

# Social Security Programs Throughout the World: Asia and the Pacific, 2004



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## Preface

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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 6-month intervals over a 2-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, 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 Worldwide Database and a myriad of other types of data that must be drawn together to update this report. Members of the ISSA's Information System and Databases Unit 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 2004, or the last date for which information has been received.

Questions about the report should be sent to Barbara Kritzer at [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 is available at <http://www.socialsecurity.gov/policy>. For additional copies, please telephone 202-358-6274 or e-mail [op.publications@ssa.gov](mailto:op.publications@ssa.gov).

SSA staff members were responsible for technical and editorial assistance and production. Barbara Kritzer served as technical consultant and provided overall project management. Staff of the Division of Information Resources edited and produced the report and prepared the electronic versions for the Web.

Edward J. DeMarco  
Associate Commissioner  
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March 2005

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## 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 6-month intervals over a 2-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. Summaries for Afghanistan and Iraq have been omitted from this volume for that reason.

In this volume on Asia and the Pacific, the data reported are based on laws and regulations in force in July 2004 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 16.

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 Developments and Trends Annual Survey. 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 Center; 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 Organization for Economic Cooperation 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 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.)

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

Armenia	Japan	Philippines
Australia	Jordan	Saudi Arabia
Azerbaijan	Kazakhstan	Singapore
Bahrain	Korea, South	Syria
Brunei	Kuwait	Taiwan
Burma (Myanmar)	Kyrgyzstan	Thailand
China	Laos	Turkey
Fiji	Malaysia	Vanuatu
Georgia	Marshall Islands	Vietnam
Hong Kong	Micronesia	Western Samoa
India	Nepal	Yemen
Iran	New Zealand	
Israel	Oman	

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## 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 disabled workers, 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, in the main, through financial services providers (mandatory individual accounts, mandatory occupational pensions,

and mandatory private insurance), publicly operated provident funds, and employer-liability systems.

## Programs Delivered by Financial Services Providers

*Mandatory individual account.* Applies to a program where covered persons and/or employers must contribute a certain percentage of earnings to the covered person's individual account managed by a contracted public or private fund manager. The mandate 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 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 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 out in the form of 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

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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**

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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 in order 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, below.)

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 members of the armed forces, 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, domestics, 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

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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 cover-

ing 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 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 5 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 5 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



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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 rearing, 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 3 to 5 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 mandatory 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

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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 is disabled. 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 Benefit.** 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 the totally disabled, a constant-attendance supplement, usually 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 Benefit.** 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 are disabled.

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 is disabled. 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 disabled orphans 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. A widower usually 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 divided 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

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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. Moreover, in most instances, 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 link those services directly with the provision of cash benefits. In some instances, however, maternity cash grants are covered under family allowance programs. Occasionally, 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, a fixed percentage of wages, up to a ceiling, is contributed by employees and employers directly to a separate program that administers both health care and cash benefits for sickness and maternity. Some countries also provide a government contribution. Where medical

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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 1 month to 6 months or more and is ordinarily somewhat longer for cash maternity benefits. Usually the period must be fairly recent, such as during the last 6 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 2 to 7 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 2 to 3 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.

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 6 weeks before the expected date of childbirth and end 6 to 8 weeks afterward.

A nursing allowance—usually 20 percent or 25 percent of the regular maternity benefit and payable for up to 6 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 new-born 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 medicines, 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 on the basis of contracts with service providers or the professional groups representing them, such as practitioner or hospital associations. Remuneration may

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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 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 medicines.

**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

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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 1 to 3 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 equal to several years' 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

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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 equal to 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 disabled widower; 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 mandatory 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. Noninsured 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

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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 6 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 3 and 7 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 8 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



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been out of work for a specified period be removed from the unemployment rolls and granted a regular old-age benefit.

**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 in order 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 disabled children, 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 vary, for example, depending on whether the primary intent is to provide assistance or stimulate population growth. The

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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 in inducing employers to discriminate in hiring workers with children.

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

Country	Old age, disability, survivors	Sickness and maternity		Work injury	Unemployment	Family allowances
		Cash benefits for both	Cash benefits plus 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	b	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	b
Georgia	X	e	X	X	X	X
Hong Kong	X	X	X	X	X	X
India	X	X	X	X	b	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	b	b	X	b	b
Kazakhstan	X	X	X	X	b	X
Kiribati	X	b	b	X	b	b
Korea, South	X	b	d	X	X	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
Palau	X	b	b	b	b	b
Papua New Guinea	X	b	d	X	b	b

(Continued)

**Table 1.**  
**Continued**

Country	Old age, disability, survivors	Sickness and maternity		Work injury	Unemployment	Family allowances
		Cash benefits for both	Cash benefits plus medical care <sup>a</sup>			
Philippines	X	X	X	X	b	b
Saudi Arabia	X	b	b	X	b	b
Singapore	X	X	X	X	b	b
Solomon Islands	X	b	b	X	f	b
Sri Lanka	X	b	d	X	f	X
Syria	X	b	b	X	b	b
Taiwan	X	X	X	X	X	b
Thailand	X	X	X	X	X	X
Turkey	X	X	X	X	X	b
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	b	b
Western Samoa	X	b	d	X	b	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 care only.
- e. Maternity care 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>						
Australia			X			X	
Azerbaijan		X	X				
Bahrain		X					
Bangladesh	b						
Brunei				X	X		
Burma (Myanmar)	b						
China	X						X
Fiji					X		
Georgia	X		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 <sup>c</sup>
Kiribati					X		
Korea, South		X					
Kuwait		X					
Kyrgyzstan		X	X				
Laos		X					
Lebanon		X					
Malaysia					X		
Marshall Islands		X					
Micronesia		X					
Nepal				X	X		
New Zealand			X	X			
Oman		X					
Pakistan		X					
Palau		X					
Papua New Guinea						X	

(Continued)

**Table 2.**  
**Continued**

Country	Flat-rate	Earnings-related	Means-tested	Flat-rate universal	Provident funds	Occupational retirement schemes	Individual retirement schemes
Philippines	X <sup>a</sup>						
Saudi Arabia		X					
Singapore					X		
Solomon Islands					X		
Sri Lanka					X		
Syria		X					
Taiwan		X					
Thailand		X					
Turkey		X					
Turkmenistan		X	X				
Uzbekistan		X	X				
Vanuatu					X		
Vietnam		X					
Western Samoa				X	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 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 years of coverage.

b. No mandatory system for retirement income or only limited social assistance.

c. The government provides a guaranteed minimum pension.

