lump sum of 60 months of the benefit paid to insured Saudi workers, up to 165,000 riyals, is paid to insured non-Saudi workers.

For an assessed degree of disability of less than 50% that began when the insured was aged 40 or younger, a lump sum of 60 months of permanent disability pension multiplied by the assessed degree of disability is paid; if the disability began when the insured was older than age 40, the lump sum is reduced by one month of pension for each year older than age 40.

The minimum partial disability lump sum is based on 36 months of pension.

The maximum partial disability lump sum is 165,000 riyals.

The General Organization for Social Insurance's medical board assesses the degree of disability.

### **Workers' Medical Benefits**

All necessary medical, dental, and diagnostic treatment; hospitalization; medicine; appliances; transportation; and rehabilitation.

### **Survivor Benefits**

**Survivor pension:** If there are three or more survivors, 100% of the pension the deceased received or was eligible to receive is paid; 75% for two dependents; 50% for one dependent. The pension is split equally among all eligible survivors.

The minimum combined survivor pension is 345 riyals a month.

The minimum combined survivor pension is 1,725 riyals a month.

Eligible survivors include the widow(er); a son younger than age 21 (age 26 if a full-time student, no limit if unable to engage in any occupation); an unmarried daughter; dependent brothers, sisters, parents, grandparents, and grandchildren in certain circumstances; and an ex-wife (according to Islamic law).

The pension for a female survivor ceases on marriage but may be reinstated if she is subsequently divorced or widowed.

**Marriage grant:** A grant of 18 times the survivor's monthly pension is paid upon marriage to a widow or an eligible daughter, sister, or granddaughter.

**Death grant:** A lump sum of three months of pension is split equally among eligible survivors.

The maximum death grant is 10,000 riyals.

### **Administrative Organization**

Ministry of Labor (<http://www.mol.gov.sa>) provides general supervision.

The General Organization for Social Insurance (<http://www.gosi.gov.sa>) administers the program through district offices.

## Singapore

Exchange rate: US\$1.00 =  
1.26 Singapore dollars (S\$).

### Old Age, Disability, and Survivors

#### Regulatory Framework

**First law:** 1953 (provident fund), implemented in 1955.

**Current law:** 2001 (provident fund).

**Type of program:** Provident fund system.

Note: Central Provident Fund (CPF) provides four types of individual accounts for each member: an ordinary account (OA) to finance the purchase of a home, approved investments, CPF insurance, and education; a special account (SA), principally for retirement (may invest in retirement-related financial products); a Medisave account (MA) for certain medical expenses (see Sickness and Maternity); and a retirement account (RA) set up at age 55 to finance periodic payments at retirement.

#### Coverage

Employed persons, including most categories of public-sector employees.

Self-employed persons with annual net income greater than S\$6,000 are covered for hospitalization expenses and approved medical insurance (see Sickness and Maternity).

Special system for certain categories of public-sector employees, including administrative service staff.

#### Source of Funds

**Insured person:** 20% of monthly earnings greater than S\$1,500 if aged 50 or younger; 5% to 18.5% if older than age 50 (September 2012). Insured persons earning S\$500 to S\$1,499 pay a flat monthly amount depending on age and earnings.

The minimum monthly earnings used to calculate contributions are S\$500.

The maximum monthly earnings used to calculate contributions are S\$5,000.

Insured persons may make additional voluntary contributions. The total insured person and employer voluntary and mandatory contributions must not exceed S\$30,600 a year.

Of the combined insured person/employer contribution, 1% to 23% is allocated to the OA, 1% to 6% to the SA, depending on age (contribution rates for older fund members are lower), and 7% to 9.5% to the MA. (Contribution rates for older fund members are higher.) The MA covers the cost

of hospitalization and medical expenses (see Sickness and Maternity).

At age 55, CPF members must set aside a minimum amount which varies depending on age (up to S\$139,000) from the OA and SA accounts to fund the RA account (up to 50% of the minimum amount can be real estate holdings).

**Self-employed person:** 2.33% to 9% (depending on age) of annual income to the MA only. (Contribution rates for older fund members are higher).

The maximum mandatory annual contribution to the MA is S\$4,200 to S\$5,400 a year, depending on age.

Additional voluntary contributions are permitted. Total mandatory and voluntary contributions must not exceed S\$30,600 a year.

**Employer:** 16% of employee monthly earnings greater than S\$1,500 for employees aged 50 or younger; 16% of earnings from S\$50 to S\$1,499 for employees aged 35 or younger (September 2012). Contribution rates are lower for employees older than age 50 with earnings from S\$50 to S\$1,499. Employers pay a flat monthly amount for employees over age 35 with earnings from S\$50 to S\$1,499, depending on age and earnings.

The minimum monthly earnings used to calculate contributions are S\$50.

The maximum monthly earnings used to calculate contributions are S\$5,000.

Employers may make additional voluntary contributions for employees. The total employer and insured person voluntary and mandatory contributions must not exceed S\$30,600 a year.

Of the combined insured person/employer contribution, 1% to 23% is allocated to the OA, 1% to 6% to the SA, depending on age (contribution rates for older fund members are lower), and 7% to 9.5% to the MA (contribution rates for older fund members are higher).

**Government:** None.

#### Qualifying Conditions

##### Old-age benefit:

**Ordinary account:** Funds can be withdrawn at age 55, subject to certain conditions.

Drawdown payment: Funds can be drawn down before age 55 to purchase a home or insurance (term-life insurance scheme and a mortgage-reducing insurance scheme run by the CPF Board), and pay for education at approved local institutions for the member or his or her children.

**Special account:** Funds can be withdrawn at age 55, subject to certain conditions.

Drawdown payment: Funds over S\$40,000 can be drawn down before age 55 to make investments in approved instruments.

**Medisave account:** Funds over S\$38,500 (the Medisave minimum balance) can first be withdrawn at age 55. Retirement is not necessary.

**Drawdown payment:** See Sickness and Maternity.

**Retirement account:** Funds can be withdrawn at age 65, or at any age if permanently leaving Singapore.

**Disability benefit:** The fund member must be assessed with a permanent total incapacity for any work. The disability is assessed either by a registered doctor in any government hospital or by the Central Provident Fund Board's panel of doctors.

Members automatically qualify for ElderShield. See Sickness and Maternity.

**Survivor benefit:** Paid to one or more named survivors.

### Old-Age Benefits

#### Old-age benefit

**Ordinary and special accounts:** A lump sum is paid of total employee and employer contributions plus at least 2.5% compound interest minus drawdown payments and the minimum balances required at age 55 for the retirement account (up to S\$139,000, depending on age) and the MA (S\$38,500).

**Medisave account:** A lump sum is paid to meet the cost of hospitalization.

**Drawdown payment:** See Sickness and Maternity.

**Retirement account:** Funds can be withdrawn to buy a life annuity from the CPF Board or approved insurers, or can be deposited with approved banks that pay a monthly income until the account is depleted. From January 1, 2013, all members with at least S\$40,000 in their retirement account at age 55 must purchase the Life annuity provided by the CPF Board.

**Interest rate:** The interest rate on the OA savings is based on the 12-month fixed deposit and month-end savings rates of the major local banks. The interest rate on the SA, MA, and RA savings is based on the 12-month average yield of the 10-year Singapore Government Securities plus 1%. The first S\$60,000 in a member's combined accounts (including up to S\$20,000 from the OA) earns an additional 1% a year. The CPF Board guarantees a minimum interest rate of 2.5% a year on all accounts. Interest is computed monthly and compounded and credited annually.

### Permanent Disability Benefits

#### Disability benefit

**Ordinary, Medisave, and special accounts:** A lump sum is paid of total employee and employer contributions plus at least 2.5% of compound interest minus drawdown payments and the minimum balances required at age 55 for

the RA (up to S\$139,000, depending on age) and the MA (S\$38,500).

**Drawdown payment:** See Sickness and Maternity.

**Interest rate:** The interest rate on the OA savings is based on the 12-month fixed deposit and month-end savings rates of the major local banks. The interest rate on the SA, MA, and RA savings is based on the 12-month average yield of the 10-year Singapore Government Securities plus 1%. The first S\$60,000 in a member's combined accounts (including up to S\$20,000 from the OA) earn an additional 1% a year. The CPF Board guarantees a minimum interest rate of 2.5% a year on all accounts. Interest is computed monthly and compounded and credited annually.

### Survivor Benefits

**Survivor benefit (all accounts):** The benefit is the remaining balances in the deceased's accounts and any term-life insurance payouts or any death benefit from the CPF Life annuity scheme.

The fund member determines the proportion of benefit that different survivors receive. In the absence of named survivors, the benefit is distributed by the Public Trustee in accordance with the law.

### Administrative Organization

Ministry of Manpower (<http://www.mom.gov.sg>) provides general supervision through its Income Security Policy Department.

Central Provident Fund Board (<http://www.cpf.gov.sg>), managed by a tripartite board and a chairman, is responsible for the administration of the program, including the custody of the fund, collection of contributions, and payment of benefits.

### Sickness and Maternity

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#### Regulatory Framework

**First laws:** 1953 (provident fund), implemented in 1955; 1968 (employment); 1993 (medical endowment scheme).

**Current laws:** 2000 (medical and elderly care); 2001 (provident fund), and 2001 (child development co-savings); 2009 (employment);

**Type of program:** Employer-liability (cash sickness and maternity benefits), provident fund (medical benefits), and social assistance (medical benefits) system.

**Note:** Provident fund members have an MA to pay for hospital treatment, selected outpatient medical treatment, and approved medical insurance.

#### Coverage

**Cash benefits (employer liability):** All employed persons.

**Medical benefits (provident fund):** Employed and self-employed persons with annual net income greater than S\$6,000.

Special system for certain categories of public-sector employees, including administrative service staff.

**Medical benefits (social assistance):** All residents of Singapore.

## Source of Funds

### Insured person

*Cash benefits (employer liability):* None.

*Medical benefits (provident fund):* See source of funds under Old Age, Disability, and Survivors.

*Medical benefits (social assistance):* None.

### Self-employed person

*Cash benefits (employer liability):* Not applicable.

*Medical benefits (provident fund):* See source of funds under Old Age, Disability, and Survivors.

*Medical benefits (social assistance):* None.

### Employer

*Cash benefits (employer liability):* The total cost.

*Medical benefits (provident fund):* See source of funds under Old Age, Disability, and Survivors.

*Medical benefits (social assistance):* None.

Employers can seek a tax exemption for the three types of benefits (above) for medical expenses incurred up to a certain percentage of their wage costs.

### Government

*Cash benefits (employer liability):* None.

*Medical benefits (provident fund):* Subsidizes services in certain classes of hospital wards.

*Medical benefits (social assistance):* Total cost. Government subsidizes treatment in approved publicly funded institutions.

## Qualifying Conditions

**Cash sickness benefit (employer liability):** The insured must have at least three months of employment. Medical certification is necessary.

**Cash maternity benefit (employer liability):** The insured must have at least 90 days of employment immediately before childbirth.

**Medical benefits (provident fund):** The insured must be a member of the Medisave program. (Members can access savings in their MA.)

All fund members and their dependents automatically qualify for MediShield (a basic health insurance plan) at birth.

All fund members qualify for ElderShield (a basic severe disability insurance plan) at age 40, unless they have pre-existing conditions.

**Medical benefits (social assistance):** Provided to citizens satisfying means and income tests.

## Sickness and Maternity Benefits

**Cash sickness benefit (employer liability):** Up to 14 days of paid sick leave are provided a year (up to 60 days if hospitalized).

**Cash maternity benefit (employer liability):** 100% of the insured woman's gross wages is paid.

Working mothers are provided up to 16 weeks of maternity leave. Employers pay for the first eight weeks of leave for the first two births. Government reimburses employers for the additional eight-week leave period for the first two births and pays for the entire 16-week leave period for subsequent births, if the qualifying conditions are met. The government pays up to S\$20,000 each for the first two births and S\$40,000 for each subsequent birth.

## Workers' Medical Benefits

Funds can be drawn down from the MA before age 55 for medical treatment of a member or his dependents, subject to limits. Up to S\$800 for each insured person per policy year may also be used to purchase catastrophic hospitalization medical insurance (MediShield and Medisave-approved plans). Up to S\$600 for each insured person per calendar year can be used to purchase severe disability insurance (ElderShield and ElderShield Supplements). Fund members can purchase medical insurance or disability insurance for their dependents.

Insured must make a copayment (from Medisave and/or MediShield benefits) for subsidized treatment in public health care institutions.

Benefits include outpatient surgery and prescribed medicine in approved hospitals and medical institutions. The cost of medical treatment is deducted from the fund member's balance in the MA for approved treatments, or may be claimed from the member's MediShield or Integrated Shield plan.

The MA can be used to pay for childbirth and maternity care expenses incurred for the first four live childbirths; also for the birth of the fifth and subsequent children if both parents have a combined MA balance of at least S\$15,000 at the time of the childbirth.

*Social assistance:* Residents of Singapore unable to make the copayment for medical treatment in approved hospitals and medical institutions can apply for financial aid from the Medical Endowment fund (Medifund). The amount of financial aid provided depends on individual circumstances.

Under the separate public assistance program, individuals without employment or any source of income may receive free medical treatment at government hospitals and clinics. Means-tested subsidies are also available at approved intermediate- and long-term care institutions.

### **Dependents' Medical Benefits**

Medical benefits for dependents are the same as those for the insured.

### **Administrative Organization**

**Employer liability:** Ministry of Manpower (<http://www.mom.gov.sg>) provides general supervision and enforces the law through its Labor Relations Department.

**Provident fund:** Ministry of Manpower (<http://www.mom.gov.sg>) provides policy directions through its Income Security Policy Department.

Central Provident Fund Board (<http://www.cpf.gov.sg>), managed by a tripartite board and a chairman, is responsible for the administration of the program, including custody of the fund, collection of contributions, and payment of benefits.

**Medical benefits:** Ministry of Health (<http://www.moh.gov.sg>) regulates medical services provided by government hospitals and private providers. It also oversees the funding of the healthcare sector, subsidies and Medifund to patients, and provides policy direction for Medisave, MediShield, and ElderShield.

## **Work Injury**

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### **Regulatory Framework**

**First law:** 1933 (workmen's compensation).

**Current law:** 2009 (work injury compensation).

**Type of program:** Employer-liability system, involving compulsory insurance with a private carrier.

### **Coverage**

All manual employees (regardless of earnings) and non-manual employees with monthly earnings of S\$1,600 or less (unless exempted).

The Ministry of Manpower may waive the compulsory insurance requirement for any employer or class of employers.

Exclusions: Self-employed persons, household workers, military, police, civil defense force, central narcotics bureau, and prison service personnel.

### **Source of Funds**

**Insured person:** None.

**Self-employed person:** Not applicable.

**Employer:** The total cost; provides benefits directly or pays insurance premiums.

**Government:** None.

### **Qualifying Conditions**

**Work injury benefits:** There is no minimum qualifying period, but claims must be made within one year of the date the accident or disability began.

### **Temporary Disability Benefits**

100% of the insured's average monthly earnings in the 12 months before the disability began is paid for up to 14 days if not hospitalized (up to 60 days if hospitalized). Thereafter, 66.7% of the insured's average monthly earnings in the 12 months before the disability began is paid.

The benefit is paid from the first day of incapacity for the duration of incapacity, up to one year.

### **Permanent Disability Benefits**

**Permanent disability benefit:** If the insured is assessed with a total permanent disability, a lump sum is paid that varies according to the insured's age when the disability began and average monthly earnings in the 12 months before the disability began.

The lump sum ranges from 72 times the insured's average monthly earnings in the 12 months before the disability began (if aged 66 or older) to 181 times the insured's average monthly earnings in the 12 months before the disability began (if aged 14 or younger).

The minimum lump sum is S\$73,000.

The maximum lump sum is S\$218,000.

Constant-attendance supplement: If the insured has a 100% assessed degree of permanent disability (total disability) and requires the constant attendance of others, an additional 25% of the lump sum is paid. Medical certification must be provided by a registered doctor.

Partial disability: A lump sum is paid as a percentage of the full benefit according to the assessed degree of disability and a schedule in law.

### **Survivor Benefits**

**Survivor benefit:** A lump sum is paid that varies according to the insured's age at the time of death and average monthly earnings.

The lump sum ranges from 48 times the deceased's average monthly earnings in the 12 months before death (if the deceased was aged 66 or older) to 136 times the deceased's average monthly earnings in the 12 months before death (if the deceased was aged 14 or younger).

Eligible survivors include a spouse, parents, grandparents, stepparents, children, grandchildren, stepchildren, and brothers and sisters.

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The minimum lump sum is S\$57,000.

The maximum lump sum is S\$170,000.

### ***Administrative Organization***

Ministry of Manpower (<http://www.mom.gov.sg>) provides general supervision through its Work Injury Compensation Department, Occupational Safety and Health Division.

The Commissioner for Labor, and the Assistant Commissioners assess the disability and pay benefits, conduct hearings, and investigate and enforce the Work Injury Compensation Act

### ***Family Allowances***

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#### ***Regulatory Framework***

The Workfare Income Supplement Scheme supplements the income and CPF savings of low-wage workers aged 35 or older with a gross monthly income up to S\$1,700. Individuals must have worked at least two months in any three-month period in 2012. The benefit is paid quarterly.

## Solomon Islands

Exchange rate: US\$1.00 = 6.76 Solomon Islands dollars (SI\$).

### Old Age, Disability, and Survivors

#### Regulatory Framework

**First and current law:** 1973 (provident fund), implemented in 1976.

**Type of program:** Provident fund system.

#### Coverage

All employed workers aged 14 or older, including household workers, members of cooperatives, and casual workers who earn at least SI\$20 a month and work at least six days a month.

Exclusions: Prisoners and persons in medical institutions.

Employees covered by equivalent private plans may contract out.

Voluntary coverage for unemployed and self-employed persons aged 16 to 35 and former employees who have at least 12 consecutive months of previous contributions, regardless of age.

Special system for public-sector employees.

#### Source of Funds

**Insured person:** 5% of monthly earnings.

Additional voluntary contributions are permitted.

SI\$5 is deducted annually from the member's provident fund account to finance death benefits.

**Self-employed person:** Voluntary contributions only.

**Employer:** 7.5% of monthly payroll.

**Government:** None.

#### Qualifying Conditions

**Old-age benefit:** Age 50, regardless of employment status; at any age if emigrating permanently.

The member must continue to make contributions if he or she continues in covered employment after age 50.

Early withdrawal: Age 40 if permanently retired from covered employment.

Drawdown payment: In cases of unfair dismissal or if laid off, unemployed fund members may withdraw funds from their individual account after three months of continuous unemployment (see Unemployment).

**Disability benefit:** Must be assessed with a permanent physical or mental incapacity for work.

**Survivor benefit:** Paid to the next-of-kin or to one or more named survivors when the fund member dies before retirement.

#### Old-Age Benefits

**Old-age benefit:** A lump sum of total employee and employer contributions plus interest is paid.

If the member makes a withdrawal at age 50 and continues to make contributions from employment, no further withdrawal can be made for five years.

Drawdown payment: The value of drawdown payments depends on the value of employee and employer contributions in the individual account plus accumulated interest (see Unemployment).

Interest rate adjustment: The National Provident Fund Board sets the interest rate at the end of each fiscal year.

#### Permanent Disability Benefits

**Disability benefit:** A lump sum of total employee and employer contributions plus interest is paid.

Interest rate adjustment: The National Provident Fund Board sets the interest rate at the end of each fiscal year.

#### Survivor Benefits

**Survivor benefit:** A lump sum of total employee and employer contributions plus interest is paid.

Interest rate adjustment: The National Provident Fund Board sets the interest rate at the end of each fiscal year.

**Death benefit:** Up to SI\$6,000 is paid.

#### Administrative Organization

National Provident Fund Board (<http://www.sinpf.org.sb>) administers the program. The Board is an independent tripartite body appointed by the Minister of Finance and made up of two representatives each from government, employers, and employees, and two representatives chosen at the Minister's discretion.

#### Sickness and Maternity

##### Regulatory Framework

No statutory sickness and maternity benefits are provided.

The Labor Act requires employers to provide up to 12 weeks of maternity leave to female employees (including up to at least six weeks after childbirth).

## Work Injury

### Regulatory Framework

**First and current laws:** 1952 (workmen's compensation) and 1981 (employment).

**Type of program:** Employer-liability system, involving compulsory insurance with a private carrier.

### Coverage

Employed persons, including public-sector employees, earning SI\$4,000 a year or less; and casual workers under certain circumstances.

Exclusions: Self-employed persons.

### Source of Funds

**Insured person:** None.

**Self-employed person:** Not applicable.

**Employer:** The total cost.

**Government:** None.

### Qualifying Conditions

**Work injury benefits:** There is no minimum qualifying period. All absences of three or more days from work must be reported. Entitlement is based on an assessment of the injury and the resulting disability. No benefit is paid if the incapacity or death occurs more than a year after the worker ceases employment.

### Temporary Disability Benefits

50% to 100% of earnings is paid, according to the insured's monthly earnings and the assessed degree of disability. If the incapacity lasts for more than three days, the benefit is paid from the first day until recovery or certification of permanent disability.

The maximum monthly benefit is SI\$160.

Workers with a temporary disability may undergo periodic medical examination by a doctor chosen and paid for by the employer.

### Permanent Disability Benefits

**Permanent disability benefit:** A lump sum of 48 months of earnings is paid.

The maximum lump sum is SI\$9,000.

Partial disability: A percentage of the full permanent disability benefit is paid as a lump sum according to the

assessed degree of disability. In cases of multiple injuries, individual benefits may be aggregated but must not exceed the full permanent disability benefit.

### Workers' Medical Benefits

Medical benefits include care, medicine, and appliances.

Appliances that benefit the earning capacity of an injured worker, including artificial prostheses, are provided at the employer's expense. In such cases, the benefit is subject to an earnings test.

### Survivor Benefits

**Survivor benefit:** A lump sum is paid based on 36 months of earnings minus any permanent disability benefits already paid to the deceased.

The maximum lump sum is SI\$9,000 when the disability benefit is also paid.

The maximum lump sum for a fatal work injury is SI\$80,000.

Eligible survivors include family members living with the deceased at the time of death who were totally or mainly dependent on the deceased's earnings. The courts determine how the survivor benefit is split among survivors.

**Funeral grant:** If there are no dependents, the grant covers reasonable burial expenses on a case by case basis.

The maximum funeral grant is SI\$30.

### Administrative Organization

Labor Division of the Ministry of Commerce, Industries, Labor and Immigration (<http://www.commerce.gov.sb>) administers the program.

## Unemployment

### Regulatory Framework

Under the National Provident Fund Act, unemployed fund members may drawdown up to 30% of savings in case of unfair dismissal or if laid off, provided the member's savings in the fund are greater than SI\$10,000 and he or she is not reemployed within three months after dismissal. The remaining amount can also be withdrawn later under certain provisions.

Employers are required to pay a dismissal benefit of two weeks of earnings for each year of employment, if the employee has been in continuous employment with the same employer for at least 26 weeks or more and is younger than age 50.

## South Korea

Exchange rate: US\$1.00 = 1132.90 won.

### Old Age, Disability, and Survivors

#### Regulatory Framework

**First law:** 1973 (national welfare pension).

**Current laws:** 1986 (national pension) and 2007 (basic old-age pension).

**Type of program:** Social insurance and social assistance system.

#### Coverage

**Social insurance:** Employed and self-employed persons, including farmers and fisherman. Voluntary coverage for employed and self-employed persons aged 60 to 64.

Special systems for civil servants, private-school employees, military personnel, and employees of the special post office.

**Basic old-age pension:** Citizens and foreigners married to South Koreans.

#### Source of Funds

##### Social insurance:

**Insured person:** 4.5% of gross monthly earnings. Voluntarily insured persons contribute 9% of the previous year's median monthly income of all individually insured persons.

The minimum monthly earnings used to calculate contributions are 240,000 won.

The maximum monthly earnings used to calculate contributions are 3,890,000 won.

**Self-employed person:** 9% of gross monthly earnings.

The minimum monthly earnings used to calculate contributions are 240,000 won.

The maximum monthly earnings used to calculate contributions are 3,890,000 won.

**Employer:** 4.5% of gross monthly payroll.

The minimum monthly earnings used to calculate contributions are 240,000 won.

The maximum monthly earnings used to calculate contributions are 3,890,000 won.

**Government:** Part of the cost of administration; contributions for some farmers and fishermen, some low-income employees, parents with more than two children, and insured persons with military service.

#### Social assistance:

**Insured person:** None.

**Self-employed person:** None.

**Employer:** None.

**Government:** The total cost of the basic old-age pension.

#### Qualifying Conditions

**Old-age pension (social insurance):** Age 60 (gradually rising to age 65 by 2034) with 20 years of coverage. If younger than age 65, taxable monthly income or earnings from gainful activity must not exceed 1,891,771 won.

**Reduced old-age pension:** Age 60 (gradually rising to age 65 by 2034) with 10 to 19 years of coverage and monthly income or earnings from gainful activity not exceeding 1,891,771 won. There is no income test if aged 65 or older.

**Active old-age pension:** Age 60 to 64 with 10 years of coverage and in gainful activity with monthly taxable income exceeding 1,891,771 won.

**Early pension:** Age 55 to 59 with 10 years of coverage and taxable monthly income or earnings from gainful activity not exceeding 1,891,771 won.

**Dependent's supplement:** Paid for eligible dependents, including the spouse, children younger than age 18 or assessed with a first-degree (total loss of work capacity and requiring constant attendance) or second-degree (severe loss of work capacity) disability, and parents (including the spouse's parents) aged 60 or older or assessed with a first-degree or second-degree disability.

**Old-age lump-sum refund (social insurance):** Age 60 with less than 10 years of coverage and no longer gainfully employed; at any age if the insured emigrates permanently, loses Korean citizenship, or if there is a bilateral agreement for insured foreigners who leave Korea.

**Split pension (social insurance):** Age 60 and divorced. Must have been married to an insured spouse for at least five years during his or her covered employment.

**Basic old-age pension (social assistance):** Age 65 with an income below 780,000 won a month for a single person or 1,248,000 won for a couple.

**Disability pension (social insurance):** Must be assessed with a first-degree (total loss of work capacity and requiring constant attendance), second-degree (severe loss of work capacity), or third-degree (less severe loss of work capacity) disability as the result of a disease or injury that began while insured. The insured must have paid 66.7% of scheduled contributions on time (except when the unpaid coverage period is less than six months).

The National Pension Service assesses the degree of disability.

At the request of the beneficiary, the National Pension Service may reassess the degree of disability and adjust the benefit amount.

**Dependent's supplement:** Paid for eligible dependents, including the spouse, children younger than age 18 or assessed with a first-degree (total loss of work capacity and requiring constant attendance) or second-degree (severe loss of work capacity) disability, and parents (including the spouse's parents) aged 60 or older or assessed with a first-degree or second-degree disability.

**Lump-sum disability benefit (social insurance):** Paid for a fourth-degree disability (partial loss of work capacity). The insured must have paid 66.7% of scheduled contributions on time (except when the unpaid coverage period is less than six months).

**Survivor pension (social insurance):** Paid when an insured person (the deceased must have paid 66.7% of scheduled contributions on time, except when the unpaid coverage period is less than six months), an old-age pensioner, or a disability pensioner with a first- or second-degree disability dies.

Eligible survivors include a widow, a widower with a first- or second-degree disability, parents and grandparents (including the spouse's parents or grandparents) aged 60 or older or assessed with a first- or second-degree disability, and children and grandchildren younger than age 19 (any age if assessed with a first- or second-degree disability). The pension is paid to eligible survivors in the following order of priority: spouse, children, parents, grandchildren, and grandparents.

**Dependent's supplement:** Paid for eligible dependents, including the spouse, children younger than age 18 or assessed with a first-degree (total loss of work capacity and requiring constant attendance) or second-degree (severe loss of work capacity) disability, and parents (including the spouse's parents) aged 60 or older or assessed with a first-degree or second-degree disability.

**Survivor lump-sum refund (social insurance):** Paid when an insured or formerly insured person who did not meet the qualifying conditions for the survivor pension dies.

**Lump-sum death benefit (social insurance):** Paid to dependent survivors (direct blood-relatives including cousins) if there are no eligible survivors for the survivor pension or survivor lump-sum refund.

### Old-Age Benefits

**Old-age pension (social insurance):** With 20 years of coverage, the basic monthly pension amount (BPA) is 1.44 (decreasing by 0.015 a year until reaching 1.2 in 2028) times the sum of the average indexed national monthly wage in the three years immediately before the year in which the pension is first paid and the insured's average monthly wage

over the insured's total contribution period. An increment is paid for each year of coverage exceeding 20 years.

**Reduced old-age pension:** 50% to 95% of the monthly BPA is paid with at least 10 years but less than 20 years of coverage.

**Active old-age pension:** The pension is based on the insured's BPA, the total number of years of coverage, and the insured's age when the pension is first paid.

**Early pension:** The pension is based on the insured's BPA, the total number of years of coverage, and the insured's age when the pension is first paid.

**Dependent's supplement:** 236,360 won a year for a spouse and 157,540 won a year per child or parent is paid to all pensioners, except those receiving the active old-age pension.

**Benefit adjustment:** Benefits are adjusted annually according to changes in the consumer price index for the previous year.

**Old-age lump-sum refund (social insurance):** A lump sum of the insured's total contributions (including any employer contributions) plus interest calculated at the basic bank rate on the date of the refund is paid.

**Split pension (social insurance):** Up to 50% of the insured ex-spouse's pension is paid, according to the length of marriage.

**Basic Senior Pension (social assistance):** 5% (gradually rising to 10% by 2028) of the average monthly income of National Pension Service participants is paid.

In 2012, the benefit was 94,600 won a month for a single person; 151,400 won a month for a couple.

### Permanent Disability Benefits

**Disability pension (social insurance):** The pension is calculated according to the insured's basic monthly pension amount (BPA) and assessed degree of disability. For a first-degree disability (total loss of work capacity and requiring constant attendance), 100% of the insured's BPA is paid; 80% for a second-degree disability (severe loss of work capacity); and 60% for a third-degree disability (less severe loss of work capacity).

The BPA is 1.44 (decreasing by 0.015 a year until reaching 1.2 in 2028) times the sum of the average indexed national monthly wage in the three years immediately before the year in which the pension is first paid and the insured's average monthly wage over the insured's total contribution period. An increment is paid for years of coverage exceeding 20 years.

**Dependent's supplement:** 236,360 won a year for a spouse and 157,540 won a year per child or parent is paid to insured persons with an assessed first-, second-, or third-degree disability.

Benefit adjustment: Benefits are adjusted annually according to changes in the consumer price index for the previous year.

**Lump-sum disability benefit (social insurance):** 225% of the BPA is paid to insured persons with a fourth-degree disability (partial loss of work capacity).

### Survivor Benefits

**Survivor pension (social insurance):** 60% of the deceased's basic monthly pension amount (BPA) is paid with at least 20 years of contributions; 50% with 10 to 19 years; 40% with less than 10 years.

The BPA is 1.44 (decreasing by 0.015 a year until reaching 1.2 in 2028) times the sum of the average indexed national monthly wage in the three years immediately before the year in which the pension is first paid and the insured's average monthly wage over the insured's total contribution period. An increment is paid for years of coverage exceeding 20 years.

Dependent's supplement: 157,540 won a year is paid per child or parent.

Benefit adjustment: Benefits are adjusted annually according to changes in the consumer price index for the previous year.

**Survivor lump-sum refund (social insurance):** A lump sum of the deceased's total contributions (including employer contributions) plus interest calculated at the basic bank rate on the date of the refund is paid.

**Lump-sum death benefit (social insurance):** A lump sum of the deceased's total contributions (including employer contributions) plus interest based on the average annual bank interest rate is paid.

The maximum lump-sum death benefit is four times the deceased's last covered monthly wage, or the average covered monthly wage for the entire insured period, whichever is higher.

### Administrative Organization

Ministry of Health and Welfare (<http://www.mw.go.kr>) provides general supervision.

National Pension Service (<http://www.nps.or.kr>) administers the program and pays benefits.

### Sickness and Maternity

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#### Regulatory Framework

**First laws:** 1963 (voluntary medical insurance for employees); and 1976 (compulsory national medical insurance), implemented in 1977.

**Current laws:** 1999 (national health insurance), implemented in 2000; 2002 (financial stability of national health

insurance); 2008 (long-term care insurance); and 2010 (integrated collection of social insurance contributions).

**Type of program:** Social insurance system. Medical and long-term care benefits only.

### Coverage

All Korean citizens and employees. Voluntary coverage for foreigners residing in Korea.

Exclusions: Low-income citizens covered by the means-tested medical aid program.

### Source of Funds

**Insured person:** 2.9% (medical benefits) and 0.19% (long-term care) of gross monthly earnings.

The minimum monthly earnings used to calculate contributions are 280,000 won.

The maximum monthly earnings used to calculate contributions are 78,100,000 won.

**Self-employed person:** Varies based on personal factors including property ownership, income, age, and gender.

**Employer:** 2.9% (medical benefits) and 0.19% (long-term care) of monthly payroll.

The minimum monthly earnings used to calculate contributions are 280,000 won.

The maximum monthly earnings used to calculate contributions are 78,100,000 won.

**Government:** Contributes as an employer.

The minimum monthly earnings used to calculate contributions are 280,000 won.

The maximum monthly earnings used to calculate contributions are 78,100,000 won.

### Qualifying Conditions

**Cash sickness and maternity benefits:** No cash benefits are provided.

**Medical benefits:** Must not have missed more than six months of contributions since first becoming insured.

**Long-term care:** Age 65 and in need of constant care; younger than age 65 and requiring constant care due to a medical condition such as dementia, cardiovascular disease, or Alzheimer's disease.

### Sickness and Maternity Benefits

**Sickness benefit:** No cash benefits are provided.

**Maternity benefit:** No cash benefits are provided.

**Medical care:** Insured persons may receive special cash benefits for family caregivers, exceptional care, and hospitalization.

## Workers' Medical Benefits

**Medical benefits:** Benefits include medical treatment, surgery, hospitalization, and medicine. Doctors, clinics, hospitals, and pharmacists under contract with the National Health Insurance Corporation (NHIC) provide medical services.

Maternity care is provided, with no limit on the number of children. There are no cash maternity benefits.

**Copayment:** The insured pays 20% of hospitalization costs and 30% to 60% of outpatient care, depending on the type of facility. The maximum paid by each patient is 2,000,000 to 4,000,000 won a year, depending on income.

**Long-term care:** In-home services include visits, bathing, nursing, day and night care, short-term respite care, and functional aids. Institutional care includes care given in licensed nursing homes, retirement homes, licensed residential establishments, and other long-term care facilities.

## Dependents' Medical Benefits

Medical benefits for dependents are the same as those for the insured.

Eligible dependents have no income and live with the insured, including the insured's spouse, children, grandchildren, parents, grandparents, and siblings.

## Administrative Organization

Ministry of Health, Welfare, and Family Affairs (<http://www.mw.go.kr>) provides general supervision.

National Health Insurance Corporation (<http://www.nhic.or.kr>; <http://www.longtermcare.or.kr>) administers the national health insurance and long-term care programs, levies and collects contributions, and pays medical service providers.

Health Insurance Review and Assessment Service (<http://www.hira.or.kr>) examines and reviews medical claims and evaluates the quality of medical and long-term care services.

## Work Injury

### Regulatory Framework

**First law:** 1953.

**Current laws:** 1963 (industrial accident compensation insurance), implemented in 1964; and 2003 (collection of premiums), implemented in 2005.

**Type of program:** Social insurance system.

Note: The 1953 law still applies to employees if their incapacity due to a work-related injury or an occupational disease lasts for less than three days.

## Coverage

Employees of establishments with at least one employee.

Voluntary coverage for certain small businesses in agriculture, forestry, hunting, fishery, and construction; electricians; telecommunications workers; fire service personnel; certain self-employed persons; and household workers.

Special systems for civil servants, military personnel, private-school employees, and seamen.

## Source of Funds

**Insured person:** None.

**Self-employed person:** 0.6% to 35.4% of declared earnings or payroll.

There are no minimum or maximum earnings used to calculate contributions. The contribution rate is reviewed annually.

**Employer:** 0.6% to 35.4% of annual payroll, according to the assessed degree of risk.

There are no minimum or maximum earnings used to calculate contributions. The contribution rate is reviewed annually.

**Government:** None.

## Qualifying Conditions

**Work injury benefits:** There is no minimum qualifying period.

## Temporary Disability Benefits

70% of the insured's average daily wage in the three months before the onset of disability is paid if the insured is unable to work and receiving medical treatment.

If still receiving medical treatment after 24 months, 70.4% to 90.1% (according to the assessed degree of disability) of the insured's average daily wage is paid to persons assessed with a first-degree (total loss of work capacity and requiring constant attendance), second-degree (severe loss of work capacity), or third-degree (less severe loss of work capacity) disability. The benefit is paid for 257, 291, or 329 treatment days (according to the assessed degree of disability) until recovery or the award of the permanent disability pension.

The minimum daily benefit is 46,933 won.

The maximum daily benefit is 165,890 won.

Benefit adjustment: The minimum and maximum benefits are adjusted annually according to wage changes.

## Permanent Disability Benefits

**Permanent disability benefit:** The benefit varies according to the assessed degree of disability, in order of decreasing severity from grades one to seven. The annual pension is the insured's average daily wage in the three months before

the onset of disability multiplied by 138 to 329, according to the assessed degree of disability. Insured persons with an assessed disability of four to seven (medium severity) may choose between the pension and a lump sum of the insured's average daily wage multiplied by 616, 737, 869, or 1,012, according to the assessed degree of disability.

The pension is paid monthly.

The minimum daily benefit is 46,933 won.

The maximum daily benefit is 165,809 won.

Partial disability: A lump sum of the insured's average daily wage in the three months before the date of injury multiplied by 55 to 495 (according to the assessed degree of disability) is paid for an assessed degree of disability from grades eight to fourteen (lower severity).

**Nursing benefit:** Paid for nursing services for insured persons with a residual chronic disability after receiving medical treatment. The benefit ranges from 25,490 won to 38,240 won a day, according to assessed needs.

Benefit adjustment: The minimum and maximum benefits are adjusted annually according to changes in wages.

### **Workers' Medical Benefits**

Medical benefits include medical treatment, surgery, hospitalization, medicine, nursing, dental care, rehabilitation appliances, and transportation.

### **Survivor Benefits**

**Survivor pension:** 52% of annual earnings (calculated as the insured's average daily wage in the three months before the date of death multiplied by 365) is paid for a single person; the pension is increased by 5% for each additional survivor up to 67% for a family of four or more. The pension is paid monthly.

Eligible survivors include the dependent spouse, parents and grandparents older than age 60, children and grandchildren younger than age 18, and siblings older than age 60 or younger than age 18. The pension is paid to eligible survivors in the following order of priority: spouse, children, parents, grandchildren, grandparents, and brothers or sisters.

Benefit adjustment: The minimum and maximum benefits are adjusted annually according to changes in wages.

**Lump-sum grant:** If there are no eligible survivors for the survivor pension, a lump sum of the insured's average daily wage in the three months before the date of death multiplied by 1,300 is paid to nondependent survivors.

**Funeral grant:** A lump sum of the insured's average daily wage in the three months before the date of death multiplied by 120 is paid to the person who paid for the funeral.

The minimum funeral grant is 8,794,710 won.

The maximum funeral grant is 12,180,600 won.

Benefit adjustment: The minimum and maximum benefits are adjusted annually according to changes in wages.

### **Administrative Organization**

Ministry of Employment and Labor (<http://www.moel.go.kr>) provides general supervision.

Korea Worker's Compensation and Welfare Service (<http://www.kcomwel.or.kr>) sets contribution rates, pays benefits, and administers the program through its own medical care institutions.

National Health Insurance Corporation (<http://www.nhic.or.kr>) collects contributions.

### **Unemployment**

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#### **Regulatory Framework**

**First and current laws:** 1993 (employment insurance), implemented in 1995; and 2003 (collection of premiums), implemented in 2005.

**Type of program:** Social insurance system.

#### **Coverage**

All employees.

Voluntary coverage for certain small businesses in agriculture, forestry, hunting, fishery, and construction; electricians; telecommunications workers; fire service personnel; certain self-employed persons; and household workers.

Exclusions: Persons working less than 60 hours a month or less than 15 hours a week, and family labor.

Special systems for civil servants, private-school employees, military personnel, and employees of the special post office.