**Table 3.**  
**Demographic and other statistics related to social security, 2004**

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	3.7	8.6	47.8	70.3	76.2	63	59.5	c	c	2,650
Australia	19.1	12.3	48.8	76.4	82.0	65	62.5	c	c	25,370
Azerbaijan	8	6.8	55.7	68.7	75.5	62	57	c	c	3,090
Bahrain	0.6	2.9	45.2	72.1	76.3	60	55	c	c	16,060
Bangladesh	137.4	3.1	71.9	60.6	60.8	57	57	c	c	1,610
Brunei	0.3	3.2	54.1	74.2	78.9	55	55	c	c	19,210
Burma (Myanmar)	47.7	4.6	60.5	53.8	58.8	d	d	c	c	1,027
China	1,275	6.9	46.4	69.1	73.5	60	60	c	c	4,020
Fiji	0.8	3.4	58.2	68.1	71.5	55	55	c	c	4,850
Georgia	5.2	12.9	50.1	69.5	77.6	65	60	c	c	2,560
Hong Kong	6.8	10.6	36.9	77.3	82.8	65	65	c	c	24,850
India	1,008	5	62.5	63.6	64.9	55	55	c	c	2,840
Indonesia	212	4.8	55.2	65.3	69.3	55	55	c	c	2,940
Iran	70.3	3.4	68.8	68.8	70.8	65	60	60	55	6,000
Israel	6	9.9	61.6	77.1	81.0	65	60	c	c	19,790
Japan	127	17.2	46.8	77.8	85.0	65	65	60	60	25,130
Jordan	4.9	2.8	74.9	69.7	72.5	60	55	45	45	3,870
Kazakhstan	16.1	6.9	51.1	59.6	70.7	63	58	55	55	6,500
Kiribati	0.1	3.3	74.3	58.3	64.4	50	50	45	45	800
Korea, South	46.7	7.1	38.7	71.8	79.1	60	60	55	55	15,090
Kuwait	1.9	2.2	50.4	74.9	79.0	50	50	46	46	18,700
Kyrgyzstan	4.9	6	66.6	64.8	72.3	62	57	c	c	2,750
Laos	5.2	3.5	86	53.3	55.8	60	60	55	55	1,620
Lebanon	3.4	6.1	59.2	71.9	75.1	64	64	60	60	4,170
Malaysia	22.2	4.1	61.9	70.6	75.5	55	55	c	c	8,750
Marshall Islands	0.057	2.7	70.3	67.7	71.7	60	60	55	55	1,600
Micronesia	0.1	3.1	68.9	71.0	75.5	60	60	c	c	2,000
Nepal	23	3.7	81	60.1	59.6	55	55	c	c	1,310
New Zealand	3.7	11.7	53	75.3	80.7	65	65	c	c	19,160
Oman	2.5	2.5	87.2	70.2	73.2	60	55	c	c	12,040
Pakistan	141.2	3.7	83.4	61.2	60.9	60	55	55	50	1,890
Palau	0.020	4.6	45.3	66.6	73.1	60	60	c	c	9,000
Papua New Guinea	4.8	2.4	74.1	56.8	58.7	55	55	c	c	2,570

(Continued)

**Table 3.**  
**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	
Philippines	75.6	3.5	69.7	68.0	72.0	60	60	c	c	3,840
Saudi Arabia	20.3	3	84.8	71.1	73.7	60	55	c	c	13,330
Singapore	4	7.2	41	75.9	80.3	55	55	c	c	22,680
Solomon Islands	0.447	2.6	90.1	67.9	70.7	50	50	40	40	1,910
Sri Lanka	18.9	6.3	48.3	69.9	75.9	55	50	c	c	3,180
Syria	16.1	3.1	78.5	70.6	73.1	60	55	c	c	3,280
Taiwan	22.5	9.4	41.4	74.3	80.0	60	55	50	50	23,400
Thailand	62.8	5.2	46.8	67.9	73.8	55	55	c	c	6,400
Turkey	66.6	5.8	55.8	68.0	73.2	60	58	c	c	5,890
Turkmenistan	4.7	4.3	72.1	63.9	70.4	62	57	c	c	4,320
Uzbekistan	24.8	4.7	69.3	66.8	72.5	60	55	c	c	2,460
Vanuatu	0.196	3.2	82.6	67.5	70.5	55	55	c	c	3,190
Vietnam	78.1	5.3	63.2	66.9	71.6	60	55	c	c	2,070
Western Samoa	0.158	4.6	84.5	66.9	73.5	55	55	c	c	6,180
Yemen	18.3	2.3	110	60.7	62.9	60	55	50	46	790

SOURCES: United Nations Population Division, Department of Economic and Social Affairs. 2002. *World Population Ageing 1950–2050*. New York: United Nations; *Human Development Report 2003*. 2003. Prepared for the United Nations Development Programme. New York: Oxford University Press; U.S. Central Intelligence Agency. 2003. *The World Factbook, 2003*. Washington D.C.: Central Intelligence Agency. Information on statutory and pensionable ages is taken from the country summaries in this volume.

NOTE: 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.



**Table 4.**  
**Contribution rates for social security programs, 2004 (in percent)**

Country	Old age, disability, 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	2 <sup>b</sup>	27 <sup>b</sup>	29 <sup>b</sup>	2	27	29
Bahrain	5	7	12	5	10	15
Bangladesh <sup>g</sup>	0	0	0 <sup>e</sup>	0	0 <sup>f,h</sup>	0
Brunei	5	5	10 <sup>i</sup>	5	5 <sup>f</sup>	10
Burma (Myanmar)	0	0	0	1.5	2.5	4
China <sup>d</sup>	8	3	11	11	12	23 <sup>c</sup>
Fiji <sup>d</sup>	8	8	16	8	8 <sup>f</sup>	16
Georgia	2 <sup>b</sup>	31 <sup>b</sup>	33 <sup>b</sup>	2	32	34 <sup>c</sup>
Hong Kong <sup>d</sup>	5	5	10	5	5 <sup>f</sup>	10 <sup>c,j</sup>
India <sup>d</sup>	12	17.61	29.61	13.75	22.36	36.11
Indonesia <sup>g</sup>	2	4	6	2	7 <sup>f</sup>	9
Iran <sup>d</sup>	7 <sup>b</sup>	20 <sup>b</sup>	27 <sup>b</sup>	7	23	30 <sup>k</sup>
Israel <sup>d</sup>	1.17	2.76	3.93	4.61	5.89	10.5
Japan <sup>d</sup>	6.79	6.79	13.58	11.59	12.58	24.17
Jordan	5.5	9	14.5	5.5	11	16.5
Kazakhstan	10	0	10	10	0 <sup>f,h</sup>	10 <sup>c</sup>
Kiribati <sup>g</sup>	7.5	7.5	15	7.5	7.5 <sup>f</sup>	15
Korea, South <sup>d</sup>	4.5	4.5	9	7.055	8.785	15.84
Kuwait	6	11	17	6	11	17
Kyrgyzstan	8 <sup>b</sup>	25 <sup>b</sup>	33 <sup>b</sup>	8	26.5	34.5 <sup>c</sup>
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,g</sup>	0	8.5	8.5	2	21.5 <sup>f</sup>	23.5
Malaysia <sup>d</sup>	11.5 <sup>b</sup>	12.5 <sup>b</sup>	24 <sup>b</sup>	11.5	13.75	25.25
Marshall Islands <sup>d</sup>	7	7	14	10.5	10.5	21
Micronesia <sup>d</sup>	6	6	12	6	6	12
Nepal	10	10	20	10	10 <sup>f</sup>	20
New Zealand	0	0	0 <sup>e</sup>	0	0	0 <sup>e</sup>
Oman <sup>d</sup>	5	8	13	5	9	14
Pakistan <sup>g</sup>	flat rate	5	5	flat rate	12 <sup>f</sup>	12
Palau <sup>d,g</sup>	6	6	12	6	6	12
Papua New Guinea <sup>g</sup>	5	7	12	5	7 <sup>f</sup>	12