#### **Source of Funds**

**Insured person:** 0.55% of gross annual wages.

There are no maximum earnings used to calculate contributions.

**Self-employed person:** 2.25% of declared wages (employment services only).

There are no maximum earnings used to calculate contributions.

**Employer:** 0.8% to 1.4% (depending on the type of business) of annual payroll.

There are no maximum earnings used to calculate contributions.

**Government:** None.

#### **Qualifying Conditions**

**Unemployment benefits:** Must have at least six months of coverage during the last 18 months, be registered at an

employment security office, and be capable of and available for work. Unemployment must not be due to voluntary leaving, misconduct, a labor dispute, or the refusal of a suitable job offer.

### **Unemployment Benefits**

**Unemployment benefit:** 50% of the insured's average daily earnings during the three months immediately before unemployment is paid after a seven-day waiting period for up to 90 days to those with six to 12 months of coverage; for up to 240 days with more than 10 years of coverage and aged 50 or older or disabled.

The minimum daily benefit is 90% of the minimum daily wage. (The minimum daily wage is 36,640 won.)

The maximum daily benefit is 40,000 won.

Additional allowances are paid to unemployed persons to encourage retraining or job search. Allowances include the early reemployment allowance, vocational ability development allowance, and transportation and home moving allowance.

Employment services are provided through the Employment Stabilization Program and the Vocational Competency Development Program.

### **Administrative Organization**

Ministry of Employment and Labor (<http://www.moel.go.kr>) provides general supervision, pays benefits, and administers the program.

Korea Worker's Compensation and Welfare Service (<http://www.kcomwel.or.kr>) sets contribution rates.

National Health Insurance Corporation (<http://www.nhic.or.kr>) collects contributions.

## Sri Lanka

Exchange rate: US\$1.00 = 128 rupees.

### Old Age, Disability, and Survivors

#### Regulatory Framework

**First and current law:** 1958 (provident fund).

**Type of program:** Provident fund system.

#### Coverage

All employed persons, including certain self-employed persons.

Exclusions: Family labor, civil servants, certain self-employed persons, farmers, and fishermen.

Employees covered by equivalent schemes may contract out.

Special systems for public-sector and local government employees, farmers, fishermen, and migrant workers.

#### Source of Funds

**Insured person:** 8% of monthly earnings; additional voluntary contributions are permitted.

**Self-employed person:** Information is not available.

**Employer:** 12% of monthly payroll; additional voluntary contributions are permitted.

**Government:** None.

#### Qualifying Conditions

**Old-age benefit:** Age 55 (men) or age 50 (women) and retired from covered employment; at any age if the government closes the place of employment, if emigrating permanently, or for employed women who marry.

**Disability benefit:** Must be assessed with a permanent and total incapacity for work.

**Survivor benefit:** Paid to legal heirs or named beneficiaries if the fund member dies before retirement.

#### Old-Age Benefits

**Old-age benefit:** A lump sum of total employee and employer contributions plus interest is paid.

Interest rate adjustment: The Monetary Board of the Employees' Provident Fund sets the interest rate periodically. The annual interest rate must be at least 2.5%.

### Permanent Disability Benefits

**Disability benefit:** A lump sum of total employee and employer contributions plus interest is paid.

Interest rate adjustment: The Monetary Board of the Employees' Provident Fund sets the interest rate periodically. The annual interest rate must be at least 2.5%.

### Survivor Benefits

**Survivor benefit:** A lump sum of total employee and employer contributions plus interest is paid to one or more eligible survivors.

Interest rate adjustment: The Monetary Board of the Employees' Provident Fund sets the interest rate periodically. The annual interest rate must be at least 2.5%.

### Administrative Organization

Ministry of Labor and Labor Relations (<http://www.labourmin.gov.lk>) provides general supervision.

Employees' Provident Fund (<http://www.epf.lk>) administers the program through district offices.

Central Bank of Sri Lanka (<http://www.cbsl.gov.lk>) is responsible for the custody and investment of the financial assets of the Employees' Provident Fund.

### Sickness and Maternity

#### Regulatory Framework

Medical care is available free of charge in government health centers and hospitals.

No statutory sickness or maternity benefits are provided.

Plantations have their own dispensaries and maternity wards and must provide medical care for their employees.

The Maternity Benefits Ordinance Act and the Shop and Office Employee's Act require employers to provide maternity leave. The Maternity Benefits Ordinance Act requires employers to pay maternity benefits.

### Work Injury

#### Regulatory Framework

**First and current law:** 1934 (workmen's compensation).

**Type of program:** Employer-liability system.

#### Coverage

All employed persons, including contract workers.

Exclusions: Self-employed persons, police and military personnel.

#### Source of Funds

**Insured person:** None.

**Self-employed person:** Not applicable.

**Employer:** Provides benefits directly to employees or pays insurance premiums ranging from 1% to 7.5% of payroll, according to the assessed degree of risk.

**Government:** The total cost of medical benefits.

### **Qualifying Conditions**

**Work injury benefits:** A minimum three-day qualifying period for temporary disability; a continuous employment period of six months for an occupational disease.

### **Temporary Disability Benefits**

50% of wages are paid after a three-day waiting period for up to five years. After six months, the benefit may be paid as a lump sum.

The maximum monthly benefit is 5,500 rupees.

A registered doctor may examine a worker entitled to a temporary disability benefit once a month.

The benefit is payable abroad under certain conditions if emigrating permanently.

### **Permanent Disability Benefits**

**Permanent disability benefit:** A lump sum is paid according to wage class.

The minimum benefit is 196,083.80 rupees.

The maximum benefit is 550,000 rupees.

Partial disability: A lump sum of 30% to 100% of the full benefit is paid according to the degree of disability.

### **Workers' Medical Benefits**

**Medical benefits:** Government hospitals provide medical benefits free of charge.

### **Survivor Benefits**

**Survivor benefit:** A lump sum of two to five years of the insured's wages, according to wage class, is paid when the insured dies.

Eligible survivors include the widow, legitimate dependent children, unmarried daughters, and a widowed mother. Other family members may be eligible if totally or partially dependent on the deceased.

The benefit is split among dependent relatives according to the decision of the Commissioner of Workmen's Compensation.

The minimum survivor benefit is 196,083.80 rupees.

The maximum survivor benefit is 550,000 rupees.

**Funeral grant:** The cost of the funeral is deducted from the survivor benefit, up to a maximum based on the value of the survivor benefit (up to 10,000 rupees if the survivor benefit exceeds 40,000 rupees).

### **Administrative Organization**

Ministry of Labor and Labor Relations (<http://www.labourmin.gov.lk>) provides general supervision.

Department of Workmen's Compensation administers the program.

### **Family Allowances**

#### **Regulatory Framework**

**First law:** 1990.

**Current law:** 1995 (low-income families).

**Type of program:** Social assistance system.

#### **Coverage**

Low-income families.

#### **Source of Funds**

**Insured person:** 25 rupees a month for each family member.

**Self-employed person:** 25 rupees a month for each family member.

**Employer:** None.

**Government:** The majority of the program costs.

#### **Qualifying Conditions**

**Family allowances:** Family earnings must be below 1,000 rupees a month.

#### **Family Allowance Benefits**

**Family allowances:** 210 rupees to 1,500 rupees a month is paid, depending on family income and size.

#### **Administrative Organization**

Department of Commissioner General of Samurdhi (<http://samurdhidept.gov.lk>) administers the program.

## Syria

Exchange rate: US\$1.00 = 70.75 pounds.

### Old Age, Disability, and Survivors

#### Regulatory Framework

**First and current law:** 1959 (social insurance).

**Type of program:** Social insurance system.

#### Coverage

Employees in industry, commerce, and agriculture; civil servants; freelance workers; and employers.

Voluntary coverage for Syrians working abroad.

Exclusions: Temporary workers, household workers, and self-employed persons.

#### Source of Funds

**Insured person:** 7% of earnings (plus an optional 1% of earnings for voluntary supplementary disability and death benefits).

**Self-employed person:** Not applicable.

**Employer:** 14% of payroll.

**Government:** None.

#### Qualifying Conditions

**Old-age pension:** Age 60 (men) or age 55 (women) with at least 15 years of contributions; age 55 (men) or age 50 (women) with at least 20 years of contributions; at any age with at least 25 years of contributions (with at least 15 years of contributions if engaged in physically demanding or dangerous work).

Old-age increment: The insured had at least 30 years of contributions.

**Old-age settlement:** Age 60 (men) or age 55 (women) and does not meet the contribution requirements for the old-age pension.

**Disability pension:** Assessed with at least an 80% loss of working capacity. Must have at least six consecutive months of contributions or 12 nonconsecutive months of contributions. The disability began during employment or within six months after leaving employment but is not due to an occupational injury.

**Disability benefit (voluntary insurance):** Assessed with a degree of disability of more than 35%. The disability may be due to an occupational injury.

**Survivor pension:** The deceased met the contribution requirements for the disability pension or was a pensioner at the time of death. The death was not the result of an occupational injury.

Eligible survivors include an unemployed widow of any age or a disabled widower, orphans younger than age 21 (age 24 if disabled), and dependent parents.

**Death benefit (voluntary insurance):** Paid to eligible survivors when the insured dies.

**Funeral grant:** Paid toward the cost of the funeral.

#### Old-Age Benefits

**Old-age pension:** 2.5% of the insured's base earnings multiplied by the number of years of contributions is paid.

The base earnings are the insured's average monthly earnings in the previous year. (Increases or decreases in the insured's salary of more than 15% in a two-year period or 30% in a five-year period are not taken into account.)

The minimum pension is the legal minimum wage.

The legal minimum wage is 6,110 pounds.

The maximum monthly pension is 75% of base earnings.

Old-age increment: A lump sum of one month of the pension is paid for every year of contributions exceeding 30 years, up to five months of the pension.

**Old-age settlement:** A lump sum of 11% to 15% of total covered earnings is paid.

#### Permanent Disability Benefits

**Disability pension:** 40% of the insured's base earnings plus 2% for each year of covered employment is paid.

The base earnings are the insured's average monthly earnings in the previous year. (Increases or decreases in the insured's salary of more than 15% in a two-year period or 30% in a five-year period are not taken into account.)

The minimum pension is the legal minimum wage.

The legal minimum wage is 6,110 pounds.

The maximum pension is 80% of base earnings.

**Disability benefit (voluntary insurance):** A lump sum of 50% of the insured's covered earnings in the previous year is paid. The benefit is increased by 50% if the insured has a total disability as a result of an occupational injury.

#### Survivor Benefits

**Survivor pension:** 50% of the disability pension the deceased received or was eligible to receive is paid to an eligible widow(er); 37.5% with one or more other eligible survivors.

**Orphan's pension:** The total orphans' pension is 37.5% of the disability pension the deceased received or was eligible to receive; or 25% if there is only one eligible orphan. If

there are no other eligible survivors, the total orphan's pension is 75% of the disability pension the deceased received or was eligible to receive; or 50% for each eligible full orphan.

**Dependent parent's pension:** If there is no eligible spouse or orphan, 25% of the disability pension the deceased received or would have been eligible to receive is paid to each dependent parent; 12.5% if there is either an eligible spouse or orphan, or both.

All survivor pensions combined must not exceed 80% of the disability pension the deceased received or was eligible to receive.

**Death benefit (voluntary insurance):** A lump sum of 100% of the deceased's earnings in the previous year is paid to a survivor. The lump sum is increased by 50% if the insured's death was caused by a work injury.

**Funeral grant:** A lump sum of one month of the insured's earnings is paid.

The maximum funeral grant is 100 pounds.

### **Administrative Organization**

Ministry of Social Affairs and Labor provides general supervision.

Social Insurance Institution (<http://taminat.gov.sy>), managed by a tripartite board of directors and a director general, administers the program through regional and district offices.

### **Work Injury**

#### **Regulatory Framework**

**First and current law:** 1959 (social insurance).

**Type of program:** Social insurance system.

#### **Coverage**

Employees in industry, commerce, and agriculture; municipal workers; and public-sector employees.

Exclusions: Household workers and self-employed persons.

#### **Source of Funds**

**Insured person:** None.

**Self-employed person:** Not applicable.

**Employer:** 3% of payroll.

**Government:** None.

#### **Qualifying Conditions**

**Work injury benefits:** There is no minimum qualifying period.

### **Temporary Disability Benefits**

80% of the insured's monthly earnings is paid for the first month; 100% thereafter. The benefit is paid from the day after the injury occurred for up to 12 months.

The minimum monthly benefit is 2,000 pounds.

### **Permanent Disability Benefits**

**Permanent disability pension:** 75% of the insured's average monthly earnings in the previous year is paid for a total disability.

The minimum monthly pension is 458 pounds.

Work injury benefits can be combined with other pension entitlements.

**Partial disability pension:** For an assessed degree of disability of 35% or more, a percentage of the full pension is paid according to the assessed degree of disability.

For an assessed degree of disability of less than 35%, a lump sum of 5.5 years of the partial disability pension is paid.

### **Workers' Medical Benefits**

Medical benefits include general and specialist care, surgery, hospitalization, drugs, X-rays, appliances, and rehabilitation.

### **Survivor Benefits**

**Survivor pension:** If there is no eligible orphan or dependent parent, 62.5% of the disability pension the deceased received or was eligible to receive is paid to an eligible widow(er); 50% if there is an eligible dependent parent but no orphan; 37.5% if there are both eligible orphans and dependent parents.

**Orphan's pension:** The total orphans' pension is 50% of the disability pension the deceased received or was eligible to receive or 37.5% if there is only one eligible orphan. If there are no other eligible survivors, the total orphan's pension is 75% of the disability pension the deceased received or was eligible to receive or 62.5% for each eligible full orphan.

**Dependent parent's pension:** If there is no eligible spouse or orphan, 25% of the disability pension the deceased received or was eligible to receive is paid to each dependent parent; 12.5% if there is either an eligible spouse or orphan, or both.

All survivor pensions combined must not exceed 80% of the disability pension the deceased received or was eligible to receive.

**Funeral grant:** A lump sum of one month of the insured's earnings is paid.

The maximum funeral grant is 80 pounds.

### ***Administrative Organization***

Ministry of Social Affairs and Labor provides general supervision.

Social Insurance Institution (<http://taminat.gov.sy>), managed by a tripartite board of directors and a director general, administers the program through regional and district offices.

## Taiwan

Exchange rate: US\$1.00 = 29.50 Taiwan dollars (NT\$).

### Old Age, Disability, and Survivors

#### Regulatory Framework

**First law:** 1950.

**Current law:** 1958 (labor insurance), implemented in 1960; 2004 (labor pensions), implemented in 2005; and 2007 (national pensions), implemented in 2008.

**Type of program:** Social insurance and mandatory individual account system.

Note: The social insurance system consists of a flat-rate benefit under the national pension program and earnings-related benefits under the labor insurance program.

In 2005, a system of individual accounts (Labor Pension Fund) was established that is mandatory for all new entrants to the labor force and workers that changed employers since July 1, 2005. Workers who entered the labor force before 2005 had the option (from 2005 to 2010) to remain covered under the old labor insurance program or switch to the Labor Pension Fund. Those who made no choice remain in the old system. For those who switched, the value of the accrued rights under the old system was transferred to the new system.

In 2008, a new National Pension System began for individuals not covered by any public pension system.

#### Coverage

**National pension program:** Citizens of Taiwan not covered by any public pension system.

Voluntary coverage for self-employed persons who are not insured through an occupational union under the labor insurance program.

**Labor insurance program (social insurance):** Employees in firms with five or more employees in industry and commerce, mines, and plantations; wage-earning public-sector employees; public-utility employees; fishermen; and certain self-employed persons in service occupations.

Voluntary coverage for employees in firms with fewer than five employees in industry and commerce, mines, and plantations; certain employers; employees older than age 60 working in covered employment; and involuntarily unemployed persons with at least 15 years of coverage.

Special systems for civil servants, farmers, salaried public-sector employees, and private-school employees.

**Labor pension fund (individual account):** Employed citizens of Taiwan working in industries designated by the Central Competent Authority.

Voluntary coverage for certain employers and for workers not covered under the Labor Standards Act, subject to the employer's consent.

Exclusions: Self-employed persons.

#### Source of Funds

##### Insured person

**National pension program:** 4.2% of the monthly insured amount.

Disabled and low-income insured persons pay no contribution or pay 2.1%, or 3.15% of the monthly insured amount, depending on the degree of disability or total family income.

The monthly insured amount is NT\$17,280.

**Labor insurance program (social insurance):** 1.5% of gross monthly earnings (1.6% in 2013, gradually rising to 2.4% by 2030).

The minimum monthly earnings used to calculate contributions are NT\$18,780 and the maximum monthly earnings used to calculate contributions are NT\$43,900. (The monthly earnings used to calculate contributions are adjusted according to changes in the minimum wage.)

The insured's contributions also finance cash sickness and maternity benefits.

**Labor pension fund (individual account):** Voluntary contributions of up to 6% of monthly earnings.

The maximum monthly earnings used to calculate contributions are NT\$150,000.

##### Self-employed person

**National pension program:** Voluntary contributions of 3.87% of the monthly minimum wage.

Disabled and low-income self-employed persons pay no contributions or pay 1.93%, or 2.9% of the monthly minimum wage, depending on the degree of disability or total family income.

The monthly minimum wage is NT\$18,780.

**Labor insurance program (social insurance):** 4.5% of gross monthly income (4.8% in 2013, gradually rising to 7.2% by 2030).

The maximum monthly earnings used to calculate contributions are NT\$43,900. (The monthly earnings used to calculate contributions are adjusted according to changes in the minimum wage.)

The self-employed person's contributions also finance cash sickness and maternity benefits.

**Labor pension fund (individual account):** Not applicable.

**Employer**

*National pension program:* None.

*Labor insurance program (social insurance):* 5.25% of monthly payroll (5.6% in 2013, gradually rising to 8.4% by 2030).

The maximum monthly earnings used to calculate contributions are NT\$43,900. (The monthly earnings used to calculate contributions are adjusted according to changes in the minimum wage.)

The employer's contributions also finance cash sickness and maternity benefits.

*Labor pension fund (individual account):* At least 6% of monthly payroll.

The maximum monthly earnings used to calculate contributions are NT\$150,000.

**Government**

*National pension program:* 2.8% of the monthly minimum wage.

For disabled and low-income insured persons, 7%, 4.9%, or 3.85% of the monthly minimum wage, depending on the degree of disability or total family income.

The monthly minimum wage is NT\$18,780.

*Labor insurance program (social insurance):* 0.75% of employee earnings (0.8% in 2013, gradually rising to 1.2% by 2030); 3% of income for self-employed persons (3.2% in 2013, gradually rising to 4.8% by 2030); the cost of administration.

The maximum monthly earnings used to calculate contributions are NT\$43,900. (The monthly earnings used to calculate contributions are adjusted according to changes in the minimum wage.)

The government's contributions also finance cash sickness and maternity benefits.

*Labor pension fund (individual account):* None.

**Qualifying Conditions****Old-age pension**

*National pension program:* Age 65 and registered in the program.

*Labor insurance program (social insurance):* Age 60 (rising to age 61 in 2018 and gradually rising to age 65 by 2026) with at least 15 years of coverage.

Employment and contributions must cease.

Early pension: A reduced pension is paid from age 55 with at least 15 years of coverage.

Deferred pension: The pension may be deferred until age 65.

A lump-sum payment is available with less than 15 years of coverage.

One-time old-age benefit: Insured persons with coverage prior to January 1, 2009, may opt for a one-time old-age benefit instead of the labor insurance old-age pension. Must be age 60 (men) or age 55 (women) with at least one year of coverage; age 55 (men) with at least 15 years of coverage; age 50 with at least 25 years of coverage; at any age with at least 25 years of coverage with the same employer.

*Labor pension fund (individual account):* Age 60 with at least 15 years of contributions.

A lump-sum payment is available with less than 15 years of contributions.

**Disability pension**

*National pension program:* Assessed with a severe mental or physical disability and a permanent total incapacity for work.

A hospital designated by the Bureau of National Health Insurance assesses the disability and incapacity for work.

If not normally eligible for coverage under the national pension program, the minimum disability pension is paid to persons who have been residents of Taiwan for more than 183 days a year for the last three years and who are assessed with a severe mental or physical disability and an incapacity for work that began before participation in the national pension program.

*Labor insurance program:* Must be assessed with a severe mental or physical disability and a permanent total incapacity for work.

A hospital designated by the Bureau of National Health Insurance assesses the disability and incapacity for work.

Insured persons with a dependent spouse and children may qualify for a dependent allowance.

Disability benefit: Insured persons with coverage prior to January 1, 2009, may opt for a lump-sum payment instead of the labor insurance disability pension. Must be assessed with a permanent disability by a hospital designated by the Bureau of National Health Insurance.

**Survivor pension**

*National pension program:* The deceased was insured at the time of death or was an old-age or disability pensioner.

Eligible survivors (in order of priority) are the widow(er) (aged 55 or older; aged 45 or older with a monthly income below the monthly insured amount) and children (aged 25 or younger; no limit with a total incapacity for work), parents (aged 55 or older with a monthly income below the monthly insured amount), grandparents (aged 55 or older with a monthly income below the monthly insured amount), dependent grandchildren, and dependent brothers and sisters.

The monthly insured amount is NT\$17,280.

Eligibility ceases for widow(er)s on remarriage.

Funeral grant: Paid to the person who paid for the insured's funeral.

*Labor insurance program (social insurance):* The deceased was insured at the time of death, was an old-age or disability pensioner, or had at least 15 years of contributions and had not claimed old-age benefits.

Eligible survivors (in order of priority) are the widow(er) and children, parents, grandparents, dependent grandchildren, and dependent brothers and sisters.

Survivor benefit: Paid when the insured person with coverage prior to January 1, 2009, dies and the survivor opts for a lump-sum payment instead of the labor insurance survivor pension.

Funeral grant: Paid to the person who paid for the insured's funeral.

*Labor pension fund (individual account):* Paid to a widow(er) or child when an insured person dies.

If there is no widow(er) or child, other eligible survivors in order of priority are parents, grandparents, grandchildren, and brothers and sisters.

## Old-Age Benefits

### Old-age pension

*National pension program:* The monthly pension is 0.65% of the monthly insured amount multiplied by the number of years of coverage plus NT\$3,500, or 1.3% of monthly insured amount multiplied by the number of years of coverage, whichever is greater.

The monthly insured amount is NT\$17,280.

Benefit adjustment: The monthly insured amount is adjusted according to changes in the consumer price index.

*Labor insurance program (social insurance):* The monthly pension is 0.775% of the insured's monthly average covered earnings in the highest 60 months of coverage multiplied by the number of years of coverage plus NT\$3,000, or 1.55% of the insured's monthly average covered earnings in the highest 60 months of coverage multiplied by the number of years of coverage, whichever is greater.

Early pension: The pension is reduced by 4% for each year that retirement is taken before the normal retirement age, up to 20%.

Deferred pension: The pension is increased by 4% for each year of deferred retirement, up to 20%.

Persons insured before January 1, 2009, may opt for a lump-sum old-age benefit instead of a monthly old-age pension at retirement.

Lump-sum old-age benefit: A lump sum of one month of the insured's average covered earnings in the highest 60 months of coverage is paid for each year of contributions.

One time old-age benefit: A lump sum of one month of the insured's average covered earnings in the 36 months before retirement is paid for each year of contributions for the first 15 years plus two months for each year of contributions exceeding 15 years. The maximum total old-age benefit amount must not exceed 45 times (50 times if the insured continued to work beyond age 60) the labor insurance old-age pension the insured would have been entitled to receive.

*Labor pension fund (individual account):* The accumulated capital can be used to provide a monthly benefit. The benefit amount depends on the value of the insured's contributions plus accrued interest, average life expectancy, and a schedule in law.

A lump sum based on the value of the insured's contributions plus accrued interest is paid for less than 15 years of contributions.

## Permanent Disability Benefits

### Disability pension

*National pension program:* 1.3% of the monthly insured amount multiplied by the number of years of coverage is paid.

The monthly insured amount is NT\$17,280.

The minimum disability pension is NT\$4,700.

Benefit adjustment: The monthly insured amount is adjusted according to changes in the consumer price index.

*Labor insurance program:* 1.55% of the insured's monthly average covered earnings in the highest 60 months of coverage multiplied by the number of years of coverage is paid.

Up to 25% of the pension is paid for each qualified dependent, up to 50%.

The minimum disability pension is NT\$4,000.

Persons insured before January 1, 2009, may opt for a lump-sum disability benefit instead of a monthly disability pension.

Disability benefit: A lump sum of one to 40 months of the insured's average covered earnings in the six months before the disability began is paid, according to the assessed degree of disability.

## Survivor Benefits

### Survivor pension

*National pension program:* 1.3% of the monthly insured amount multiplied by the number of years of coverage is paid when an actively insured person dies; 50% of the old-age or disability pension is paid when an old-age or disability pensioner dies.

The monthly insured amount is NT\$17,280.

The minimum pension is NT\$3,500.

Survivors may receive only one survivor pension. If there is more than one eligible survivor, 25% of the survivor pension is paid for each additional survivor, up to two additional survivors.

Funeral grant: A lump sum of five times the monthly insured amount is paid.

The monthly insured amount is NT\$17,280.

Benefit adjustment: The monthly insured amount is adjusted according to changes in the consumer price index.

*Labor insurance program (social insurance):* 1.55% of the deceased's monthly average covered earnings in the highest 60 months of coverage multiplied by the number of years of coverage is paid when an actively insured person dies; 50% of the old-age or disability pension the deceased received or was eligible to receive is paid when an old-age or disability pensioner dies.

The minimum pension is NT\$3,000.

Persons insured before January 1, 2009, may opt for a lump-sum survivor benefit instead of a monthly survivor pension.

Survivor benefit: A lump sum of 30 months of the deceased's average monthly covered earnings in the six months before death is paid if the deceased had at least two years of contributions; 20 months if the deceased had one to two years of contributions; 10 months if less than one year of contributions.

Funeral grant: A lump sum of five months of the deceased's average covered earnings in the six months before death is paid. If there are no eligible survivors, a lump sum of 10 months of the deceased's average covered earnings in the six months before death is paid for the cost of the funeral.

*Labor pension fund (individual account):* A lump sum based on the value of the insured's contributions plus accrued interest is paid. If the deceased received monthly labor pension fund payments at the time of death and died before reaching the average life expectancy according to a schedule in law, a lump sum of the balance of the insured's individual account is paid.

### Administrative Organization

Labor Insurance Department of the Council of Labor Affairs (<http://www.cla.gov.tw>) provides general supervision.

Social Affairs Department of the Ministry of the Interior (<http://www.moi.gov.tw>) coordinates the national pension program.

Bureau of Labor Insurance (<http://www.bli.gov.tw>), under the tripartite Labor Insurance Commission and its director general, collects contributions and pays benefits.

## Sickness and Maternity

### Regulatory Framework

**First law:** 1950.

**Current laws:** 1958 (labor insurance), implemented in 1960, and 1994 (national health insurance), implemented in 1995.

**Type of program:** Social insurance system.

### Coverage

**Cash sickness and maternity benefits:** Employees in firms with five or more employees in industry and commerce, mines, and plantations; wage-earning public-sector employees; public-utility employees; fishermen; and certain self-employed persons in service occupations.

Voluntary coverage for employees in firms with fewer than five employees in industry and commerce, mines, and plantations; certain employers; employees older than age 60 in covered employment; and involuntarily unemployed persons with at least 15 years of coverage.

Special systems for cash benefits for civil servants, farmers, salaried public-sector employees, and private-school employees.

**Medical benefits:** A resident of Taiwan for at least four months, including foreign nationals with a resident permit.

### Source of Funds

#### Insured person

*Cash sickness and maternity benefits:* See source of funds under Old Age, Disability, and Survivors.

*Medical benefits:* Contributions for income earners are based on 5.17% of the insured's monthly reported earnings, according to six categories of workers and 53 wage classes, multiplied by 30% or 60%, depending on the category. The result is multiplied by one plus the number of dependents, up to three.

Contributions for non-income earners are based on the average monthly premium for certain categories of workers, multiplied by 30% or 60%, depending on the category. The result is multiplied by one plus the number of dependents, up to three.

The minimum monthly earnings used to calculate contributions for medical benefits are NT\$18,780 (the monthly minimum wage in 2012).

The maximum monthly earnings used to calculate contributions for medical benefits are NT\$182,000.

The monthly earnings used to calculate contributions are adjusted according to changes in the minimum wage.

## Self-employed person

*Cash sickness and maternity benefits:* See source of funds under Old Age, Disability, and Survivors.

*Medical benefits:* 5.17% of the insured's monthly reported earnings multiplied by one plus the number of dependents, up to three.

The minimum monthly earnings used to calculate contributions for medical benefits are NT\$18,780.

The maximum monthly earnings used to calculate contributions for medical benefits are NT\$182,000.

The monthly earnings used to calculate contributions are adjusted according to changes in the minimum wage.

## Employer

*Cash benefits for sickness and maternity:* See source of funds under Old Age, Disability, and Survivors.

*Medical benefits:* Contributions for income earners are based on 5.17% of the insured's monthly reported earnings, according to six categories of workers and 53 wage classes, multiplied by 30%, 45%, or 70%, depending on the category. The result is multiplied by one plus the average number of dependents (0.7 since January 2007).

The employer's contributions also finance work injury medical benefits.

The minimum monthly earnings used to calculate contributions for medical benefits are NT\$18,780.

The maximum monthly earnings used to calculate contributions for medical benefits are NT\$182,000.

The monthly earnings used to calculate contributions are adjusted according to changes in the minimum wage.

## Government

*Cash benefits for sickness and maternity:* See source of funds under Old Age, Disability, and Survivors.

*Medical benefits:* Contributions for income earners are based on 5.17% of the insured's monthly reported earnings, according to six categories of workers and 53 wage classes, multiplied by 10% to 70%, depending on the category. The result is multiplied by one plus the average number of dependents (0.7 since January 2007).

Contributions for non-income earners are based on the average monthly premium for certain categories of workers, multiplied by 40%, 70%, or 100%, depending on the category. The result is multiplied by one plus the number of dependents.

The government's contributions also finance work injury medical benefits.

The minimum monthly earnings used to calculate contributions for medical benefits are NT\$18,780.

The maximum monthly earnings used to calculate contributions for medical benefits are NT\$182,000.

The monthly earnings used to calculate contributions are adjusted according to changes in the minimum wage.

## Qualifying Conditions

**Cash sickness benefit:** Must be incapable of work due to a nonwork-related injury or illness, be hospitalized for at least four days, and be unable to earn a normal salary. The insured must provide medical certification.

**Cash maternity benefit:** Must have at least 280 days of contributions before childbirth (181 days of contributions for a premature childbirth).

**Medical benefits:** Provided for a nonwork-related injury or illness.

## Sickness and Maternity Benefits

**Sickness benefit:** 50% of the insured's average covered earnings in the six months before the incapacity began is paid after a three-day waiting period for up to six months with up to one year of contributions; up to 12 months with more than one year of contributions.

**Maternity grant:** A lump sum of one month of the insured's average covered earnings in the last six months before maternity leave is paid for a normal or premature childbirth.

## Workers' Medical Benefits

Public and private clinics and hospitals under contract with and paid directly by the Bureau of National Health Insurance provide medical benefits, including preventive and prenatal care, inpatient and outpatient hospital treatment, surgery, and medicine.

There is no limit to duration.

The government provides free maternity medical care.

Cost sharing: For ambulatory and emergency care at clinics or hospitals, flat-rate fees are assessed; for inpatient care for short-term illnesses, from 10% (for the first 30 days) to 30% (from the 61st day and thereafter); for inpatient care for chronic long-term illnesses, from 5% (for the first 30 days) to 30% (from the 181st day and thereafter).

Exemptions from cost sharing: Preventive health care, certain catastrophic illnesses, ambulatory services in mountainous areas and remote islands, and all care for members of veteran or low-income households.

## Dependents' Medical Benefits

**Medical benefits for dependents:** Medical benefits for dependents are the same as those for the insured.

Eligible dependents include a nonemployed spouse, nonemployed parents or grandparents, and nonemployed children and grandchildren younger than age 20 (no limit if disabled). For low-income households, all relatives living with the insured.

## Administrative Organization

**Cash sickness and maternity benefits:** Labor Insurance Department of the Council of Labor Affairs (<http://www.cla.gov.tw>) provides general supervision.

Bureau of Labor Insurance (<http://www.bli.gov.tw>), under the tripartite Labor Insurance Commission and its director general, collects contributions and pays benefits.

**Medical benefits:** Bureau of National Health Insurance (<http://www.nhi.gov.tw>), under a Supervisory Board, collects contributions and contracts with private and public clinics and hospitals to provide medical care.

## Work Injury

### Regulatory Framework

**First laws:** 1929 and 1950.

**Current laws:** 1958 (labor insurance), implemented in 1960, and 2001 (work injury), implemented in 2002.

**Type of program:** Social insurance system.

### Coverage

Employees in firms with five or more employees in industry and commerce, mines, and plantations; wage-earning public-sector employees; public-utility employees; fishermen; and certain self-employed persons in service occupations.

Special systems for civil servants, salaried public-sector employees, and private-school employees.

### Source of Funds

**Insured person:** None.

**Self-employed person:** None.

#### Employer

**Cash benefits:** 0.02% to 2.94% of monthly payroll, according to the industry's assessed risk (the average rate is 0.21%) plus 0.05% of monthly payroll for on- and off-duty accidents. The on- and off-duty rate for employers with more than 70 employees is adjusted annually according to the claims rate of the company.

**Medical benefits:** See source of funds under Sickness and Maternity.

#### Government

**Cash benefits:** The cost of administration.

**Medical benefits:** See source of funds under Sickness and Maternity.

### Qualifying Conditions

**Work injury benefits:** Must have been incapable of work for at least four days due to a work-related injury or illness,

receiving medical treatment, and unable to earn a normal salary. The insured must provide medical certification.

### Temporary Disability Benefits

70% of the insured's average covered earnings in the last six months before the disability began is paid for the first 12 months; 50% thereafter. The benefit is paid after a three-day waiting period for up to 24 months.

### Permanent Disability Benefits

**Permanent disability benefit:** If assessed with a permanent disability, a lump sum based on the assessed degree of disability and the insured's average monthly covered earnings in the last six months before the disability began is paid.

If assessed with a permanent disability without any capacity to work, an additional lump sum based on the assessed degree of disability and 20 months of the insured's average monthly covered earnings in the last six months before the disability began is paid.

**Constant-attendance allowance:** NT\$11,700 a month is paid if assessed with a total disability without any capacity to work and in need of constant medical care or attendance of others to perform daily functions.

**Living allowance:** After receiving the lump-sum permanent disability benefit, a monthly allowance of NT\$1,800 to NT\$8,200 is paid to insured persons with a partial or total permanent disability, according to the assessed degree of disability.

### Workers' Medical Benefits

Public and private clinics and hospitals under contract with and paid directly by the Bureau of National Health Insurance provide medical benefits, including inpatient and outpatient hospital treatment, surgery, and medicine. The Bureau of National Health Insurance also pays 50% of the insured's food costs for up to 30 days.

There is no limit to duration.

### Survivor Benefits

**Survivor benefit:** 100% of the deceased's pension plus a lump sum of 10 months of the deceased's average monthly covered earnings in the last six months before the death is paid.

Eligible survivors in order of priority are the spouse, children, parents, grandparents, dependent grandchildren, and dependent brothers and sisters.

**Survivor grant:** A lump sum of 40 months of the deceased's average covered earnings in the last six months before the death is paid.

**Survivor's supplement (income tested):** A lump sum of NT\$100,000 may be paid to the dependent spouse, children, or parents.

**Funeral grant:** A lump sum of five months of the deceased's average covered earnings in the last six months before the death is paid to eligible survivors. If there are no eligible survivors, the grant is paid to the person who pays for the funeral.

### Administrative Organization

Labor Insurance Department of the Council of Labor Affairs (<http://www.cla.gov.tw>) provides general supervision.

Bureau of Labor Insurance (<http://www.bli.gov.tw>), under the tripartite Labor Insurance Commission and its director general, collects contributions and pays cash benefits.

Bureau of National Health Insurance (<http://www.nhi.gov.tw>), under a supervisory board, contracts with private and public clinics and hospitals to provide medical care.

## Unemployment

### Regulatory Framework

**First law:** 1968, implemented in 1999.

**Current law:** 2002 (employment insurance), implemented in 2003.

**Type of program:** Social insurance system.

### Coverage

Citizens of Taiwan employed in the private- and public-sectors; people from Mainland China, Hong Kong, Macau, and foreign countries who marry Taiwanese citizens and have permission to work and remain in Taiwan.

Exclusions: Self-employed persons, civil servants, teachers, military personnel, and people from Mainland China, Hong Kong, Macau, and foreign countries (who are not married to Taiwanese citizens).

### Source of Funds

**Insured person:** 0.2% of gross monthly earnings.

**Self-employed person:** Not applicable.

**Employer:** 0.7% of monthly payroll.

**Government:** 0.1% of employee earnings and the cost of administration.

### Qualifying Conditions

**Unemployment benefit:** The insured must have at least one year of coverage within the three years prior to unemployment, must be involuntarily unemployed, must be currently registered at a public employment office as being

capable and willing to work, must not have declined a suitable job offer, and must not be in vocational training.

The benefit is suspended if a suitable job offer, counseling, or vocational training is refused or the beneficiary fails to report to a public employment office once a month.

**Early reemployment allowance:** Paid if the unemployed person starts work before the maximum unemployment benefit payment period has expired and has more than three months of coverage.

**Vocational training living allowance:** Paid if an insured person is involuntarily unemployed, registered at a public employment service institution for re-employment, and has participated in full-time vocational training organized by the public employment service institution.

**Parental leave allowance:** Must have at least one year of coverage and have applied for parental leave without pay before the child reaches age 3. Each eligible insured parent is entitled to separate benefits but only one allowance may be paid at a time.

**National Health Insurance Premium Support:** Paid to insured persons who receive the unemployment benefit or vocational training living allowance. The premium support is also paid to the insured's eligible dependents.

### Unemployment Benefits

**Unemployment benefit:** 60% of average monthly earnings in the last six months before unemployment began is paid after a 14-day waiting period for up to six months. The benefit may be extended an additional three months if the insured is aged 45 or older or is certified as mentally or physically disabled.

An additional 10% of average monthly earnings in the last six months before unemployment began is paid to each of the insured person's dependents, up to two.

**Early reemployment allowance:** A lump sum of 50% of the total unpaid remaining unemployment benefit is paid.

**Vocational training living allowance:** 60% of average monthly earnings in the last six months before unemployment began is paid for up to six months.

An additional 10% of average monthly earnings in the last six months before unemployment began is paid to each of the insured person's dependents, up to two.

Parental leave: 60% of average monthly earnings in the last six months before parental leave began is paid for up to six months.

**National Health Insurance Premium Support:** The insured's and his or her dependents' portion of the National Health Insurance premium is paid.

### ***Administrative Organization***

Labor Insurance Supervisory Commission of the Council of Labor Affairs (<http://www.cla.gov.tw>) provides general supervision.

Bureau of Labor Insurance (<http://www.bli.gov.tw>), under the tripartite Labor Insurance Supervisory Commission and its director general, collects contributions and pays benefits.

## Tajikistan

Exchange rate: US\$1.00 = 4.76 somoni.

### Old Age, Disability, and Survivors

#### Regulatory Framework

**First and current law:** 1993 (pensions).

**Type of program:** Social insurance and social assistance.

Note: A notional defined contribution system is scheduled to be introduced in 2013.

#### Coverage

**Social insurance:** All employed and self-employed persons.

**Social assistance:** Persons not eligible for benefits under social insurance.

#### Source of Funds

**Insured person:** 1% of earnings.

**Self-employed person:** 20% of declared income; a flat-rate contribution of 15 somoni for certain categories of self-employed.

**Employer:** 25% of payroll.

The employer's contributions also finance sickness and maternity and unemployment benefits.

#### Government

**Social insurance:** None; contributes as an employer.

**Social assistance:** Provides partial subsidies; local authorities may provide supplementary benefits from their own budgets.

#### Qualifying Conditions

**Old-age pension (social insurance):** Age 63 with at least 25 years of covered employment (men) or age 58 with at least 20 years of covered employment (women); the age and number of years of covered employment required for a full pension are reduced for mothers with five or more children or children with disabilities. A minimum pension is paid for insured persons with at least five years of covered employment.

**Old-age social pension (social assistance):** Age 65 (men) or age 60 (women) and not eligible for the old-age pension (social insurance).