(Continued)

**Table 4.**  
**Continued**

Country	Old age, disability, survivors			All social security programs <sup>a</sup>		
	Insured person	Employer	Total	Insured person	Employer	Total
Philippines <sup>d</sup>	3.33 <sup>b</sup>	6.07 <sup>b</sup>	9.4 <sup>b</sup>	4.58	8.32	12.9
Saudi Arabia <sup>d</sup>	9	9	18	9	12	21
Singapore <sup>d</sup>	20 <sup>b</sup>	13 <sup>b</sup>	33 <sup>b</sup>	20	13 <sup>f</sup>	33
Solomon Islands <sup>g</sup>	5	7.5	12.5	5	7.5 <sup>f</sup>	12.5
Sri Lanka	8	12	20	8	12 <sup>f</sup>	20 <sup>c</sup>
Syria	7	14	21	7	17	24
Taiwan <sup>d</sup>	1.1 <sup>b</sup>	3.85 <sup>b</sup>	4.95 <sup>b</sup>	2.665	8.065	10.73
Thailand <sup>d</sup>	3 <sup>b</sup>	3 <sup>b</sup>	6 <sup>b</sup>	5	5.2	10.2
Turkey <sup>d</sup>	9	11	20	15	16.5	31.5
Turkmenistan <sup>g</sup>	1 <sup>b</sup>	30 <sup>b</sup>	31 <sup>b</sup>	1	32	33
Uzbekistan <sup>g</sup>	2.5 <sup>b</sup>	33 <sup>b</sup>	35.5 <sup>b</sup>	2.5	36	38.5 <sup>c</sup>
Vanuatu	4	6	10	4	6	10
Vietnam	5	10	15	6	17	23
Western Samoa	5	5	10 <sup>i</sup>	5	6	11
Yemen	6	13	19	6	17	23

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 rate for other programs.
- c. Government pays the total or a major part of the cost of family allowances.
- d. Contributions are subject to an upper earnings limit for some benefits.
- e. Government pays the total cost of most programs from general revenues.
- f. Employers pay the total cost of work injury benefits.
- g. Data are at least 2 years old.
- h. Employers pay the total cost of cash sickness and maternity benefits.
- i. Government pays the total cost of the disability pension and universal old-age pension.
- 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.

A topographic map of Southeast Asia and Oceania, showing the landmasses of the region in a light beige color against a blue background representing the ocean. The map includes the Malay Peninsula, the island of Sumatra, the Indonesian archipelago, and the continent of Australia. The word 'SOUTHEAST ASIA' is printed in large, bold, black capital letters across the Indonesian archipelago. The word 'AUSTRALIA' is printed in large, bold, black capital letters across the continent of Australia. The map is framed by a red border at the top and bottom.

# **Country Summaries**

## Armenia

Exchange rate: US\$1.00 equals 549 dram (dr.).

### Old Age, Disability, and Survivors

#### Regulatory Framework

**First laws:** 1956 and 1964.

**Current law:** 2002 (state pensions), implemented in 2003.

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

#### Coverage

All employees, self-employed persons, collective farmers, scientists, and artists.

Special systems for military personnel and the police and their family members.

#### Source of Funds

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

The minimum monthly earnings for contribution purposes are 5,000 dr.

There are no maximum earnings for contribution purposes.

The contributions of insured persons also finance sickness and maternity, work injury, and unemployment benefits.

**Self-employed person:** 15% of annual income less than 1,200,000 dr. (applies also to some artists and scientists). If annual income is greater than 1,200,000 dr., the contribution is a flat rate of 180,000 dr., plus 5% of the amount greater than 1,200,000 dr. (Collective farmers are exempt from payments.)

The contributions of self-employed persons also finance sickness and maternity, work injury, and unemployment benefits.

**Employer:** A flat-rate monthly contribution of 5,000 dr. on behalf of employees with monthly income less than 20,000 dr. If monthly income is greater than 20,000 dr., a flat-rate monthly contribution of 5,000 dr., plus 15% of the amount greater than 20,000 dr. but less than 100,000 dr. (If collective farmers are employers, they also make a social payment on behalf of employees.) If monthly income exceeds 100,000 dr., a flat-rate monthly contribution of 17,000 dr. plus 5% of the amount greater than 100,000 dr.

The above employer contributions also finance sickness and maternity and unemployment benefits.

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

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

#### Qualifying Conditions

**Old-age pension:** Age 63 (men) or age 59.5 (women) with at least 25 years of covered employment.

Age 58.5 (men) or age 53.5 (women) with at least 20 years of covered employment in arduous or hazardous work; age 53.5 (men) or age 48 (women) with at least 15 years of covered employment in extremely arduous or hazardous work.

There is no legal minimum pension, but the base pension is 3,000 dr.

**Disability pension:** Total or partial disability with at least 5 years of covered employment. The pension is awarded according to three assessed degrees of disability: total incapacity for work and requiring constant attendance (Group I); total incapacity for work but not requiring constant attendance (Group II); or partial incapacity for usual work (Group III).

A specialized medical committee assesses the degree of disability.

**Survivor pension:** The deceased had at least 15 years of covered employment.

The pension is payable to a surviving spouse; a person, not employed at the time of deceased's death and not receiving any pension, who cares for the deceased's children, brothers, sisters, or grandchildren younger than age 8; full orphans younger than age 18 who are not receiving any other pension.

For all pensions, covered employment includes years in university education, years of service in the armed forces, caring for disabled persons or children younger than age 3, and periods receiving unemployment benefits.

**Social pension:** Age 65 (any age if disabled) for men and women with less than 5 years of covered employment.

All pensions are payable abroad under reciprocal agreement.

#### Old-Age Benefits

**Old-age pension:** 100% of the base pension, plus a bonus pension (140 dr. for every year of covered employment, multiplied by a coefficient).

The base pension is 3,000 dr. a month.

There is no maximum pension.

**Social pension:** 3,000 dr. a month.

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

#### Permanent Disability Benefits

**Disability pension:** For a Group I pension, 120% of the base pension a month, plus a bonus pension (140 dr. for each full calendar year of covered employment); for a Group II pension, 100% of the base pension a month, plus a bonus pension (140 dr. for each year of covered employment, multiplied by a coefficient).

Partial disability (Group III): 80% of the base pension a month, plus a bonus pension (140 dr. for each year of covered employment).

The base pension is 3,000 dr. a month.

There is no maximum pension.

**Social pension:** 3,000 dr. a month.

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

### Survivor Benefits

**Survivor pension:** 100% of the base pension, plus 50% of the bonus pension (140 dr. for each year the deceased was in covered employment, multiplied by a coefficient); full orphans, 120% of the base pension, plus 50% of the bonus pension (140 dr. for each year of covered employment of both deceased parents).

The base pension is 3,000 dr. a month.

There is no maximum survivor pension.

The survivor pension payable to a spouse ceases on remarriage.

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.

Council of the Social Insurance State Fund, including the Minister of Labor and Social Affairs, the Minister for Health, the Minister for Finance and Economics, the Chairman of the State Fund, and the Chairman of the Trade Unions, provides general coordination and oversight.