**Disability pension (social insurance):** Paid according to three groups of assessed disability: Group I (total disability, incapacity for any work, and requires constant

care); Group II (disability, reduced working capacity, and occasionally requires care); and Group III (disability and reduced working capacity).

Eligible persons include persons disabled while in military service, children younger than age 16 with disabilities, and persons with disabilities since childhood.

Constant-attendance allowance: Paid to persons with Group I and II visual impairments.

Dependent's supplement: Paid to persons with Group I and II disabilities for nonworking dependents.

A territorial or state medical service under the Ministry of Labor and Social Protection assesses the degree of disability.

**Disability social pension (social assistance):** Paid to persons with disabilities who are not eligible for the disability pension (social insurance) if the disability began after childhood or for children younger than age 16 with disabilities.

**Survivor pension (social insurance and social assistance):** Paid to surviving dependent family members regardless of whether the deceased was insured.

#### Old-Age Benefits

**Old-age pension (social insurance):** 55% of the insured's average earnings in the last two years before retirement is paid, plus 1% for each year of covered employment exceeding 25 years (men) or 20 years (women), up to 80%.

The minimum pension is 80 somoni a month.

The maximum pension is 520 somoni a month (August 2012).

Benefit adjustment: Benefits are adjusted annually according to changes in the cost of living.

**Old-age social pension (social assistance):** 50% of the minimum old-age pension is paid a month.

#### Permanent Disability Benefits

**Disability pension (social insurance):** 10 times the minimum old-age pension is paid for a Group I disability; eight times for a Group II disability; and six times for a Group III disability.

Dependent's supplement (Groups I and II): 50% of a basic amount is paid a month for each eligible dependent.

Benefit adjustment: Benefits are adjusted annually according to changes in the cost of living.

**Disability social pension (social assistance):** At least 100% (Group I) and 50% (Group II) of a basic amount is paid a month.

#### Survivor Benefits

**Survivor pension (social insurance and social assistance):** 50% of the of the deceased's earnings but not less

than 50% of minimum old-age pension is paid for each eligible survivor.

The minimum pension is 104 somoni.

The maximum pension is 625% of the legal monthly minimum wage.

The legal monthly minimum wage is 200 somoni (September 2012).

Benefit adjustment: Benefits are adjusted annually according to changes in the cost of living.

### Administrative Organization

Ministry of Labor and Social Protection of the Population (<http://www.labour.tj>) provides general coordination and supervision.

State Social Insurance and Pension Agency and its regional bodies administer the program with local authorities.

### Sickness and Maternity

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#### Regulatory Framework

**First law:** 1997

**Current law:** 1997 (social insurance).

**Type of program:** Social insurance (cash benefits) and universal (medical benefits) system.

#### Coverage

**Cash sickness benefits:** Employed citizens of Tajikistan.

**Cash maternity benefits and medical benefits:** Citizens of Tajikistan.

#### Source of Funds

##### Insured person

*Cash benefits:* None.

*Medical benefits:* None.

##### Self-employed person

*Cash benefits:* 20% of declared income; a flat-rate contribution of 15 somoni a month for some categories of self-employed.

*Medical benefits:* None.

##### Employer

*Cash benefits:* See source of funds under Old Age, Disability, and Survivors.

*Medical benefits:* None.

##### Government

*Cash benefits:* None.

*Medical benefits:* The total cost.

### Qualifying Conditions

**Cash and medical benefits:** There is no minimum qualifying period.

### Sickness and Maternity Benefits

**Sickness benefit:** 60% of earnings is paid with less than five years of work; 80% with five to eight years; 100% with more than eight years (or with three or more children younger than age 16; age 18 if a student).

Insured persons may receive three days of paid leave to care for a sick family member; seven days in certain cases; or 14 days if caring for a child younger than age 14.

Fourteen days of unpaid leave is provided to women caring for children younger than age 3, a woman or a single parent raising two or more children younger than age 14, or a man whose wife is on maternity leave. Workers with disabilities are entitled to 30 days of unpaid leave.

**Maternity benefit:** 100% of earnings is paid for 70 days before and 70 days after the expected date of childbirth (86 days for a difficult childbirth; 110 days for multiple births).

**Birth grant:** A lump sum of 120 somoni is paid for the first child, 80 somoni for the second child, and 40 somoni for each subsequent child, regardless of whether parents are in covered work.

**Child care allowance:** 40 somoni a month is paid until the child reaches age 18 months. One parent must be in covered work.

Benefit adjustment: Benefits are adjusted periodically.

### Workers' Medical Benefits

**Medical benefits:** Public health suppliers provide medical services directly to patients. Benefits include general and specialized care, hospitalization, laboratory services, dental care, maternity care, vaccination, and transportation. Cost sharing is required for some services.

### Dependents' Medical Benefits

Medical benefits for dependents are the same as those for the insured.

### Administrative Organization

Ministry of Labor and Social Protection of the Population (<http://www.labour.tj>) provides general coordination and supervision.

State Social Insurance and Pension Agency and its regional bodies administer the program with local authorities.

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## Unemployment

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### Regulatory Framework

**First and current law:** 2003 (employment).

**Type of program:** Social insurance system.

### Coverage

All employed and self-employed persons.

### Source of Funds

**Insured person:** None.

**Self-employed person:** None.

**Employer:** See source of funds under Old Age, Disability, and Survivors.

**Government:** None.

### Qualifying Conditions

**Unemployment benefits:** Must be registered at an employment office, able and willing to work, and receiving no income from employment. The benefit may be reduced, suspended, or terminated if the insured is discharged for violating work discipline, leaving employment without good cause, violating the conditions for job placement or vocational training, or filing fraudulent claims.

### Unemployment Benefits

50% of the insured's gross average earnings is paid for six months.

### Administrative Organization

Ministry of Labor and Social Protection of the Population (<http://www.labour.tj>) provides general coordination and supervision.

State Social Insurance and Pension Agency and its regional bodies administer the program with local authorities.

## Thailand

Exchange rate: US\$1.00 = 30.84 baht.

### Old Age, Disability, and Survivors

#### Regulatory Framework

**First and current law:** 1990 (social security), implemented in 1991, 1998, and 2011.

**Type of program:** Social insurance system.

Note: A new voluntary social security system for informal sector workers was initiated in 2011. The scheme is based on contributions from workers and government to finance old-age, disability, survivors, sickness, and maternity benefits.

#### Coverage

**Formal-sector system:** Employed persons.

Voluntary coverage for self-employed persons and for persons with at least 12 months of compulsory coverage who cease to be covered.

Exclusions: Employees of foreign governments or international organizations; agricultural, forestry, and fishery employees; temporary and seasonal workers; and Thai citizens working abroad.

**Informal-sector system:** Voluntary coverage for informal-sector workers.

Special systems for judges, civil servants, employees of state enterprises, and private-school employees.

#### Source of Funds

##### Insured person

**Formal-sector system:** 3% of gross monthly earnings (old-age benefits). Voluntarily insured persons pay an annual flat-rate contribution of 5,184 baht (disability and survivors benefits).

The insured person's contributions also finance family benefits. See Sickness and Maternity for disability and survivors benefits.

Voluntary contributions also finance maternity benefits.

The minimum monthly earnings used to calculate contributions are 1,650 baht.

The maximum monthly earnings used to calculate contributions are 15,000 baht.

**Informal-sector system:** 70 baht a month (disability and survivors benefits) or 100 baht a month (old-age, disability, and survivors benefits). Additional contributions are possible for the old-age benefit.

The insured's contributions also finance sickness benefits.

##### Self-employed person

**Formal-sector system:** An annual flat-rate contribution of 5,184 baht (disability and survivors benefits).

The self-employed person's contributions also finance maternity benefits.

**Informal-sector system:** 70 baht a month (disability and survivors benefits) or 100 baht a month (old-age, disability, and survivors benefits). Additional contributions are possible for the old-age benefit.

The self-employed person's contributions also finance sickness benefits.

##### Employer

**Formal-sector system:** 3% of monthly payroll (old-age benefits).

The employer's contributions also finance family benefits. Disability and survivor benefits are financed under Sickness and Maternity.

The minimum monthly earnings used to calculate contributions are 1,650 baht.

The maximum monthly earnings used to calculate contributions are 15,000 baht.

**Informal-sector system:** None.

##### Government

**Formal-sector system:** 1% of gross monthly earnings (old-age benefits).

The government's contributions also finance family benefits. Disability and survivor benefits are financed under Sickness and Maternity.

The minimum monthly earnings used to calculate contributions are 1,650 baht.

The maximum monthly earnings used to calculate contributions are 15,000 baht.

**Informal-sector system:** 30 baht a month (sickness, disability, and survivor benefits) or 50 baht a month (old-age, sickness, disability, and survivor benefits).

#### Qualifying Conditions

##### Old-age pension

**Old-age pension (formal-sector system):** Age 55 with at least 180 months of contributions. Employment must cease. If a pensioner starts a new job, the pension is suspended until employment ends.

Old-age pension increment: Paid if the insured had more than 180 months of contributions at the pensionable age.

Deferred pension: The pension may be deferred.

*Old-age settlement (formal-sector system):* Age 55 with at least one month, but less than 180 months of contributions. Employment must cease.

*Old-age lump sum (informal-sector system):* Age 60 and not insured under the formal-sector system.

### Disability pension

*Disability pension (formal-sector system):* Must be incapable of work and have at least three months of contributions in the 15 months before the total physical or mental disability began. The benefit is paid after entitlement to the cash sickness benefit ceases.

Medical officers assigned by the Social Security Office assess the degree of disability annually. The medical committee of the Social Security Office may suspend the benefit if it determines that the disability pensioner is rehabilitated.

*Disability pension (informal-sector system):* Assessed with a disability and not insured under the formal-sector system. Must have at least six months of contributions in the 10 months before the disability began.

### Survivor benefit

*Survivor benefit (formal-sector system):* Paid if a pensioner dies within 60 months after becoming entitled to the old-age pension.

Eligible survivors include a widow(er), legitimate children, and a surviving parent.

*Death benefit (formal-sector system):* Paid if the deceased was a disability pensioner or had at least one month of contributions in the six months before death. The death must be the result of a nonwork-related injury or illness.

The eligible survivor is the deceased's named beneficiary; if there are no named beneficiaries, the widow(er), children, and parents are eligible.

*Funeral grant (formal-sector system):* Paid if the deceased was a disability pensioner or had at least one month of contributions in the six months before death. The death must be the result of a nonwork-related injury or illness.

*Survivor benefit (informal-sector system):* Paid when the insured dies.

*Funeral grant (informal-sector system):* Paid if the deceased had at least six months of contributions in the 12 months before death.

## Old-Age Benefits

### Old-age pension

*Old-age pension (formal-sector system):* 20% of the insured's average monthly wage in the last 60 months before retirement is paid.

The minimum monthly earnings used to calculate benefits are 1,650 baht.

The maximum monthly earnings used to calculate benefits are 15,000 baht.

*Old-age pension increment:* The old-age pension is increased by 1.5% of the insured's average monthly wage in the last 60 months for each 12-month period of contributions exceeding 180 months.

There is no minimum pension.

*Deferred pension:* The old-age pension is increased by 1.5% of the insured's average monthly wage in the last 60 months for each 12-month period of contributions exceeding 180 months.

*Old-age settlement (formal-sector system):* A benefit is paid.

*Old-age lump sum (informal-sector system):* A lump sum plus the balance of any additional contributions is paid.

## Permanent Disability Benefits

### Disability pension

*Disability pension (formal-sector system):* 50% of the insured's average daily wage in the highest paid three months of the nine months before the disability began is paid until death.

The minimum monthly earnings used to calculate benefits are 1,650 baht.

The maximum monthly earnings used to calculate are 15,000 baht.

There is no minimum pension.

*Benefit adjustment:* Benefits are adjusted on an ad hoc basis according to changes in the cost of living.

*Disability pension (informal-sector system):* 500 baht to 1000 baht a month is paid, depending on the number of contributions. The pension is paid for up to 15 years.

## Survivor Benefits

### Survivor benefit

*Survivor benefit (formal-sector system):* A lump sum of 10 times the deceased's monthly old-age pension is paid.

The amount is split among eligible survivors, according to the number and category of survivors.

*Death benefit (formal-sector system):* With 36 months to 10 years of contributions, a lump sum of five times 50% of the deceased's average monthly wage in the highest paid three months of the nine months before the death is paid. With at least 10 years of contributions, a lump sum of 10 times 50% of the deceased's average monthly wage in the highest paid three months of the nine months before the death is paid.

If there is no named beneficiary, the amount is split equally among the eligible survivors.

*Funeral grant (formal-sector system):* 40,000 baht is paid to the person who paid for the funeral.

*Survivor benefit (informal-sector system):* A lump sum of the old-age benefit plus the balance of the insured's additional contributions is paid to eligible survivors.

*Funeral grant (informal-sector system):* 20,000 baht is paid to the person who paid for the funeral.

### Administrative Organization

Ministry of Labor (<http://www.mol.go.th>) provides general supervision.

Social Security Office (<http://www.sso.go.th>) collects contributions and pays benefits.

### Sickness and Maternity

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#### Regulatory Framework

**First and current laws:** 1990 (social security), implemented in 1991, 1998, and 2011; and 1990 (sickness and medical benefits).

**Type of program:** Social insurance system.

Note: A new voluntary social security system for informal sector workers was initiated in 2011. The scheme is based on contributions from workers and government to finance old-age, disability, survivors, sickness, and maternity benefits.

#### Coverage

**Formal-sector system:** Employed persons.

Voluntary coverage for self-employed persons and for persons with at least 12 months of compulsory coverage who cease to be covered.

Exclusions: Employees of foreign governments or international organizations; agricultural, forestry, and fishery employees; temporary and seasonal workers; and Thai citizens working abroad.

**Informal-sector system:** Voluntary coverage for informal-sector workers.

Special systems for judges, civil servants, employees of state enterprises, and private-school employees.

#### Source of Funds

##### Insured person

**Formal-sector system:** 1.06% of gross monthly earnings (sickness and maternity benefits); 0.44% (disability and survivor benefits). For the voluntarily insured, see source of funds under Old Age, Disability, and Survivors.

The minimum monthly earnings used to calculate contributions are 1,650 baht.

The maximum monthly earnings used to calculate contributions are 15,000 baht.

**Informal-sector system:** See source of funds under Old Age, Disability, and Survivors.

##### Self-employed person

**Formal-sector system:** See source of funds under Old Age, Disability, and Survivors.

**Informal-sector system:** See source of funds under Old Age, Disability, and Survivors.

##### Employer

**Formal-sector system:** 1.06% of monthly payroll (sickness and maternity benefits); 0.44% (disability and survivor benefits).

The minimum monthly earnings used to calculate contributions are 1,650 baht.

The maximum monthly earnings used to calculate contributions are 15,000 baht.

**Informal-sector system:** See source of funds under Old Age, Disability, and Survivors.

##### Government

**Formal-sector system:** 1.06% of gross monthly earnings (sickness and maternity benefits); 0.44% (disability and survivor benefits).

The minimum monthly earnings used to calculate contributions are 1,650 baht.

The maximum monthly used to calculate contributions are 15,000 baht.

**Informal-sector system:** See source of funds under Old Age, Disability, and Survivors.

#### Qualifying Conditions

**Cash sickness and medical benefits (formal-sector system):** Must have at least three months of contributions in the 15 months before the incapacity or treatment began.

The insured must provide medical certification of the incapacity.

**Cash sickness benefits (informal-sector system):** Must have at least three months of contributions in the four months before the illness or injury began. The insured must be hospitalized for at least two days.

**Cash maternity, childbirth grant, and medical benefits (formal-sector system):** Must have at least seven months of contributions in the 15 months before the expected date of childbirth.

The childbirth grant is paid to an insured woman, or to the wife of, or a woman who cohabits with, an insured man. Maternity benefits are paid for two childbirths only.

#### Sickness and Maternity Benefits

**Sickness benefit (formal-sector system):** 50% of the insured's average daily wage in the highest paid three

months of the nine months before the incapacity began is paid. The benefit is paid from the first day of certified absence from work (after the end of entitlement to statutory sick pay, usually 30 days, under the labor law) for up to 90 days for each illness and up to 180 days in any calendar year; may be extended up to 365 days for a chronic condition.

The minimum monthly earnings used to calculate benefits are 1,650 baht.

The maximum monthly earnings used to calculate benefits are 15,000 baht.

There is no minimum benefit.

**Sickness benefit (informal-sector system):** 200 baht a day is paid for up to 20 days a year.

**Maternity benefit (formal-sector system):** 50% of the insured's average daily wage in the highest paid three months of the nine months before maternity leave is paid for up to 90 days for each childbirth.

The minimum monthly earnings used to calculate benefits are 1,650 baht.

The maximum monthly earnings used to calculate benefits are 15,000 baht.

There is no minimum benefit.

**Childbirth grant (formal-sector system):** A lump sum of 13,000 baht is paid.

### **Workers' Medical Benefits**

Benefits include medical examination and treatment, hospitalization, medicine, ambulance fees, rehabilitation, and other necessary expenses.

The insured must register with a hospital under contract with the healthcare system to receive benefits from the hospital. Costs for care provided in another hospital are reimbursed according to fixed rates for emergencies and accidents only.

There are no provisions for cost sharing.

Disability pensioners are entitled to receive subsidized medical care and rehabilitation.

### **Dependents' Medical Benefits**

Necessary medical care related to childbirth for the wife of, or a woman who cohabits with, an insured man.

### **Administrative Organization**

Ministry of Labor (<http://www.mol.go.th>) provides general supervision.

Social Security Office (<http://www.sso.go.th>) collects contributions and pays cash benefits.

Hospitals under contract to the Social Security Office provide medical benefits.

## **Work Injury**

### **Regulatory Framework**

**First law:** 1972 (announcement of the revolutionary party), implemented in 1974.

**Current law:** 1994 (workmen's compensation).

**Type of program:** Employer-liability system, involving compulsory insurance with a public carrier.

### **Coverage**

Employees of industrial and commercial firms.

Exclusions: Agricultural, forestry, fishery employees; and self-employed persons.

Special systems for government employees, employees of state enterprises, and private-school employees.

### **Source of Funds**

**Insured person:** None.

**Self-employed person:** Not applicable.

**Employer:** 0.2% to 1% of annual payroll, according to the degree of risk.

The contribution is made annually. Beginning with the fifth year of contributions, the company's accident rate is taken into account when assessing the degree of risk.

There are no minimum earnings used to calculate contributions.

The maximum annual earnings used to calculate contributions are 240,000 baht.

**Government:** None.

### **Qualifying Conditions**

**Work injury benefits:** There is no minimum qualifying period.

### **Temporary Disability Benefits**

60% of the insured's monthly wage before the disability began is paid, according to a schedule in law. The benefit is paid after a three-day waiting period for up to one year; the benefit is paid retroactively if the incapacity lasts more than three days. The insured must be unable to work.

There are no minimum earnings used to calculate benefits.

The maximum annual earnings used to calculate benefits are 240,000 baht.

The minimum monthly benefit is 60% of the minimum daily wage multiplied by 26 and must not exceed 60% of the monthly average wage.

The minimum daily wage varies by province.

The maximum monthly benefit is 12,000 baht.

### **Permanent Disability Benefits**

**Permanent disability benefit:** For a total (100%) disability, 60% of the insured's average monthly wage before the disability began is paid for up to 15 years, according to a schedule in law.

The minimum monthly benefit is 60% of the minimum daily wage multiplied by 26 and must not exceed 60% of the average monthly wage.

The minimum daily wage varies by province.

The maximum monthly benefit is 12,000 baht.

Permanent partial disability benefit: 60% of the insured's average monthly wage before the disability began is paid from two months to 10 years, according to a schedule in law. In certain cases, the benefit may be paid as a lump sum.

Medical officers assigned by the Social Security Office assess the degree of disability annually.

Benefit adjustment: Benefits are adjusted on an ad hoc basis.

### **Workers' Medical Benefits**

Benefits include all necessary medical, surgical, and hospital services.

Up to 45,000 baht is paid for each incident of work injury or occupational disease; up to 300,000 baht in certain cases, determined by the medical committee of the Office of Workmen's Compensation Fund.

Up to 20,000 baht is paid for rehabilitation services.

### **Survivor Benefits**

**Survivor benefit:** 60% of the deceased's last monthly wage is paid for up to eight years. (A reduced benefit may be paid as a lump sum.)