Regional and provincial branches of the Social Insurance State Fund (<http://www.sif.am>) administer the program.

### Sickness and Maternity

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#### Regulatory Framework

**First law:** 1912.

**Current laws:** 1991 (maternity benefits) and 1992 (state social benefits).

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

#### Coverage

**Cash sickness and maternity benefits:** All employees, self-employed persons, collective farmers, scientists, and artists.

**Medical benefits:** All residents.

### Source of Funds

#### Insured person

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

**Medical benefits:** None.

#### Self-employed person

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

**Medical benefits:** None.

#### Employer

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

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

#### Government

**Cash benefits:** Subsidies as needed from central and local governments and the total cost of child-care leave benefit.

**Medical benefits:** Total cost of medical care is paid by central and local government budgets.

### Qualifying Conditions

**Cash sickness benefits:** There is no minimum qualifying period.

**Cash maternity benefits:** In insured employment.

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

**Medical benefits:** Resident in Armenia.

### Sickness and Maternity Benefits

**Sickness benefit:** If insured for at least 8 years, 100% of average earnings in the last 3 months before the onset of incapacity; if insured for less than 8 years, 80% of earnings.

The benefit is also payable to care for a sick child.

**Maternity benefit:** 100% of average earnings in the last 3 months is payable for a maximum of 140 days (70 days before and 70 days after the expected date of childbirth); up to 155 days if there are complications resulting from childbirth; up to 180 days for multiple births.

**Child-care leave benefit:** 2,300 dr. a month until the child is age 2.

**Childbirth or adoption lump sum:** 35,000 dr. per child.

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

## Workers' Medical Benefits

Medical services are provided directly to patients by government health providers. Medical benefits include preventive care, general and specialist curative care, hospitalization, laboratory services, dental care, maternity care, and transportation. Care in sanatoria and rest homes is provided, with preference being given to insured workers who may pay part of the cost.

Cost sharing: Patients pay part of the cost of appliances.

Medicines, if provided with hospitalization, are free. Medicines are free for disabled children younger than age 16, for all infants until age 1, and for pensioners receiving only the base pension.

## Dependents' Medical Benefits

Same as for the insured.

## Administrative Organization

**Cash benefits:** Social Insurance State Fund provides general oversight of the program. The Social Insurance State Fund's regional and provincial departments within local governments administer benefits.

**Medical benefits:** Ministry of Health and health departments of local governments provide general supervision and coordination. Medical services are provided through clinics, hospitals, maternity homes, and other facilities administered by the Ministry of Health and local health departments.

## Work Injury

### Regulatory Framework

**First laws:** 1956 and 1974.

**Current laws:** 1992 (state social benefits), 1996 (short-term benefits), and 2002 (state pensions).

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

### Coverage

**Cash benefits:** All employees.

**Medical benefits:** All residents.

### Source of Funds

#### Insured person

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

**Medical benefits:** None.

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

#### Employer

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

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

#### Government

**Cash benefits:** Subsidies as needed from central and local governments.

**Medical benefits:** Total cost of medical care is paid by central and local government budgets.

### Qualifying Conditions

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

### Temporary Disability Benefits

100% of the insured's average monthly earnings in the last 12 months before the onset of disability or occupational disease. The benefit is payable 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:** For a Group I pension (total incapacity for any work), 120% of the base pension a month, plus a bonus pension (140 dr. for each full calendar year of covered employment); for Group II (total incapacity for usual work), 100% of the base pension a month, plus a bonus pension (140 dr. for each year of covered employment, multiplied by a coefficient).

**Partial disability (Group III):** 80% of the base pension a month, plus a bonus pension (140 dr. for each year of covered employment).

A specialized medical committee assesses the degree of disability.

The base pension is 3,000 dr. a month.

There is no maximum pension.

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

### Workers' Medical Benefits

Medical services are provided directly to patients by government health providers. Benefits include preventive care, general and specialist curative care, hospitalization, laboratory services, dental care, maternity care, and transportation. Care in sanatoria and rest homes is provided, with the insured paying part of the cost. The insured must pay the full cost of appliances and medicines.

## Survivor Benefits

**Survivor pension (orphan's pension):** 100% of the base pension, plus 50% of the bonus pension (80 dr. for each year the deceased was in covered employment); full orphans, 120% of the base pension, plus 50% of the bonus pension (80 dr. for each year of covered employment of both deceased parents).

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

## Administrative Organization

**Temporary disability benefits:** General supervision by the Social Insurance State Fund.

Enterprises and employers pay benefits to their employees.

**Permanent disability and survivor pensions:** Ministry of Labor and Social Affairs is responsible for policy.

Council of the Social Insurance State Fund, including the Minister for Labor and Social Affairs, the Minister for Health, the Minister for Finance and Economics, the Chairman of the State Fund, and the Chairman of the Trade Unions, provides general coordination and oversight.

Regional and provincial branches of the Social Insurance State Fund administer the program.

**Medical benefits:** Ministry of Health and health departments of local governments provide general supervision and coordination. The Ministry of Health and local health departments administer the provision of medical services through clinics, hospitals, maternity homes, and other facilities.

## Unemployment

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### Regulatory Framework

**First law:** 1921.

**Current law:** 1996 (unemployment), implemented in 1997.

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

### Coverage

All employees.

### Source of Funds

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

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

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

**Government:** Subsidies from central and local governments as needed.

## Qualifying Conditions

**Unemployment benefit:** Payable if unemployed as a result of enterprise reorganization, staff reduction, or cancellation of a collective agreement; a partial benefit is paid if dismissed for a breach of discipline or for voluntarily unemployment.

The insured had a minimum of 12 weeks of covered employment in the 12 months before unemployment; a minimum of 7 months of covered employment between two episodes of unemployment; is seeking to rejoin the labor force after a lengthy period of unemployment; or is seeking work for the first time. The insured must be registered at an employment office and be able and willing to work.

## Unemployment Benefits

For involuntary unemployment, the monthly benefit is 100% of the base unemployment benefit; for voluntary unemployment, 80% of the base benefit; for those dismissed for a breach of discipline, 60% of the base benefit.

The base unemployment benefit is 3,900 dr. a month.

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

Social Insurance State Fund (<http://www.sif.am>) and the Ministry of Labor and Social Affairs (<http://www.mss.am>) provide general oversight.

Regional Employment Service and regional Departments of Labor and Employment administer the program.

## Family Allowances

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### Regulatory Framework

**First law:** 1944.

**Current laws:** 1997, 1999, and 2002 (family allowances).

**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:** Total cost.

### **Qualifying Conditions**

**Family allowances:** The beneficiary must be employed at the time of the child's birth. Benefits are payable for children up to age 17.

Low-income family supplement: Urban families with children and a per capita family income lower than 60% of the minimum wage.

### **Family Allowance Benefits**

**Family allowances:** 2,300 dr. a month for a child younger than age 2 if the mother is not working; 1,150 dr. a month for a child younger than age 2 if the mother is working.

Supplementary benefit: 700 dr. a month for an unwed or single mother.

Low-income family supplement: A supplement for low-income families equal to 10% of the minimum wage a month per child, up to a maximum of 60% of the minimum wage per family.

The minimum wage is 13,000 dr.

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 equals  
1.39 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 guarantee), and 1999 (new tax system).

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

#### Coverage

**Social assistance (social security):** Residents.

**Mandatory occupational pension (superannuation):** Employed persons older than age 17 and younger than age 70 earning more than A\$450 a month.

Exclusions: The self-employed.

#### Source of Funds

##### Insured person

*Social security:* None.

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

##### Self-employed person

*Social security:* None.

*Mandatory occupational pension (superannuation):* Voluntary contributions are tax deductible up to a maximum of A\$5,000 plus 75% of contributions in excess of this amount or the age-based contribution (younger than age 35, A\$13,233; aged 35 to 49, A\$36,754; aged 50 or older, A\$91,149), whichever is lower. There is no upper limit for voluntary contributions.

##### Employer

*Social security:* None.

*Mandatory occupational pension (superannuation):* 9% of basic wages, up to a maximum of A\$30,560 a quarter.

Employer contributions are tax deductible up to certain limits, depending on the age of the employee. For an employee younger than age 35, the maximum annual tax deductible wage is A\$13,233; if aged 35 to 39, A\$36,755; or if aged 50 or older, A\$91,149.

##### Government

*Social security:* Total cost from general revenue.

*Mandatory occupational pension (superannuation):* Contributes as an employer and contributes up to A\$1,000 a year for low-income earners.

#### Qualifying Conditions

##### Old-age pension

*Social security (means-tested unless blind):* Age 65 (men) or age 62.5 (women, as of July 1, 2000, and rising gradually to age 65 by July 1, 2013); resident in the country; 10 years' continuous residence (5 continuous years if the total residence period exceeds 10 years).

Deferred pension (pension bonus scheme): People who work may defer claiming the pension. The minimum deferral period is 12 months, and the covered person must complete at least 960 hours of work each year. The maximum deferral period is 5 years. The bonus is not paid to those receiving income support or for deferred years after age 75.

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

Carer payment (means-tested): Paid to the provider of constant care at home for a pensioner who has a physical or mental impairment.

Rent assistance (means-tested): Paid according to marital status and the level of rent. Special rules apply to people living in retirement villages.

Pharmaceutical allowance: Flat-rate allowances are paid automatically to pensioners.

Telephone allowance: Paid to pensioners to assist with the rental of a telephone line or mobile phone.

Remote area supplement: A tax-free allowance, subject to residence requirements.

Pensioner concession card: Social security recipients are entitled to the concession card that provides reduced costs on certain federal, state or territory, and local government services.

*Mandatory occupational pension (superannuation):* Age 55 if permanently retired.

##### Disability pension

*Social security (means-tested unless blind):* Aged 16 to 65 (men) or aged 16 to 61 (women). A minimum 20% impairment level and an inability to work for at least 30 hours a week at full wages, or the inability to be retrained for such work for at least the next 2 years due to a physical or mental impairment or permanent blindness. Must be resident in the country.

If the incapacity began before becoming an Australian resident, the same minimum residence requirements apply as for the old-age pension; there is no minimum residence requirement for an Australian resident with an impairment.

The pension is payable abroad under specific circumstances but may be reduced.

Mobility allowance (not means-tested): Paid to a disabled person aged 16 or older who cannot use public transportation without substantial assistance.

Carer payment (means-tested): Paid to the provider of constant care at home for a recipient of social security or veteran's income support who has a physical or mental impairment (including a profoundly disabled child); or for two disabled children or more.

Rent assistance (means-tested): Paid according to marital status and the level of rent. Special rules apply to people living in retirement villages.

Telephone allowance: Paid to pensioners to assist with the rental of a telephone line or mobile phone.

Remote area supplement: A tax-free allowance, subject to residence requirements.

Pensioner concession card: Social security recipients are entitled to the concession card that provides reduced costs on certain federal, state or territory, and local government services.

*Mandatory occupational pension (superannuation):* There is no provision for 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, below.

Rent assistance (means-tested): Paid according to the level of rent. Special rules apply to people living in retirement villages.

Pensioner concession card: Social security recipients are entitled to the concession card that provides reduced costs on certain federal, state or territory, and local government services.

Double orphan payment: Payable for a child younger than age 16 (aged 16 to 21 if a student not receiving the Youth Allowance) if both parents are dead (or one parent is dead 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 is unknown) or for refugee children under certain circumstances.

Bereavement allowance: Paid to a surviving partner, subject to residency requirements. The surviving partner must have been living with the deceased immediately before his or her death.

Benefits are payable abroad indefinitely if the benefit is in payment before the person leaves the country. The benefit may be reduced after 26 weeks.

*Mandatory occupational pension (superannuation):* There is no provision for survivors.

### Old-Age Benefits

#### Old-age pension

*Social security (means-tested unless blind):* Up to A\$464.20 every 2 weeks for a single person; A\$387.60 each every 2 weeks for a couple.

Deferred pension (pension bonus scheme): The value of the pension bonus depends on how long the person deferred receiving the old-age pension. Eligible persons receive the bonus and the old-age pension at retirement. The bonus is paid as a lump sum. The maximum bonus is paid for 5 bonus years.

Carer payment (means-tested): Up to A\$464.20 every 2 weeks.

Rent assistance (means-tested): Up to A\$95.40 every 2 weeks, according to marital status and the level of rent. Special rules apply to people living in retirement villages.

Pharmaceutical allowance: A\$5.80 every 2 weeks for a single person; A\$2.90 each every 2 weeks for a couple.

Telephone allowance: A\$76.80 a year for telephone subscribers.

Remote area supplement: A\$18.20 every 2 weeks for a single person (A\$15.60 each every 2 weeks for a couple), plus A\$7.30 every 2 weeks for each dependent.

Pensioner concession card: Social security recipients are entitled to the concession card that provides reduced costs on certain federal, state or territory, and local government services.

Benefit adjustment: Most benefits are adjusted in March and September according to changes in the price index (the single person rate of the old-age pension is maintained as a percentage of average weekly earnings).

*Mandatory occupational pension (superannuation):* Usually a lump sum of total contributions, plus interest minus administrative fees and taxes.

### Permanent Disability Benefits

#### Disability pension

*Social security (means-tested unless blind):* For all married pensioners and single disability pensioners aged 21 or older, see old-age pension, above. For single people younger than age 18 and living away from the family home, up to A\$408.60 every 2 weeks; A\$264.40 if living in the family home. For single people aged 18 to 20 and living away from the family home, up to A\$408.60 every 2 weeks; A\$299.80 if living in the family home. Single disability pensioners younger than age 21 are eligible for the youth disability supplement of A\$90.10 every 2 weeks, which is included in the rates of the disability pension payable to pensioners younger than age 21.

Mobility allowance (not means-tested): A\$68 every 2 weeks.

Carer payment (means-tested): Up to A\$464.20 every 2 weeks.

Rent assistance (means-tested): Up to A\$95.40 every 2 weeks, according to marital status and the level of rent. Special rules apply to people living in retirement villages.

Pharmaceutical allowance: A\$5.80 every 2 weeks for a single person; A\$2.90 each every 2 weeks for a couple.

Telephone allowance: A\$76.80 a year for telephone subscribers.