Eligible survivors include a widow(er), children younger than age 18 (no limit if a student or disabled), and parents. The pension is split equally among all eligible survivors. If there are no eligible survivors, any other dependent persons may qualify.

The minimum monthly benefit is 60% of the minimum daily wage multiplied by 26 and must not exceed 60% of the average monthly wage.

The minimum daily wage varies by province.

The maximum monthly benefit is 12,000 baht.

Benefit adjustment: Benefits are adjusted on an ad hoc basis.

**Funeral grant:** A lump sum of 100 times the minimum daily wage is paid to the person who paid for the funeral.

The minimum daily wage varies by province.

### **Administrative Organization**

Ministry of Labor (<http://www.mol.go.th>) provides general supervision.

Social Security Office (<http://www.sso.go.th>) administers the program through the Office of Workmen's Compensation Fund, which collects contributions and pays cash benefits.

Hospitals under contract with the Social Security Office which meet the standards of the Office of Workmen's Compensation Fund provide medical benefits.

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### **Unemployment**

#### **Regulatory Framework**

**First and current law:** 1990 (social security), implemented in 2004.

**Type of program:** Social insurance system.

#### **Coverage**

Employed persons.

Voluntary coverage is not possible.

Exclusions: Judges; employees of foreign governments or international organizations; employees of state enterprises; agricultural, forestry, and fishery employees; temporary and seasonal workers; Thai citizens working abroad; and self-employed persons.

#### **Source of Funds**

**Insured person:** 0.5% of gross monthly earnings.

The minimum monthly earnings used to calculate contributions are 1,650 baht.

The maximum monthly earnings used to calculate contributions are 15,000 baht.

**Self-employed person:** Not applicable.

**Employer:** 0.5% of monthly payroll.

The minimum monthly earnings used to calculate contributions are 1,650 baht.

The maximum monthly earnings used to calculate contributions are 15,000 baht.

**Government:** 0.25% of gross monthly earnings.

The minimum monthly earnings used to calculate contributions are 1,650 baht.

The maximum monthly earnings used to calculate contributions are 15,000 baht.

#### **Qualifying Conditions**

**Unemployment benefit:** Must have at least six months of contributions in the 15 months before unemployment, be registered with the Government Employment Service

Office, and be ready and able to accept any suitable job offer. The insured must report at least once a month to the Government Employment Service.

Unemployment must not be due to performing duties dishonestly; intentionally committing a criminal offense against the employer; seriously violating work regulations, rules, or lawful order of the employer; neglecting duty for seven consecutive days without reasonable cause; or causing serious damage to the workplace as a result of personal negligence.

The Social Security Office may suspend benefit payments if the insured no longer meets the qualifying conditions.

### Unemployment Benefits

If involuntarily unemployed, 50% of the insured's average daily wage in the highest paid three months in the nine months before unemployment is paid for up to 180 days in any calendar year; if voluntarily unemployed, 30% of the insured's average daily wage is paid for up to 90 days in any calendar year.

The benefit is paid from the eighth day of unemployment. The maximum daily benefit is 250 baht.

### Administrative Organization

Ministry of Labor (<http://www.mol.go.th>) provides general supervision.

Social Security Office (<http://www.sso.go.th>) collects contributions and pays benefits.

Department of Employment (<http://www.doe.go.th>), under the Ministry of Labor (<http://www.mol.go.th>), registers the unemployed insured persons for job placement and training through the Government Employment Service Office.

Department of Skill Development (<http://www.dsd.go.th>), under the Ministry of Labor, trains unemployed insured persons for new jobs.

### Family Allowances

#### Regulatory Framework

**First and current law:** 1990 (social security), implemented in 1998.

**Type of program:** Social insurance system.

### Coverage

Employed persons.

Voluntary coverage for self-employed persons and for persons with 12 months of compulsory coverage who cease to be covered.

Exclusions: Employees of foreign governments or international organizations; agricultural, forestry, and fishery employees; temporary and seasonal workers; Thai citizens working abroad; and self-employed persons.

Special systems for judges, civil servants, employees of state enterprises, and private-school employees.

### Source of Funds

**Insured person:** See source of funds under Old Age, Disability, and Survivors.

**Self-employed person:** Not applicable.

**Employer:** See source of funds under Old Age, Disability, and Survivors.

**Government:** See source of funds under Old Age, Disability, and Survivors.

### Qualifying Conditions

**Child allowance:** The insured must have at least 12 months of contributions in the 36 months before the month of entitlement.

The benefit is paid for legitimate children younger than age 6, but for no more than two children at a time. If the insured becomes disabled or dies while the child is younger than age 6, the allowance is paid until the child is age 6.

### Family Allowance Benefits

**Child allowance:** A monthly allowance of 400 baht is paid for each child.

### Administrative Organization

Ministry of Labor (<http://www.mol.go.th>) provides general supervision.

Social Security Office (<http://www.sso.go.th>) collects contributions and pays benefits.

## Turkmenistan

Exchange rate: US\$1.00 = 2.84 new manat.

### Old Age, Disability, and Survivors

#### Regulatory Framework

**First law:** 1956.

**Current law:** 2007 (social security).

**Type of program:** Social insurance and social assistance system.

Note: A mandatory notional defined contribution scheme is scheduled to be introduced in 2013.

#### Coverage

**Social insurance:** All employed and self-employed persons.

**Social assistance:** Persons not eligible for benefits under social insurance.

#### Source of Funds

**Insured person:** None.

**Self-employed person:** None.

**Employer:** 20% of payroll. For certain employers, the contribution varies according to sector.

The employer's contributions also finance sickness, maternity, and work injury benefits.

**Government:** Subsidies as needed; the total cost of social allowances.

The government also subsidizes cash benefits for sickness, maternity, and work injury.

#### Qualifying Conditions

**Old-age pension (social insurance):** Age 62 with 25 years of contributions (men) or age 57 with 20 years of contributions (women); the age and number of years of contributions required for a full pension are reduced for mothers with three or more children and for persons with disabilities since childhood. A minimum pension is paid at the normal retirement age with at least five years of contributions.

Age 52 (men) or age 48 (women) for military personnel; age 50 (men) or age 48 (women) for pilots and flight crew.

**Old-age pension (social assistance):** Age 62 (men) or age 57 (women) and not eligible for the old-age pension (social insurance).

**Disability pension (social insurance):** Must be assessed with a Group I (total disability, incapacity for any work, and requires constant care), Group II (disability, reduced working capacity, and occasionally requires care), or Group III (disability and reduced working capacity) disability.

Eligible persons include persons disabled while in military service, children younger than age 16 with disabilities, and persons with disabilities since childhood.

Constant-attendance allowance: Paid to persons with Group I and II visual impairities.

Dependent's supplement: Paid to persons with Group I and II disabilities for nonworking dependents.

A territorial or state medical commission under the Ministry of Health and Medical Industry assesses the degree of disability.

**Disability pension (social assistance):** Must be younger than age 16 with a Group I or II disability.

**Survivor pension (social insurance and social assistance):** Paid to surviving dependent family members regardless of whether the deceased was insured.

#### Old-Age Benefits

**Old-age pension (social insurance):** The monthly pension is calculated based on gross monthly national average earnings in the last quarter before retirement, the number of years of paid contributions, a personal pension coefficient, and the number of years of total employment.

The personal pension coefficient is the ratio of the insured's gross average earnings during the best five consecutive years to gross national average earnings over the same period.

Gross monthly national average earnings are 645 manat (January 2012).

The minimum pension is 150 manat a month (January 2012) with 25 years (men) or 20 years (women) of contributions; 70% of this amount with at least five years but less than 25 years (men) or 20 years (women) of contributions.

The maximum pension is 70.1% of gross monthly national average earnings.

Gross monthly national average earnings are 645 manat (January 2012).

Benefit adjustment: Benefits are adjusted periodically according to changes in the national average wage.

**Old-age pension (social assistance):** A monthly pension of 70% of a basic amount established by law is paid.

The basic amount is 150 manat (January 2012).

#### Permanent Disability Benefits

**Disability pension (social insurance):** 180% of the personal coefficient multiplied by gross monthly national

average earnings is paid for a Group I disability; 160% for a Group II disability; 110% for a Group III disability.

The personal pension coefficient is the ratio of the insured's gross average earnings during the best five consecutive years to gross national average earnings over the same period.

Gross monthly national average earnings are 645 manat (January 2012).

The minimum pensions are 160% (Group I), 140% (Group II), or 120% (Group III) of a basic amount established by law.

The maximum pensions are 330% (Groups I and II) or 160% (Group and III) of a basic amount established by law.

The basic amount is 150 manat (January 2012).

Persons eligible for more than one benefit (sickness, maternity, child care allowance, survivor, or social pension) must choose only one benefit.

Constant-attendance allowance (Groups I and II): 20% of a basic amount is paid a month.

Dependent's supplement (Groups I and II): 20% of a basic amount is paid a month for each eligible dependent.

Benefit adjustment: Benefits are adjusted periodically according to changes in the national average wage.

**Disability pension (social assistance):** At least 160% of a basic amount is paid a month to disabled children (Groups I and II) younger than age 16.

The basic amount is 150 manat (January 2012).

### Survivor Benefits

**Survivor pension (social insurance and social assistance):** 70% of the minimum old-age pension is paid for one eligible survivor; 130% for two eligible survivors; 150% for three; and 180% for four or more.

Orphan's pension: 150% of the minimum old-age pension is paid for one full orphan; 240% for two; and 300% for three or more.

Benefit adjustment: Benefits are adjusted periodically according to changes in the national average wage.

### Administrative Organization

Ministry of Labor and Social Protection of the Population of Turkmenistan provides general coordination and supervision.

Pension Fund of Turkmenistan and its regional and local divisions administer the program.

### Sickness and Maternity

#### Regulatory Framework

**First and current laws:** 1994 and 2007 (social security).

**Type of program:** Social insurance (cash benefits) and universal (medical care) system.

### Coverage

**Cash benefits:** Employed citizens.

**Medical benefits:** All persons residing in Turkmenistan.

### Source of Funds

#### Insured person

**Cash benefits:** See source of funds under Old Age, Disability, and Survivors.

**Medical benefits:** Voluntary supplementary contributions for medical benefits.

#### Self-employed person

**Cash benefits:** See source of funds under Old Age, Disability, and Survivors.

**Medical benefits:** Voluntary supplementary contributions for medical benefits.

#### Employer

**Cash benefits:** See source of funds under Old Age, Disability, and Survivors.

**Medical benefits:** None.

#### Government

**Cash benefits:** The total cost for nonworking citizens.

**Medical benefits:** The total cost.

### Qualifying Conditions

**Cash and medical benefits:** There is no minimum qualifying period.

### Sickness and Maternity Benefits

**Sickness benefit:** 60% of earnings is paid with less than five years of uninterrupted work; 80% with five to eight years; 100% with more than eight years (or with three or more children younger than age 16; age 18 if a student).

Insured persons may receive five days of paid leave to care for a sick family member; seven days in certain cases or 14 days if caring for a child younger than age 14 (or for the duration of the illness if the child is hospitalized).

Fourteen days of unpaid leave is provided to women caring for children younger than age 3, a woman or a single parent raising two or more children younger than age 14, or a man whose wife is on maternity leave. Workers with disabilities are entitled to 30 days of unpaid leave.

**Maternity benefit:** 100% of earnings is paid for 56 days before and 56 days after the expected date of childbirth (72 days after for a difficult childbirth; 96 days after for multiple births).

**Birth grant:** A lump sum of 130% of a basic amount established by law is paid for the first two children; 250% for the third child; and 500% for the fourth and subsequent children.

The basic amount is 150 manat (January 2012).

**Child care allowance:** 65% of a basic amount established by law is paid a month for children up to age 3.

The basic amount is 150 manat (January 2012).

**Benefit adjustment:** Benefits are adjusted periodically according to changes in legislation.

### **Workers' Medical Benefits**

**Medical benefits:** Public health suppliers provide medical services directly to patients. Benefits include general and specialized care, hospitalization, laboratory services, dental care, maternity care, vaccination, and transportation. Medicine is free if hospitalized.

### **Dependents' Medical Benefits**

Medical benefits for dependents are the same as those for the insured.

### **Administrative Organization**

**Cash benefits:** Ministry of Labor and Social Protection of the Population of Turkmenistan and regional and local divisions of the Pension Fund administer the program.

**Medical benefits:** Ministry of Health and Medical Industry and regional health departments are responsible for implementing state health care policy, developing health care programs, and providing medical services through clinics, hospitals, maternity homes, and other medical facilities, including private health suppliers.

### **Work Injury**

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#### **Regulatory Framework**

**First law:** 1995.

**Current laws:** 2007 (social security) and 2009 (labor code).

**Type of program:** Social insurance (cash benefits) and universal (medical benefits) system.

Local governments and employers can provide supplementary pension benefits out of their own budgets.

#### **Coverage**

All employed persons.

Exclusions: Self-employed persons (for cash benefits).

### **Source of Funds**

#### **Insured person**

**Cash benefits:** See source of funds under Old Age, Disability, and Survivors.

**Medical benefits:** None.

#### **Self-employed person**

**Cash benefits:** Not applicable.

**Medical benefits:** None.

#### **Employer**

**Cash benefits:** See source of funds under Old Age, Disability, and Survivors.

**Medical benefits:** None.

#### **Government**

**Cash benefits:** See source of funds under Old Age, Disability, and Survivors.

**Medical benefits:** The total cost.

### **Qualifying Conditions**

**Work injury benefits:** There is no minimum qualifying period.

### **Temporary Disability Benefits**

100% of earnings is paid from the first day of disability until recovery or the award of a permanent disability pension.

Work injuries must be assessed by the relevant authority.

### **Permanent Disability Benefits**

**Permanent disability pension:** 180% of the personal coefficient multiplied by gross monthly national average earnings is paid for a Group I disability; 160% for a Group II disability; 110% for a Group III disability.

The personal pension coefficient is the ratio of the insured's gross average earnings during the best five consecutive years to gross national average earnings over the same period.

Gross monthly national average earnings are 645 manat (January 2012).

The minimum pensions are 160% (Group I), 140% (Group II), or 120% (Group III) of a basic amount established by law.

The maximum pensions are 330% (Groups I and II) or 160% (Group and III) of a basic amount established by law.

The basic amount is 150 manat (January 2012).

Persons eligible for more than one benefit (sickness, maternity, child care allowance, survivor, or social pension) must choose only one benefit.

Constant-attendance allowance (Groups I and II): 20% of a basic amount is paid a month.

Dependent's supplement (Groups I and II): 20% of a basic amount is paid a month for each eligible dependent.

Benefit adjustment: Benefits are adjusted periodically according to changes in the national average wage.

### **Workers' Medical Benefits**

Public health suppliers provide medical services directly to patients. Benefits include general and specialized care, hospitalization, laboratory services, transportation, and appliances and medicine.

### **Survivor Benefits**

**Survivor pension:** 70% of the minimum pension is paid for one eligible survivor; 130% for two eligible survivors; 150% for three; and 180% for four or more.

Orphan's pension: 150% of the minimum pension is paid for one full orphan; 240% for two; and 300% for three or more.

The minimum pension is 150 manat a month (January 2012).

The maximum pension is 70.1% of gross monthly national average earnings.

Gross monthly national average earnings are 645 manat (January 2012).

**Benefit adjustment:** Benefits are adjusted periodically according to changes in the national average wage.

### **Administrative Organization**

**Temporary disability benefits:** The Social Insurance Fund provides funding to enterprises and employers to pay benefits to their own employees.

**Pensions:** Ministry of Labor and Social Protection of the Population of Turkmenistan provides general coordination and supervision.

Regional and local departments of social security administer pensions.

**Medical benefits:** Ministry of Health and Medical Industry and regional health departments are responsible for implementing state health care policy, developing health care programs, and providing medical services through clinics, hospitals, maternity homes, and other medical facilities, including private health suppliers.

## **Unemployment**

### **Regulatory Framework**

**First and current law:** 1991 (employment).

**Type of program:** Social insurance system.

### **Coverage**

All persons residing permanently in Turkmenistan.

### **Source of Funds**

**Insured person:** None.

**Self-employed person:** None.

**Employer:** 2% of payroll.

**Government:** Subsidies as needed from central and local governments.

### **Qualifying Conditions**

**Unemployment benefits:** Registered at an employment office, able and willing to work, and receiving no income from employment. The benefit may be reduced, suspended, or terminated if the insured is discharged for violating work discipline, leaving employment without good cause, violating the conditions for job placement or vocational training, or filing fraudulent claims.

### **Unemployment Benefits**

The benefit is three times the worker's gross average earnings.

Benefit adjustment: Benefits are adjusted periodically according to changes in the national average wage.

### **Administrative Organization**

State Employment Service and local employment offices regulate and administer the program.

Employers pay cash benefits.

## **Family Allowances**

### **Regulatory Framework**

A child care allowance is provided under Sickness and Maternity.

## Uzbekistan

Exchange rate: US\$1.00 = 1,865 soms.

### Old Age, Disability, and Survivors

#### Regulatory Framework

**First law:** 1956.

**Current laws:** 1993 (state pension) and 2005 (mandatory individual account), implemented in 2007.

**Type of program:** Mandatory individual account, social insurance, and social assistance system.

Local authorities and employers may provide supplementary benefits out of their own budgets.

#### Coverage

**Mandatory individual account (old age):** Employed residents of Uzbekistan. Voluntary coverage for self-employed persons and certain other categories of workers.

**Social insurance:** Employed residents of Uzbekistan.

**Social pension (social assistance):** Needy elderly and disabled pensioners and certain other categories of residents, including victims of the Chernobyl disaster.

Special pensions are paid to certain categories of older persons, including war veterans and former military personnel.

#### Source of Funds

##### Insured person

**Mandatory individual account (old age):** 1% of earnings. Additional contributions are possible.

**Social insurance:** 5.5% of wages.

The insured person's social insurance contributions also finance cash sickness and maternity benefits, work injury benefits, and family allowances.

**Social pensions (social assistance):** None.

##### Self-employed person

**Mandatory individual account (old-age):** 1% of declared earnings. Additional contributions are possible.

**Social insurance:** A monthly contribution of at least the value of the monthly minimum wage; at least 50% of this amount if aged 60 or older (men), aged 55 or older (women), or disabled.

The monthly minimum wage is 79,590 soms (December 2012).

The self-employed person's social insurance contributions also finance family allowances.

**Social pensions (social assistance):** None.

##### Employer

**Mandatory individual account (old age):** None.

**Social insurance:** 25% of total payroll.

The employer's social insurance contributions also finance cash sickness and maternity benefits, work injury benefits, and family allowances.

**Social pensions (social assistance):** None.

**Government:** Subsidies as needed and the total cost of social pensions.

#### Qualifying Conditions

**Mandatory individual account (old age):** Age 60 (men) or age 55 (women).

**Old-age pension (social insurance):** Age 60 (men) with 25 years of covered employment or age 55 (women) with 20 years of covered employment. Employment must cease.

The qualifying conditions are reduced for those working in hazardous or arduous employment or in ecologically damaged areas, for unemployed older workers, for teachers with at least 25 years of service, and for certain other categories of workers.

**Deferred pension:** The pension may be deferred.

Pensions are not payable abroad.

**Old-age social pension (social assistance):** Paid to those who do not qualify for the old-age pension (social insurance).

**Disability pension (social insurance):** Must have one to 15 years of covered employment, depending on the age when the disability began, and be assessed with a Group I (total disability, incapacity for any work, and requires constant attendance), Group II (total disability, incapacity for any work, and does not require constant attendance), or Group III (partial disability and incapacity for usual work) disability.

**Partial pension:** The insured has less than the required number of years of covered employment for a full pension.

An expert medical commission assesses the degree of disability.

Pensions are not payable abroad.

**Disability social pension (social assistance):** Paid to needy adults with a Group I disability (total disability, incapacity for any work, and requires constant attendance) that began in childhood and for children younger than age 16 with disabilities.

**Survivor benefit (mandatory individual account):** Paid to eligible survivors when the insured dies.

**Survivor pension (social insurance):** The deceased had one to 15 years of covered employment, depending on the age at the time of death.

Eligible survivors include children regardless of whether they were dependent on the deceased and nonworking dependents (including the spouse; either parent, if disabled and not of pensionable age; and grandparents, if no other support is available).

Pensions are not payable abroad.

**Survivors social pension (social assistance):** Paid to needy orphans younger than age 16 (no limit if disabled since childhood).

**Funeral grant:** Paid to the person who pays for the funeral of an insured person, a pensioner, or a dependent family member of an insured person or pensioner.

### Old-Age Benefits

**Mandatory individual account (old age):** The benefit is based on the insured's contributions plus accrued interest and may be paid monthly or as a lump sum.

The interest rate is determined by the People's Bank in coordination with the Central Bank and the Ministry of Finance and must not exceed the inflation rate.

**Old-age pension (social insurance):** The pension is paid according to income category. 55% of the insured's average earnings over any consecutive five-year period in the last 10 years is paid to high- and middle-income insured persons; low-income insured persons receive the minimum old-age pension.

Deferred pension: 1% of the insured's average earnings over any consecutive five-year period in the last 10 years is paid for each additional year of covered employment above the normal retirement age for high- and middle-income insured persons; 1% of the minimum old-age pension for each additional year for low-income insured persons.

Low-income earners had average monthly earnings under the minimum pension. Middle-income earners had average monthly earnings of the minimum old-age pension up to eight times the monthly minimum wage. High-income earners had average monthly earnings of more than eight times the monthly minimum wage.

The monthly minimum wage is 79,590 soms (December 2012).

The monthly minimum old-age pension (social insurance) is 155,670 soms (December 2012).

The maximum earnings used to calculate benefits is eight times the monthly minimum wage.

A lump sum of six months of benefits is paid to pensioners before they emigrate permanently.

**Old-age social pension (social assistance):** 95,520 soms a month is paid (December 2012).

Benefit adjustment: Benefits are adjusted according to changes in the cost of living.

### Permanent Disability Benefits

**Disability pension (social insurance):** For a Group I disability with less than 25 years (men) or 20 years (women) of covered employment, 55% of the insured's average earnings over any consecutive five-year period in the last 10 years is paid; 100% of the high-income old-age pension with at least 25 years of covered employment (men) or 20 years of covered employment (women), plus a constant-attendance supplement.

For a Group II disability with less than 25 years (men) or 20 years (women) of covered employment, 55% of the insured's average earnings over any consecutive five-year period in the last 10 years is paid; 100% of the high-income old-age pension with at least 25 years of covered employment (men) or 20 years of covered employment (women).

For a Group III disability, 30% of average earnings over any consecutive five-year period in the last 10 years is paid.

The minimum pension for a Group I or II disability is 100% of the minimum old-age pension (social insurance); 50% of the minimum old-age pension (social insurance) for a Group III disability.

The minimum old-age pension (social insurance) is 155,670 soms (December 2012).

Partial pension: A percentage of the full pension is paid according to the number of years of covered employment below 15 years.

A lump sum of six months of benefits is paid to pensioners before they emigrate permanently.

**Disability social pension (social assistance):** 100% of the minimum old-age pension is paid for a Group I disability; 50% for a Group II disability; 30% for a Group III disability.

The minimum old-age pension (social insurance) is 155,670 soms (December 2012).

Benefit adjustment: Benefits are adjusted according to changes in the cost of living.

### Survivor Benefits

**Survivor benefit (mandatory individual account):** A lump sum of the insured's contributions plus accrued interest is paid.

**Survivor pension (social insurance):** The monthly pension for each dependent survivor is 30% of the deceased's average earnings over any consecutive five-year period in the last 10 years.

The minimum survivor pension is 50% of the monthly minimum wage.

When both parents or a single mother dies, the minimum pension is 30% of average earnings but not less than the monthly minimum wage.

The monthly minimum wage is 79,590 (December 2012) soms.

A lump sum of six months of benefits is paid to pensioners before they emigrate permanently.

**Survivors social pension (social assistance):** 50% of the monthly minimum wage is paid for a half orphan whose parent is receiving government support; 100% for orphans without a parent receiving government support.

The monthly minimum wage is 79,590 soms (December 2012).

**Funeral grant:** Two times the monthly pension the pensioner received is paid for a pensioner; three times the monthly minimum wage if the deceased was not a pensioner or was a dependent family member.

The monthly minimum wage is 79,590 soms (December 2012).

Benefit adjustment: Benefits are adjusted according to changes in the cost of living.

### Administrative Organization

Ministry of Finance (<http://www.mf.uz>) provides general supervision and coordination.

Extrabudgetary Pension Fund, under the Ministry of Finance, administers the programs.

### Sickness and Maternity

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#### Regulatory Framework

**First and current laws:** 1955 (temporary disability) and 1996 (universal medical benefits).

**Type of program:** Social insurance (cash sickness and maternity benefits) and universal (medical benefits) system.

#### Coverage

**Cash sickness and maternity benefits:** Persons in covered employment; persons on leave from employment while pursuing secondary, technical, or advanced education; and registered unemployed persons.

Exclusions: Self-employed persons.

**Medical benefits:** Residents of Uzbekistan.

#### Source of Funds

##### Insured person

**Cash benefits:** See source of funds under Old Age, Disability, and Survivors.

**Medical benefits:** None.

##### Self-employed person

**Cash benefits:** Not applicable.

**Medical benefits:** None.

##### Employer

**Cash benefits:** See source of funds under Old Age, Disability, and Survivors.

**Medical benefits:** None.

##### Government

**Cash benefits:** Subsidies for cash sickness and maternity benefits.

**Medical benefits:** The total cost.

#### Qualifying Conditions

**Cash sickness and maternity benefits and medical benefits:** There is no minimum qualifying period.

#### Sickness and Maternity Benefits

**Sickness benefit:** 60% of the last month's wage is paid with less than five years of uninterrupted employment; 80% with five to eight years; 100% with more than eight years (or if the insured has three or more children).

**Maternity benefit:** 100% of the insured's last month's wage is paid for 70 days before and 56 days after childbirth (may be extended to 70 days if there are complications or multiple births). Working mothers may receive monthly paid leave of 20% of the monthly minimum wage if caring for children younger than age 2 or unpaid leave for a child aged 2 to 3.

The monthly minimum wage is 79,590 soms (December 2012).

#### Workers' Medical Benefits

**Medical benefits:** Government health facilities provide medical services, including general and specialist care, hospitalization, prostheses, and medicine.

#### Dependents' Medical Benefits

Medical benefits for dependents are the same as those for the insured.

#### Administrative Organization

**Cash sickness and maternity benefits:** Ministry of Labor and Social Protection (<http://mehnat.uz/en>) provides general supervision and coordination.

Enterprises and local Departments of Social Protection pay cash benefits to directly insured persons.

Extrabudgetary Pension Fund, under the Ministry of Finance (<http://www.mf.uz>), administers maternity benefits.

**Medical benefits:** Ministry of Health (<http://www.gov.uz>) and its regional health departments provide general supervision and coordination. Ministry of Health and its local health departments administer the provision of medical services through clinics, hospitals, and other facilities.

## Work Injury

### Regulatory Framework

**First and current laws:** 1955 (temporary disability) and 1993 (state pension).

**Type of program:** Social insurance (cash benefits) and universal (medical benefits) system.

Local authorities and employers may provide supplementary pension benefits out of their own budgets.

### Coverage

Employed persons.

Exclusions: Self-employed persons.

### Source of Funds

**Insured person:** See source of funds under Old Age, Disability, and Survivors.

**Self-employed person:** Not applicable.

**Employer:** See source of funds under Old Age, Disability, and Survivors.

**Government:** Subsidies for work injury benefits and the total cost of medical benefits.

### Qualifying Conditions

**Work injury benefits:** There is no minimum qualifying period.

### Temporary Disability Benefits

100% of average earnings over any consecutive five-year period in the last 10 years, but not less than the monthly minimum wage, is paid from the first day of incapacity until recovery or award of a permanent disability pension.

The monthly minimum wage is 79,590 soms (December 2012).

An expert medical commission assesses the degree of disability.

### Permanent Disability Benefits

**Permanent disability pension:** The pension is paid according to three categories of disability: Group I (total disability, incapacity for any work, and requires constant attendance), Group II (total disability, incapacity for any work, and does not require constant attendance), and Group III (partial disability and incapacity for usual work).

For a Group I disability with less than 25 years (men) or 20 years (women) of covered employment, 55% of average earnings over any consecutive five-year period in the last 10 years is paid; 100% of the minimum old-age pension with at least 25 years of covered employment (men) or 20 years of covered employment (women), plus a constant-attendance supplement.

For a Group II disability with less than 25 years (men) or 20 years (women) of covered employment, 55% of average earnings over any consecutive five-year period in the last 10 years is paid; 100% of the old-age pension with at least 25 years of covered employment (men) or 20 years of covered employment (women).

For a Group III disability, 30% of average earnings over any consecutive five-year period in the last 10 years is paid.

The minimum pension for a Group I or II disability is 100% of the minimum old-age pension (social insurance); 50% of the minimum old-age pension (social insurance) for a Group III disability.

The minimum old-age pension (social insurance) is 155,670 soms (December 2012).

An expert medical commission assesses the degree of disability.

Pensions are payable abroad for a work injury or an occupational disease.

### Workers' Medical Benefits

Government health facilities provide medical services, including general and specialist care, hospitalization, laboratory services, transportation, and the full cost of appliances and medicine.

### Survivor Benefits

**Survivor pension:** 30% of the deceased's monthly average earnings over any consecutive five-year period in the last 10 years is paid for each dependent survivor.

The minimum pension is 100% of the monthly minimum wage; 200% for a full orphan or the death of a single mother.

The monthly minimum wage is 79,590 soms (December 2012).

### Administrative Organization

**Temporary disability benefits:** Enterprises and employers pay benefits directly to their employees.

**Pensions:** Ministry of Finance (<http://www.mf.uz>) provides general supervision and coordination.

Extrabudgetary Pension Fund, under the Ministry of Finance, administers the program.

**Medical benefits:** Ministry of Health (<http://www.gov.uz>) and its regional health departments provide general supervision and coordination. Ministry of Health and its

local health departments oversee the provision of medical services through clinics, hospitals, and other facilities.

### Unemployment

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#### Regulatory Framework

**First law:** 1992 (employment).

**Current law:** 1998 (employment).

**Type of program:** Social insurance system.

#### Coverage

Kazakh citizens.

Exclusions: Self-employed persons.

#### Source of Funds

**Insured person:** See source of funds under Old Age, Disability, and Survivors.

**Self-employed person:** Not applicable.

**Employer:** See source of funds under Old Age, Disability, and Survivors.

**Government:** Subsidies as needed from central and local governments.

#### Qualifying Conditions

**Unemployment benefit:** Must have worked for at least 12 weeks in the last 12 months or register as a job seeker for the first time.

Long-term unemployed: Reentrants to the workforce who have less than 12 weeks of employment in the last 12 months but have at least one year of total employment.

Must be registered at an employment office, able and willing to work, and receiving no income from employment. The benefit may be reduced, suspended, or terminated if the insured is discharged for violating work discipline, leaving employment without good cause, violating the conditions for a job placement or vocational training, or filing fraudulent claims.

#### Unemployment Benefits

**Unemployment benefit:** 50% of average earnings in the last 26 weeks is paid.

The minimum monthly benefit is 100% of the monthly minimum wage.

The maximum monthly benefit is based on average earnings up to the national average wage.

Long-term unemployed: 100% of the monthly minimum wage is paid to skilled reentrants to the workforce for the first 13 weeks and 75% of the monthly minimum wage for the following 13 weeks; 75% of the monthly minimum

wage (50% if without dependents) is paid to unskilled reentrants for 13 weeks.

First-time job seeker: 75% of the monthly minimum wage (50% if no dependents) is paid for 13 weeks.

Dependent's supplement: 10% of the unemployment benefit is paid for each dependent younger than age 16.

The monthly minimum wage is 79,590 soms (December 2012).

**Early retirement pension:** The old-age pension (social insurance) is paid to unemployed persons who are within two years of reaching pensionable age. (See old-age benefits under Old Age, Disability, and Survivors.)

#### Administrative Organization

Ministry of Labor and Social Protection (<http://mehnat.uz/en>) provides general supervision and coordination.

Employment Service and local counterparts, together with the National Federation of Trade Unions, administer the program.

### Family Allowances

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#### Regulatory Framework

**First law:** 1944.

**Current laws:** 1994 (family assistance), 1999, and 2002 (family allowances).

**Type of program:** Social insurance and social assistance system.

#### Coverage

**Social insurance:** Employed and self-employed insured persons.

**Social assistance:** Residents of Uzbekistan.

#### Source of Funds

##### Insured person

**Social insurance:** See source of funds under Old Age, Disability, and Survivors.

**Social assistance:** None.

##### Self-employed person

**Social insurance:** See source of funds under Old Age, Disability, and Survivors.

**Social assistance:** None.

##### Employer

**Social insurance:** See source of funds under Old Age, Disability, and Survivors

**Social assistance:** None.

## Government

*Social insurance:* Subsidies as needed.

*Social assistance:* The total cost is financed from national, regional, city, and district budgets, and from various supplemental budgetary sources.

## Qualifying Conditions

**Young child allowance (social insurance):** Paid for children younger than age 2. The allowance is income tested, except for single-parent families and families with at least one child with a disability.

**Family assistance (social assistance):** Paid to needy families or single persons on the recommendation of local neighborhood committees.

**Family allowance (social assistance):** Children must be younger than age 16 (age 18 if a student).

## Family Allowance Benefits

**Young child allowance (social insurance):** 200% of the monthly minimum wage is paid, regardless of the number of children.

The monthly minimum wage is 79,590 soms (December 2012).

**Family assistance (social assistance):** 1.5 to three months of the monthly minimum wage is paid for three months; may be extended in certain cases. The benefit is paid according to the number of family members and the assessed need.

The monthly minimum wage is 79,590 soms (December 2012).

**Family allowance (social assistance):** 50% of the monthly minimum wage is paid for families with one child; 100% for two children; 140% for three; 175% for four or more. Family allowances may be paid for up to six months; may be extended if family income has not changed.

The monthly minimum wage is 79,590 soms (December 2012).

## Administrative Organization

**Social insurance:** Ministry of Labor and Social Protection (<http://mehnat.uz/en>) provides general supervision and coordination.

**Social assistance:** Citizens' Commissions, appointed by local neighborhood committees, administer the program locally.

## Vanuatu

Exchange rate: US\$1.00 = 89.51 vatu.

### Old Age, Disability, and Survivors

#### Regulatory Framework

**First and current law:** 1986 (provident fund), implemented in 1987.

**Type of program:** Provident fund system.

#### Coverage

All employees in regular employment, including members of cooperatives.

Noncitizens may apply to the Provident Fund Board for exemption if covered by another country's social security scheme.

Exclusions: Persons covered under employer-provided retirement programs approved by the Provident Fund Board; home-based workers; and certain other categories including prisoners, patients in psychiatric hospitals, and temporary workers in agriculture and forestry with employment contracts of less than two months.

Voluntary coverage for persons without mandatory coverage, including self-employed persons.

#### Source of Funds

**Insured person:** At least 4% of monthly earnings (additional voluntary contributions are possible). Voluntarily insured persons pay 1,000 vatu to 10,000 vatu a month.

The minimum monthly earnings used to calculate contributions are 3,000 vatu.

**Self-employed person:** Voluntary contributions of 1,000 vatu to 10,000 vatu a month.

**Employer:** 4% of monthly payroll.

The minimum monthly earnings used to calculate contributions are 3,000 vatu.

**Government:** None.

#### Qualifying Conditions

**Old-age benefit:** Age 55; at any age if emigrating permanently. If the member has withdrawn any amount and makes additional contributions after age 55, no withdrawal is allowed until two years after the date of the last withdrawal, unless the member retires or dies.

**Disability benefit:** Must have a permanent incapacity for any employment due to a physical or mental disability. Two registered medical practitioners assess the disability.

**Survivor benefit and death benefit:** Paid when the fund member dies before retirement.

If the fund member was married, eligible survivors for the survivor benefit and the death benefit are the spouse, the deceased's dependent parents, children, and the deceased son's widow. If the fund member was not married, any named survivor is eligible.

#### Old-Age Benefits

**Old-age benefit:** A lump sum of total employee and employer contributions plus interest is paid.

Interest rate adjustment: The Provident Fund Board sets the rate annually depending on the financial performance of the fund.

#### Permanent Disability Benefits

**Disability benefit:** A lump sum of total employee and employer contributions plus interest is paid.

Interest rate adjustment: The Provident Fund Board sets the rate annually depending on the financial performance of the fund.

#### Survivor Benefits

**Survivor benefit:** A lump sum of total employee and employer contributions plus interest is paid.

Interest rate adjustment: The Provident Fund Board sets the rate annually depending on the financial performance of the fund.

**Death benefit:** A lump sum of 230,000 vatu is paid.

#### Administrative Organization

Ministry of Finance provides general supervision.

Provident Fund Board (<http://www.vnpf.com.vu>), managed by a six-member tripartite board with a general manager, administers the program.

Provident Fund Board appoints a commercial fund manager and sets the investment criteria.

### Sickness and Maternity

#### Regulatory Framework

No statutory benefits are provided for sickness and maternity.

The 1983 Employment Act requires employers to:

- Provide 100% of wages for sick leave for up to 21 days a year if the employee has been in continuous employment with the employer for at least six months.

- Provide 66% of wages for mandatory maternity leave for six weeks before and six weeks after childbirth if the employee has been in continuous employment with the employer for at least six months. Employers are required to

allow a mother to interrupt work twice a day for an hour to feed a nursing child until the child reaches age 2.

- Provide medical care for workers and their dependents when they are living on the employer's property.

## ***Unemployment***

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### ***Regulatory Framework***

No statutory benefits are provided for unemployment.

The 1983 Employment Act requires employers to provide one month of severance pay for each year of employment. Employees are eligible after 12 months of work.

## Vietnam

Exchange rate: US\$1.00 = 21,000 dong.

### Old Age, Disability, and Survivors

#### Regulatory Framework

**First law:** 1961 (public-sector employees).

**Current law:** 2006 (social insurance), implemented in 2007, and 2008 (voluntary social insurance).

**Type of program:** Social insurance system.

#### Coverage

Private- and public-sector employees with contracts of at least three months, including household workers; employees in agriculture, fishing, and salt production; civil servants; employees of cooperatives and unions; police officers; and military and policy personnel.

Voluntary coverage for self-employed persons and other persons without compulsory coverage.

#### Source of Funds

**Insured person:** 7% of gross monthly earnings (rising to 8% in 2014).

Voluntary contributors pay 20% of assessed earnings (rising to 22% in 2014).

The minimum earnings used to calculate contributions are the minimum wage.

The maximum earnings used to calculate contributions are 20 times the minimum wage.

The legal monthly minimum wage is 1,050,000 dong.

**Self-employed person:** 20% of declared earnings (rising to 22% in 2014).

The minimum earnings used to calculate contributions are the minimum wage.

The maximum earnings used to calculate contributions are 20 times the minimum wage.

The legal monthly minimum wage is 1,050,000 dong.

**Employer:** 13% of monthly payroll (rising to 14% in 2014).

The minimum earnings used to calculate contributions are the minimum wage.

The maximum earnings used to calculate contributions are 20 times the minimum wage.

The legal monthly minimum wage is 1,050,000 dong.

**Government:** Subsidies as necessary and the total cost of old-age pensions for workers who retired before 1995;

contributions for those employed in the public sector before January 1995.

#### Qualifying Conditions

**Old-age pension:** Age 60 (men) or age 55 (women) with at least 20 years of contributions.

Age 55 (men) or age 50 (women) with at least 20 years of contributions, including at least 15 years of employment in hazardous or arduous working conditions or in certain geographic regions. Age 50 (men) or age 45 (women) with at least 20 years of contributions and an assessed degree of disability of at least 61%. At any age with at least 20 years of contributions, including 15 years in extremely hazardous or arduous working conditions, and an assessed degree of disability of at least 61%.

Employment must cease.

**Old-age grant:** Age 60 (men) or age 55 (women) with less than 20 years of contributions and not eligible for the old-age pension. At any age with less than 15 years of contributions and an assessed degree of disability of at least 61%. If emigrating permanently, less than 20 years of contributions after 12 months of leave with no paid contributions.

**Permanent disability benefits:** See Old-Age Benefits.

**Survivor pension:** The deceased had at least 15 years of contributions; was an old-age pensioner; or was a pensioner with an assessed degree of disability of at least 61%. The benefit is paid to up to four dependent survivors.