Pensioner concession card: Social security recipients are entitled to the concession card that provides reduced costs on certain federal, state or territory, and local government services.

Benefit adjustment: The disability pension and carer payment are adjusted in March and September according to changes in the price index.

*Mandatory occupational pension (superannuation):* No disability benefits are provided.

### Survivor Benefits

#### Survivor pension

*Social security (means-tested):* Up to A\$464.20 every 2 weeks.

Rent assistance: Up to A\$95.40 every 2 weeks, according to marital status and the level of rent. Special rules apply to people living in retirement villages.

Pensioner concession card: Social security recipients are entitled to the concession card that provides reduced costs on certain federal, state or territory, and local government services.

Double orphan payment: See Family Allowances, below.

Bereavement allowance: The difference between a single-person pension and a married-person pension is paid to the surviving partner for 14 weeks after a pensioner's death; one pension payment is credited to the estate of a single pensioner.

Benefit adjustment: The survivor pension is adjusted in March and September according to changes in the price index.

*Mandatory occupational pension (superannuation):* No survivor benefits are provided.

### Administrative Organization

Department of Family and Community Services (<http://www.facs.gov.au>) provides general supervision.

Centrelink (<http://www.centrelink.gov.au>) administers the programs through 401 customer service centers and 16 area support offices.

### Sickness and Maternity

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#### Regulatory Framework

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

**Current laws:** 1973 (national health), with 1983 (health amendment; and 1991 (social security).

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

### Coverage

**Cash sickness benefits:** Gainfully employed persons, including the self-employed, with limited income; and others meeting the qualifying conditions.

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

**Medical and pharmaceutical benefits:** Residents.

### Source of Funds

#### Insured person

*Sickness benefits:* None.

*Medical benefits:* 1.5% levy on income above A\$26,523 for couples and single parents (increased by A\$2,253 per child); A\$15,718 for single persons with no dependents.

Higher income thresholds apply to low-income earners and to senior citizens.

Exemption from the levy: Veterans, war widows, and armed forces 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 income above A\$26,523 for couples and single parents (increased by A\$2,253 per child); A\$15,718 for single persons with no dependents.

Higher income thresholds apply to low-income earners and to senior citizens.

Exemption from the levy: Veterans, war widows, and armed forces 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:* Total cost of cash benefits.

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

*Pharmaceutical benefits scheme:* Assistance is provided toward the cost of a wide range of prescription drugs.

Government funding is provided for residential and community aged care.

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 insurance scheme.

## Qualifying Conditions

**Cash sickness benefits (means-tested):** Age 21 (age 25 if a full-time student) or older and not receiving the old-age pension. Resident in the country. Sickness or injury prevents work and must have a job to return to or intends to resume full-time studies.

Dependent supplement (means-tested): A supplement is payable for a cohabiting opposite-sex partner (regardless of marriage) and dependent children.

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

**Medical and pharmaceutical benefits:** Residents.

## Sickness and Maternity Benefits

**Sickness benefit (means-tested):** Up to A\$351.10 each every 2 weeks for a couple; up to A\$389.20 every 2 weeks for a single person aged 21 or older with no dependents, up to A\$421 every 2 weeks if single with dependents, or up to A\$426.80 if single and aged 60 or older.

For benefits for children, see Family Allowances, below.

Benefits are payable every 2 weeks after a 7-day waiting period for as long as the person is qualified.

Rent assistance (means-tested): Up to A\$95.40 every 2 weeks, according to marital status and the level of rent. Special rules apply to people living in retirement villages.

Pharmaceutical allowance: A\$5.80 every 2 weeks for a single person; A\$2.90 each every 2 weeks for a couple.

Telephone allowance: A\$76.80 a year for telephone subscribers.

Remote area supplement: A\$18.20 every 2 weeks for a single person (A\$15.60 each every 2 weeks for a couple), plus A\$7.30 every 2 weeks for each dependent.

Concession card: Entitled to a health care card that makes available additional health, household, and transportation assistance from state, territory, and local governments.

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

**Maternity benefits:** See Family Allowances, below.

## Workers' Medical Benefits

**Medical benefits:** The patient pays 15% of the scheduled fee for outpatient ambulatory care or A\$50.10, whichever is less (indexed annually for price changes).

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

Private benefit organizations pay for private hospital stays, or public hospitals charge for those who choose treatment by their own physician in public hospitals.

**Pharmaceutical benefit:** A fee of up to A\$22.40 per prescription applies to most prescribed medicines. Pensioners, benefit recipients, and low-income persons pay a A\$3.60 fee per prescription.

## Dependents' Medical Benefits

The same medical and hospital benefits as for the head of the family. Family membership in a private benefit organization will also cover dependents.

## Administrative Organization

**Sickness allowance:** Department of Family and Community Services (<http://www.facs.gov.au>) provides general supervision.

Centrelink (<http://www.centrelink.gov.au>) administers the programs through 401 customer service centers and 16 area support offices.

**Medical and pharmaceutical benefits:** Health Insurance Commission (<http://www.hic.gov.au>) administers the program.

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

## Work Injury

### Regulatory Framework

**First laws:** For the six states, enacted between 1902 (Western Australia) and 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); 1996 (Queensland); and 2001 (Western Australia).

**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 for negligence against an employer.

### Coverage

Employed persons.

The self-employed may self-insure.

Exclusions: The self-employed are not usually covered.

### Source of Funds

**Insured person:** None.

**Self-employed person:** The total cost of self-insurance on a voluntary basis.

**Employer:** Total cost for employees is met through insurance premiums. The cost of premiums varies with 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**

The benefit varies depending on the state or territory in which the award is made. Generally, the benefit is at least 95% of earnings for a minimum of 26 weeks. Benefits may be payable for an extended period at reduced levels.

The maximum benefit levels are determined by the states and territories. Usually, the maximum benefit is in the form of a ceiling on the weekly benefit payment or is based on a total lump-sum value.

Income from the temporary disability benefit is taken into account in the calculation of entitlement to means-tested disability benefits payable under Old Age, Disability and Survivors.

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

### **Permanent Disability Benefits**

**Permanent disability pension:** Payable 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.

Income from the permanent disability pension is taken into account in the calculation of entitlement to means-tested disability benefits payable under Old Age, Disability and Survivors.

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

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

### **Workers' Medical Benefits**

The reasonable cost of medical care, hospitalization, transportation, nursing care, and rehabilitation.

### **Survivor Benefits**

**Survivor benefit:** A lump sum for the survivor, plus a lump sum or a weekly payment for each child. In some cases, the benefit for a child may include a lump sum as well as a weekly payment.

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

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

### **Administrative Organization**

Worker's 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).

Worker's Compensation Board or Commission administers claims for Commonwealth employees.

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

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### **Unemployment**

#### **Regulatory Framework**

**First law:** 1944.

**Current law:** 1991 (social security, job search, and newstart), with 1998 (youth allowance) amendment.

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

#### **Coverage**

Gainfully employed persons (also payable to those not previously gainfully employed who meet the qualifying conditions), including the self-employed.