Eligible survivors include a husband (aged 60 or older) or a wife (aged 55 or older) with an income less than the minimum wage (no age limit if disabled with a reduced working capacity of at least 81%), children younger than age 15 (age 18 if a student; no limit if disabled with a reduced working capacity of at least 81%), and a father (aged 60 or older) or a mother (aged 55 or older) with an income less than the minimum wage.

The legal monthly minimum wage is 1,050,000 dong.

**Survivor grant:** The deceased had less than 15 years of contributions, or there are no eligible dependent survivors.

**Funeral grant:** Paid to the person who pays for the funeral.

#### Old-Age Benefits

**Old-age pension:** 45% of the insured's average earnings is paid for the first 15 years of contributions plus 2% (men) or 3% (women) of the insured's covered average monthly earnings for each year of contributions exceeding 15 years.

Average earnings are based on five or 10 years of contributions or the whole contribution period, depending on number of years of contributions and the earnings level.

The maximum pension is 75% of the insured's average earnings.

For insured persons with more than 30 years of contributions, a lump sum is paid of 50% of average monthly earnings in the last five years before the pension is first paid for each year of contributions exceeding 30 years.

**Early pension:** The pension is reduced by 1% of the insured's average earnings for each year the pension is taken before the insured's normal pensionable age.

The minimum benefit is the monthly minimum wage.

The legal monthly minimum wage is 1,050,000 dong.

**Benefit adjustment:** Benefits are adjusted according to changes in the cost-of-living index and economic growth.

**Old-age grant:** A lump sum based on the number of years of covered employment and average monthly earnings is paid.

### Permanent Disability Benefits

See Old-Age Benefits.

### Survivor Benefits

**Survivor pension:** 50% of the monthly minimum wage is paid for each eligible dependent survivor; 70% if the survivor has no other means of support.

The legal monthly minimum wage is 1,050,000 dong.

**Survivor grant:** A lump sum based on the number of years of contributions multiplied by 1.5 times the deceased's average monthly earnings is paid. The minimum benefit is three months of the deceased's average monthly earnings.

When a pensioner dies, a lump sum is paid according to the amount of time the pension had been paid before death. The minimum lump sum is three times the deceased's monthly pension. The maximum lump sum is 48 times the deceased's monthly pension.

**Funeral grant:** A lump sum of 10 months of minimum wage is paid.

The legal monthly minimum wage is 1,050,000 dong.

### Administrative Organization

Ministry of Labour, Invalids, and Social Affairs (<http://www.molisa.gov.vn>) provides general supervision.

Vietnam Social Security implements policy and administers the old-age and survivors programs.

### Sickness and Maternity

#### Regulatory Framework

**First law:** 1961 (public-sector employees).

**Current laws:** 2005 (medical benefits); 2006 (social insurance), implemented in 2007; and 2008 (health insurance), implemented in 2009.

**Type of program:** Social insurance system.

### Coverage

**Cash sickness and maternity benefits:** Private- and public-sector employees with contracts of at least three months, including household workers; employees in agriculture, fishing, and salt production; civil servants; employees of cooperatives and unions; police officers; and military and police personnel.

**Health insurance:** Salaried employees, civil servants, pensioners, persons with disabilities, unemployed persons, war veterans, social welfare recipients, poor households, children younger than age 6, students, and other groups of persons according to government regulation.

Voluntary coverage for self-employed persons, agricultural workers, and members of cooperatives.

### Source of Funds

#### Insured person

*Cash sickness and maternity benefits:* None.

*Medical benefits (health insurance):* 1.5% of gross monthly earnings.

The minimum earnings used to calculate contributions are the minimum wage.

The maximum earnings used to calculate contributions are 20 times the minimum wage.

The legal monthly minimum wage is 1,050,000 dong.

#### Self-employed person

*Cash sickness and maternity benefits:* Voluntary contributions only.

*Medical benefit (health insurance):* 4.5% of the minimum wage.

The minimum earnings used to calculate contributions are the minimum wage.

The maximum earnings used to calculate contributions are 20 times the minimum wage.

The legal monthly minimum wage is 1,050,000 dong.

#### Employer

*Cash sickness and maternity benefits:* 3% of monthly payroll.

Employer contributions also finance work injury benefits.

*Medical benefits (health insurance):* 3% of monthly payroll.

The minimum earnings used to calculate contributions are the minimum wage.

The maximum earnings used to calculate contributions are 20 times the minimum wage.

The legal monthly minimum wage is 1,050,000 dong.

#### Government

*Cash sickness and maternity benefits:* None.

**Medical benefits (health insurance):** Provides subsidies; pays contributions for certain groups of insured persons, such as the poor and persons with disabilities.

The minimum earnings used to calculate contributions are the minimum wage.

The maximum earnings used to calculate contributions are 20 times the minimum wage.

The legal monthly minimum wage is 1,050,000 dong.

### Qualifying Conditions

**Cash sickness benefits:** There is no minimum qualifying period. The incapacity must not be work-related, self-inflicted, or related to drug or alcohol abuse.

The sickness benefit is also paid to an insured parent caring for a sick child under age 7.

**Cash maternity benefits:** The insured must have at least six months of contributions in the last 12 months before childbirth. Also paid for the adoption of a child younger than 4 months old.

**Medical benefits:** Provided for a nonoccupational injury or illness. The voluntarily insured must have at least 30 days of contributions for normal medical services; 180 days for specialized medical services.

### Sickness and Maternity Benefits

**Sickness benefit:** 75% of the insured's earnings in the month preceding sick leave is paid for up to 30 days in a calendar year with less than 15 years of contributions; 40 days with 15 to 30 years of contributions; 60 days with more than 30 years of contributions. If the insured is engaged in hazardous or arduous work or working in certain regions, the benefit is paid for up to 40 days in a calendar year with less than 15 years of contributions; 50 days with 15 to 30 years of contributions; 70 days with more than 30 years of contributions. A lower benefit level may be extended up to 180 days in a calendar year for prolonged hospitalization due to a specified illness.

For convalescence and rehabilitation after sickness, 25% (at home) or 40% (in a nursing home) of the monthly minimum wage is paid for up to five to 10 days in a calendar year.

The legal monthly minimum wage is 1,050,000 dong.

75% of earnings is paid to insured workers for up to 20 days in a calendar year to care for a sick child.

Benefit adjustment: Benefits are adjusted according to changes in the cost-of-living index and economic growth.

**Maternity benefit:** 100% of the insured's average monthly earnings in the last six months is paid for prenatal care, childbirth, or an abortion. The benefit is paid for five one-day leave periods (or two-day leave periods in special cases) for prenatal care. The benefit is also paid during maternity leave for four months (rising to six months in May 2013), including for a baby younger than 4 months old.

For multiple births, an extra month of leave is paid for the second and each subsequent child.

A female employee can return to work before the end of the maternity leave and receive wages and maternity care if she returns to work 60 or more days after giving birth, is cleared by a health professional to return to work, and has an advance agreement with her employer.

For convalescence and rehabilitation after maternity leave, 25% (at home) or 40% (in a nursing home) of the monthly minimum wage is paid for up to five to 10 days a year.

The legal monthly minimum wage is 1,050,000 dong.

Benefit adjustment: Benefits are adjusted according to changes in the cost-of-living index and economic growth.

**Birth grant:** A lump sum of two months of minimum wage is paid for each child born or for each child younger than 4 months who is adopted.

The legal monthly minimum wage is 1,050,000 dong.

### Workers' Medical Benefits

**Medical benefits:** Medical benefits include medical exams and care, preventive care, rehabilitation, maternity benefits, and transfers between certain hospitals for certain insured persons.

100%, 95%, or 80% of the cost of primary services are paid, depending on the type of insured person and service. 100%, 95%, or 80% of the cost of specialized services are paid, up to 40 times the monthly minimum salary per use. 70%, 50%, or 30% of the cost of other services is paid, depending on the grade of medical services, up to 40 times the monthly minimum salary per use.

### Dependents' Medical Benefits

Medical benefits for dependents are the same as those for the insured.

Free medical benefits are provided for children younger than age 6 and dependents of insured military or security personnel, and partially provided for poor households and students. Dependents of other mandatorily insured persons pay a premium depending on the number of insured persons in the household.

### Administrative Organization

Ministry of Labour, Invalids, and Social Affairs (<http://www.molisa.gov.vn>) provides general supervision for sickness and maternity benefits.

Ministry of Health (<http://www.moh.gov.vn>) provides general supervision for health insurance.

Vietnam Social Security collects contributions, pays cash benefits, implements health insurance policy, and manages the health insurance fund.

## Work Injury

### Regulatory Framework

**First laws:** 1947 and 1950.

**Current law:** 2006 (social insurance), implemented in 2007.

**Type of program:** Social insurance system.

### Coverage

Private- and public-sector employees with contracts of at least three months, including household workers; employees in agriculture, fishing, and salt production; civil servants; employees of cooperatives and unions; and military and police personnel.

Exclusions: Self-employed persons.

### Source of Funds

**Insured person:** None.

**Self-employed person:** Not applicable.

**Employer:** 1% of monthly payroll.

**Government:** None.

### Qualifying Conditions

**Work injury benefits:** There is no minimum qualifying period for a work injury or an occupational disease. Must have a loss of earning capacity of at least 5% due to a work injury that took place at work, while on assignment for work, on the way to and from work, or as a result of an occupational disease according to a schedule in law.

### Temporary Disability Benefits

100% of the insured's earnings is paid from the first day for treatment until certification of permanent disability.

A Ministry of Health medical board assesses the degree of disability.

### Permanent Disability Benefits

**Permanent disability benefit:** 100% of the monthly minimum wage is paid for an assessed loss of working capacity of at least 31%, in addition to the disability grant.

For convalescence and rehabilitation after disability leave, 25% (at home) or 40% (in a nursing home) of the monthly minimum wage is paid for up to five to 10 days a year.

The legal monthly minimum wage is 1,050,000 dong.

Additionally, the Social Insurance Fund pays for health insurance coverage for employees receiving monthly work injury benefits.

**Disability grant:** A lump sum is paid for an assessed disability of at least 5% (a person with an assessed disability of at least 31% receives the grant in addition to the permanent

disability benefit). The lump sum is five months of the minimum wage for an assessed loss of working capacity of 5%, plus 0.5% of the monthly minimum wage for each additional 1% loss in working capacity. An additional sum is paid based on years of contributions; 0.5 month of the insured's last monthly earnings is paid for the first year of contributions plus 0.3 month of the last monthly earnings for each subsequent year of contributions.

For convalescence and rehabilitation after leave, 25% (at home) or 40% (in a nursing home) of the monthly minimum wage is paid for up to five to 10 days a year.

The legal monthly minimum wage is 1,050,000 dong.

A Ministry of Health medical board assesses the degree of disability.

### Workers' Medical Benefits

Medical benefits include inpatient and outpatient treatment, surgery, medicine, and rehabilitation, until recovery.

### Survivor Benefits

**Survivor pension:** 50% of the monthly minimum wage is paid for each eligible dependent survivor; 70% of the monthly minimum wage if the survivor has no other means of support.

The deceased must have had at least 15 years of contributions and was an employee whose death was caused by a work injury or occupational disease. The benefit is paid to up to four dependent survivors.

Eligible survivors include a widower (aged 60 or older) or a widow (aged 55 or older) with no income or with an income less than the minimum wage (no age limit if disabled with a reduced working capacity of at least 81%), children younger than age 15 (age 18 if a student; no limit if disabled with a reduced working capacity of at least 81%), and a father (aged 60 or older) or a mother (aged 55 or older) with an income less than the minimum wage.

The legal monthly minimum wage is 1,050,000 dong.

**Survivor grant:** If the deceased had less than 15 years of contributions or if there are no eligible dependent survivors, a lump sum is paid based on the number of years of contributions multiplied by 1.5 times the deceased's average monthly earnings. The minimum benefit is three months of the deceased's average monthly earnings.

When a pensioner dies, a lump sum is paid according to the amount of time the pension had been paid before death. The minimum lump sum is three times the deceased's monthly pension. The maximum lump sum is 48 times the deceased's monthly pension.

**Funeral grant:** A lump sum of 10 months of minimum wage is paid to the person who pays for the funeral.

The legal monthly minimum wage is 1,050,000 dong.

### **Administrative Organization**

Ministry of Labour, Invalids, and Social Affairs (<http://www.molisa.gov.vn>) provides general supervision.

Vietnam Social Security implements policy and manages the work injury and occupational disease fund.

### **Unemployment**

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#### **Regulatory Framework**

**First and current law:** 2006 (social insurance), implemented in 2009.

**Type of program:** Social insurance system.

#### **Coverage**

Vietnamese citizens with employment contracts of one to three years or permanent contracts who are employed by private- and public-sector organizations with 10 or more workers.

Exclusions: Self-employed persons.

#### **Source of Funds**

**Insured person:** 1% of gross monthly earnings.

The minimum earnings used to calculate contributions are the minimum wage.

The maximum earnings used to calculate contributions are 20 times the minimum wage.

The legal monthly minimum wage is 1,050,000 dong.

**Self-employed person:** Not applicable.

**Employer:** 1% of monthly payroll.

The minimum earnings used to calculate contributions are the minimum wage.

The maximum earnings used to calculate contributions are 20 times the minimum wage.

The legal monthly minimum wage is 1,050,000 dong.

**Government:** 1% of insured's gross monthly earnings and administrative costs.

#### **Qualifying Conditions**

The insured must have at least 12 months of contributions during the last 24 months, must be registered as unemployed, and must not have found a job within 15 days of registration.

The benefit is suspended if two suitable job placements are refused for no plausible reason.

#### **Unemployment Benefits**

60% of the average monthly earnings in the six months before unemployment is paid for three months with 12 to 35 months of contributions, for six months with 36 to 71 months of contributions, for nine months with 72 to 143 months of contributions, or for 12 months with 144 months of contributions or more.

The benefit is paid after a 15-day waiting period.

Benefits also include health insurance coverage, vocational training, and job placement support.

#### **Administrative Organization**

Ministry of Labour, Invalids, and Social Affairs (<http://www.molisa.gov.vn>) provides general supervision.

Vietnam Social Security collects contributions and pays benefits.

## Yemen

Exchange rate: US\$1.00 = 214.50 rials.

### Old Age, Disability, and Survivors

#### Regulatory Framework

**First law:** 1980.

**Current law:** 1991 (pensions).

**Type of program:** Social insurance system.

#### Coverage

**Public-sector system:** Permanent employees of government agencies and all public-sector or quasi-public entities. Special system for military and police personnel.

**Private-sector system:** Private-sector employees (nationals and foreigners), including Yemeni workers abroad.

Exclusions: Casual workers, self-employed persons, agricultural workers, household workers, seamen, and fishermen.

#### Source of Funds

**Insured person:** 6% of earnings (public- and private-sector systems).

The earnings used to calculate contributions include the basic salary plus all allowances paid to an employee, excluding bonuses and overtime wages.

**Self-employed person:** Not applicable.

**Employer:** 6% of payroll (public-sector system); 9% of payroll (old-age private-sector system).

**Government:** None (public- and private-sector systems); contributes 6% of payroll as an employer (public-sector system).

#### Qualifying Conditions

##### Public-sector system

**Old-age pension:** Age 60 with at least 15 years of contributions (men) or age 55 with at least 10 years of contributions (women); age 50 (men) with at least 26 years of contributions; age 46 (women) with at least 20 years of contributions; at any age with at least 30 years of contributions (men) or 25 years of contributions (women).

**Early pension:** At any age with at least 25 years of contributions if the insured becomes involuntarily unemployed.

**Disability pension:** Paid for a permanent total or partial disability.

**Survivor pension:** Paid when an insured person dies before retirement age.

Eligible survivors include the deceased's spouse(s), sons, daughters, parents, brothers, sisters, and dependent nephews and nieces.

##### Private-sector system

**Old-age pension:** Age 60 (men) or age 55 (women) with at least 15 years of contributions.

**Early pension:** Age 50 (men) with more than 25 years of contributions or age 46 (women) with at least 20 years of contributions; at any age with at least 30 years of contributions (men) or 25 years of contributions (women).

**Reduced pension:** Age 50 (men) or age 45 (women) with at least 20 years of contributions.

**Disability pension:** Paid for a permanent disability.

**Disability grant:** Paid to those ineligible for the nonwork-related or work-related disability pension with at least one year of contributions.

**Survivor pension:** Paid when an insured person dies before retirement age.

Eligible survivors include the deceased's spouse(s), sons, daughters, parents, brothers, sisters, and dependent nephews and nieces.

#### Old-Age Benefits

##### Public-sector system

**Old-age pension:** The pension is the insured's last gross monthly salary multiplied by the number of months of contributions, divided by 420.

The minimum monthly pension is 20,000 rials.

The maximum monthly pension is 100% of the insured's last gross monthly salary with at least 35 years of contributions; 43% with at least 15 years.

**Early pension:** The pension is calculated in the same way as the old-age pension.

**Benefit adjustment:** Benefits are adjusted by 50% of the value of any increase in the active civil servant salary.

##### Private-sector system

**Old-age pension:** The pension is the insured's last gross monthly salary multiplied by the number of months of contributions, divided by 420.

The minimum pension is 50% of the insured's last gross monthly salary.

**Early pension:** The pension is calculated in the same way as the old-age pension.

**Reduced pension:** If the insured retires from normal employment at age 45, the pension is reduced by 10%; at age 50, by 5%.

Benefit adjustment: Benefits are adjusted by 50% of the value of any increase in the active civil servant salary.

### Permanent Disability Benefits

#### Public-sector system

*Work-related disability pension:* 100% of the insured's last gross monthly salary plus a lump sum of 39,000 rials is paid.

*Permanent partial disability:* A reduced pension and a reduced lump sum are paid according to the assessed degree of disability and a schedule in law.

*Nonwork-related disability pension:* For a total disability, the pension is 50% of the insured's last gross monthly salary or the value of the old-age pension (but no less than the minimum pension), whichever is greater.

The minimum pension is 50% of the insured's last gross monthly salary.

*End-of-service payment:* A lump sum of 9% of the insured's last gross monthly salary multiplied by the number of months of contributions is paid.

Benefit adjustment: Benefits are adjusted by 50% of the value of any increase in the active civil servant salary.

#### Private-sector system

*Work-related disability pension:* 100% of the covered monthly salary in the last year is paid for a total disability.

*Nonwork-related disability pension:* 50% of the average monthly salary in the last year is paid for a total disability.

*Disability grant:* A lump sum of 12% of the average monthly salary in the last year multiplied by the number of years of contribution is paid.

Benefit adjustment: Benefits are adjusted by 50% of the value of any increase in the active civil servant salary.

### Survivor Benefits

#### Survivor pension (public- and private-sector systems):

The pension is based on the deceased's entitlement to either the old-age or disability pension. The pension is split equally among named survivors.

Benefit adjustment: Benefits are adjusted by 50% of the value of any increase in the active civil servant salary.

### Administrative Organization

General Authority for Social Security and Pensions, supervised by a board of directors, administers the public-sector system.

General Corporation for Social Security, supervised by a tripartite board of directors, administers the private-sector system.

## Sickness and Maternity

### Regulatory Framework

A health insurance system exists for public-sector employees. A new system for public- and private-sector employees was approved by the parliament but has not yet been implemented.

### Work Injury

#### Regulatory Framework

**First and current law:** 1991 (work injury).

**Type of program:** Social insurance system.

#### Coverage

**Cash benefits:** Permanent employees of government agencies and all public-sector or quasi-public entities; private-sector employees.

Exclusions: Self-employed persons.

**Medical benefits:** Public-sector employees.

Exclusions: Self-employed persons.

#### Source of Funds

**Insured person:** None.

**Self-employed person:** Not applicable.

**Employer:** 4% of total payroll (private sector).

**Government:** None; contributes 1% of payroll as an employer (government, public sector and quasi-public sector).

#### Qualifying Conditions

**Work injury benefits:** Permanent disability as a result of a work injury.

### Temporary Disability Benefits

No benefits are provided.

### Permanent Disability Benefits

**Permanent disability benefits:** Work-related disability benefits are provided under Old Age, Disability, and Survivors.

### Workers' Medical Benefits

Medical benefits are provided only for public-sector employees under the health insurance program.

### Survivor Benefits

**Survivor pension:** Survivor benefits are provided under Old Age, Disability, and Survivors.

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***Administrative Organization***

General Authority for Social Security and Pensions, supervised by a board of directors, administers the public-sector system.

General Corporation for Social Security, supervised by a tripartite board of directors, administers the private-sector system.