#### **Source of Funds**

**Insured person:** None.

**Self-employed person:** None.

**Employer:** None.

**Government:** Total cost from general revenue.

#### **Qualifying Conditions**

**Youth allowance (means-tested):** Unemployed young people aged 16 to 20 (age 24 if a full-time student, age 15 or older if old enough to leave school) who undertake approved education, training, job search, or other activity to prepare for employment or are incapacitated for work because of an illness or injury. The allowance is means-tested in terms of both parental and personal income and assets.

**Newstart allowance (means-tested):** Aged 21 or older but under the pensionable age and unemployed. A permanent resident and present in the country during the period of payment. Must be unemployed, capable of undertaking and actively seeking work, or temporarily incapacitated for work because of an illness. Unemployment is not due to voluntary leaving, a labor dispute, or the refusal of a suitable job offer. Otherwise, benefit may be paid at a reduced rate for up to 26 weeks or postponed for up to 8 weeks.

**Mature age allowance (means-tested):** Payable to an older unemployed person who is at least age 60 but less than the pensionable age. Must have received the newstart allowance for the preceding 9 months, or a nonactivity-tested payment in the 13 weeks prior to the claim, and have no recent workforce experience. Recipients are not required to look for work. (No new mature age allowances have been awarded since September 20, 2003.)

**Partner allowance (means-tested):** A member of a couple (born on or before July 1, 1955) whose partner receives a major social security pension or allowance. Must have no recent workforce experience, no dependent children younger than age 16, and must not have received unemployment payments or sickness allowance in the 13 weeks prior to the claim. Recipients are not required to look for work. A couple refers to cohabiting opposite-sex partners, regardless of marriage. (No new partner allowances have been awarded since September 20, 2003.)

### Unemployment Benefits

**Youth allowance (means-tested):** Between A\$174.30 and A\$417.40 every 2 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 is receiving social security benefits.

**Newstart allowance (means-tested):** Up to A\$351.10 every 2 weeks for each member of a couple older than age 21; A\$389.20 every 2 weeks if single, older than age 21, and no dependents; A\$421 every 2 weeks if single with dependents, or A\$426.80 every 2 weeks if single, older than age 60, and after receiving the allowance for 9 months. The allowance is payable after a 7-day waiting period for as long as the person remains qualified.

If exempt from the activity test, a recipient of the newstart allowance may be paid for up to 26 weeks of temporary overseas absence in certain circumstances.

**Mature age allowance (means-tested):** Up to A\$351.10 every 2 weeks for each member of a couple; A\$389.20 every 2 weeks if single. The allowance is payable after a 7-day waiting period for as long as the person remains qualified. (No new mature age allowances have been awarded since September 20, 2003.)

**Partner allowance (means-tested):** Up to A\$351.10 every 2 weeks. The allowance is payable after a 7-day waiting period for as long as the person remains qualified. (No new partner allowances have been awarded since September 20, 2003.)

**Rent assistance (means-tested):** Up to A\$95.40 every 2 weeks, according to marital status 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 for rent assistance.

**Remote area supplement:** A\$18.20 every 2 weeks for a single person (A\$15.60 each every 2 weeks for a couple), plus A\$7.30 every 2 weeks for each dependent.

**Concession card:** Entitled to a health care card, or a pensioner concession card if older than age 60, after receiving social security benefits for 9 months.

**Benefit adjustment:** The youth allowance and newstart allowance are adjusted in March and September according to changes in the price index.

### Administrative Organization

Department of Family and Community Services (<http://www.facs.gov.au>) provides general supervision.

Centrelink (<http://www.centrelink.gov.au>) administers the programs through 401 customer service centers and 16 area support offices.

### Family Allowances

#### Regulatory Framework

**First law:** 1941 (family allowances).

**Current laws:** 1991 (social security); 1995 (social security), implemented in 1996; 1996 (family), implemented in 1997; 1997 (social security), implemented in 1998; 1997 (social security and veterans' affairs), implemented in 1998; and 1999 (social security family actual means test), implemented in 2000.

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

#### Coverage

Residents with one child or more.

#### Source of Funds

**Insured person:** None.

**Self-employed person:** None.

**Employer:** None.

**Government:** Total cost from general revenue.

#### Qualifying Conditions

**Family tax benefit, Parts A and B:** Families with dependent children up to and including age 20 (age 24 if a full-time student; younger than age 21 for job seekers not receiving the youth allowance). The benefit is awarded without being subject to an income test if annual family income is A\$32,485 or less. Families receive some benefit under Part A for annual family income up to A\$89,803 with one dependent child younger than age 18 (the income ceiling is raised by A\$9,137 for each additional dependent child younger than age 18) or A\$91,092 with one dependent aged 18 to 24 (the income ceiling is raised by A\$10,427 for each additional dependent aged 18 to 24).

In addition, Part B provides extra assistance for single-income families (including single parents), particularly for families with children younger than age 5. Single parents are not subject to an income test. Couples receive some benefit under Part B if the secondary earner's annual income is less than A\$18,947 and if the youngest child is younger than age 5; less than A\$14,421 if the youngest child is between ages 5 and 18.

**Large family supplement:** For families with four or more children. The supplement is paid on top of the family tax benefit.

**Multiple birth allowance:** For the birth of three children or more. The allowance is paid every 2 weeks until the children are age 6.

**Rent assistance:** Payable to people receiving more than the base rate of the family tax benefit (Part A) and who pay rent to private landlords.

**Double orphan pension:** Child younger than age 16 (age 21 if a student and not receiving the youth allowance). If both parents are dead (or one parent is dead 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 is unknown) or for refugee children under certain circumstances. The pension is not income-tested.

**Maternity allowance:** Persons with a newborn child who are eligible for the family tax benefit (Part A). Includes persons with adopted babies, stillborn babies, and babies who died shortly after birth.

**Maternity immunization allowance:** Persons who received a maternity allowance at the time of the child's birth or who are receiving or are eligible for a family tax benefit (Part A) when the child is between ages 18 and 24 months and after the child receives age-appropriate immunization or valid exemption from immunization.

**Child care benefit:** Resident families with children who pay for child care with an approved or registered care provider. Children must meet the immunization requirements or be exempt from them. The benefit is income-tested.

**Health care card:** Recipients of the maximum family tax benefit (Part A). A low-income health care card is provided to those satisfying an income test on average gross weekly income in the 8 weeks immediately before the claim is made.

**Parenting payment:** Child must be under age 16 and satisfies residency requirements. The payment is income-tested.

**Care allowance:** Payable to a person who lives with and provides daily care and attention to a substantially disabled person. The carer and the disabled person must satisfy residency requirements.

### **Family Allowance Benefits**

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

The minimum rate per 2-week period for a child younger than age 18 is A\$42.98 (ages 18 to 24 years, A\$57.82).

The maximum rate per 2-week period for a child younger than age 13 is A\$133.56; for ages 13 to 15, A\$169.40; for ages 16 to 17, A\$42.98; and for ages 18 to 24, A\$57.82.

**Family tax benefit, Part B:** The maximum rate for a single parent with a child younger than age 5 is A\$114.66 every 2 weeks; for ages 5 to 15 (ages 6 to 18 if a full-time student), A\$79.94 every 2 weeks. The benefit rates for couples are subject to an income test if the annual income of the secondary earner is more than A\$4,000.

**Large family supplement:** A\$9.24 every 2 weeks for each child after the third.

**Multiple birth allowance:** A\$111.86 every 2 weeks for triplets; A\$149.10 for quadruplets or more. The allowance is usually added to the family tax benefit.

**Rent assistance:** Paid at the rate of 75 cents for each dollar of rent paid above a determined rent threshold. The maximum rate of assistance for each 2-week period depends on whether the claimant is single or partnered, the number of children, and the level of rent.

**Double orphan pension:** A\$45.20 every 2 weeks.

**Maternity allowance:** A lump-sum payment of A\$3,000 is paid for each child.

**Maternity immunization allowance:** A single lump-sum payment of A\$210.66.

**Child care benefit:** The rate of benefit depends on the number of children, the number of hours of care paid for each week, the age of the children, and the status of the care provider.

**Health care card:** The card makes available additional health, household, and transportation assistance from state, territory, and local governments.

**Parenting payment:** Up to A\$351.10 every 2 weeks for parents living as a couple; A\$464.20 every 2 weeks for a single parent.

**Care allowance:** A\$90.10 every 2 weeks.

**Income and asset tests:** Income and asset tests differ for homeowners and nonhomeowners. The rate of payment is calculated according to personal circumstances under the income and asset tests with the lower rate (including zero) applied.

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

### **Administrative Organization**

Department of Family and Community Services (<http://www.facs.gov.au>) provides general supervision.

Family Assistance Offices administer the program.

## Azerbaijan

Exchange rate: US\$1.00 equals 4,950 manat (AZM).

### Old Age, Disability, and Survivors

#### Regulatory Framework

**First law:** 1956.

**Current laws:** 1992 (military pensions); 1992 (disability); 1992 (pensions), implemented in 1993; and 1997 (social insurance).

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

Local welfare offices may provide social assistance in the form of cash, in-kind, and care benefits financed from transfers from the state budget. Employers also provide some social assistance benefits.

#### Coverage

**Social insurance:** All employed residents, including the self-employed and members of collective farms.

**Social pension:** Elderly people, disabled people, and survivors who are not eligible for social insurance benefits.

#### Source of Funds

##### Insured person

**Social insurance:** 2% of gross earnings.

There are no minimum and maximum earnings for contribution purposes.

The above contributions also finance cash sickness and maternity benefits, work injury benefits, unemployment benefits, and family allowances.

**Social pension:** None.

##### Self-employed person

**Social insurance:** Between 10% and 20% of the national average monthly salary; 20% of gross monthly income for advocates and independent auditors and accountants.

There are no minimum and maximum earnings for contribution purposes.

The above contributions also finance cash sickness and maternity benefits, unemployment benefits, and family allowances.

**Social pension:** None.

##### Employer

**Social insurance:** 27% of payroll (nonagricultural); 23% of payroll (agricultural).

There are no minimum and maximum earnings for contribution purposes.

The above contributions also finance cash sickness and maternity benefits, work injury benefits, unemployment benefits, and family allowances.

**Social pension:** None.

#### Government

**Social insurance:** Subsidies as needed; contributes as an employer for its own employees.

There are no minimum and maximum earnings for contribution purposes.

**Social pension:** Total cost.

#### Qualifying Conditions

**Old-age pension:** Age 62 with 25 years of covered employment (men) or age 57 with 20 years of covered employment (women).

Covered employment includes noncontributory periods such as years of military and alternative national service; providing care for Group I invalids or disabled children younger than age 16; periods receiving unemployment allowance or in employment training; and periods receiving a Group I or II disability pension as a result of military or civilian national service or an occupational disease.

The full pension is paid with 45 years of service.

**Early pension:** Age 57 with at least 25 years of service (men) or age 52 with at least 20 years of service (women), including at least 12.6 years (men and women) working in unhealthy or arduous conditions.

Early pensions are also provided to mothers who have reared at least three children or one congenitally disabled child until age 8.

**Gradual retirement pension:** Pensioners may receive 50% of their pension entitlement while working after early or normal pension age. There is no earnings test.

**Special supplements (old age):** Rehabilitated victims of political repression receive 50% of the minimum old-age pension; war veterans (including enrolled civilian personnel and partisan forces) and some other categories of military personnel, 30%.

**Social pension:** For nonworking citizens age 65 (men) or age 60 (women); age 55 for certain categories of mother not eligible for the old-age pension.

**Disability pension:** The pension is awarded according to three assessed degrees of disability (Groups I to III). The degree of disability is assessed and periodically reviewed by a medical commission.

The minimum degree of assessed disability for entitlement to a pension is 25%. The benefit for different categories of insured person is determined by minimum periods of covered employment. There is no minimum period if insured and younger than age 21; if between ages 21 and 23, 1 year of employment; if older than age 23, 1 year of employment plus 3 months for each year over age 23.



Noncontributory periods are also credited or taken into consideration, including military and nonmilitary national service; education and professional training; caregiving for disabled persons, children, and the elderly; for temporary disability; and for periods of unemployment.

**Dependent supplement:** For the spouse and children of nonworking Group I or II disabled persons.

**Care supplement:** Group I disabled persons requiring care and all war-disabled persons (including dependent pensioners).

**Special supplements (disability):** Group I disabled persons (totally disabled, incapable of doing any work, and requiring constant attendance) receive 50% of the minimum old-age pension.

Group I war-disabled persons (totally disabled, incapable of doing any work, and requiring constant attendance) receive 100% of the minimum old-age pension (Group I war-disabled persons who are also eligible for a war veteran's supplement (old age) receive a maximum of 100% of the minimum old-age pension); Group II war-disabled persons (disabled and not requiring constant attendance), 70%; Group III war-disabled persons (partially disabled and incapable of doing usual work), 50%.

**Social pension:** All Group I, II, or III disabled persons not eligible for a disability pension; disabled children younger than age 16.

**Survivor pension:** The deceased had 1 to 15 years of work (depending on age at death). The pension is payable to a surviving spouse if retired or disabled, to a nonworking spouse, to a spouse caring for a child younger than age 8, to a spouse of someone killed in combat, and, to children younger than age 18 (age 23 if a full-time student, no limit if disabled).

**Dependent supplement:** The spouse and children of deceased National Heroes of Azerbaijan; the spouse and children of citizens who died during national service.

**Other eligible survivors:** The parents of an insured person killed in combat (regardless of whether they were dependent on the insured); retired or disabled parents (who were dependent on the insured); or parents (regardless of age or dependency) who do not work but care for one or more of the insured's children younger than age 8. Brothers and sisters who satisfy the age conditions and whose parents are incapable of work or are not working but are caring for one or more of the insured's children, brothers, sisters, or grandchildren younger than age 8. Grandparents who do not work but care for one or more of the insured's children, brothers, sisters, or grandchildren younger than age 8 and there is no one else capable of caring for them. Grandchildren younger than age 18 (age 23 if a full-time student, no limit if disabled) whose parents are incapable of work.

**Death grant:** Payable for the death of an old-age pensioner.

**Social pension:** Payable to a surviving dependent if the insured did not qualify for a social insurance pension.

Pensions are payable abroad under bilateral agreement.

### Old-Age Benefits

**Old-age pension:** 60% of average gross monthly earnings plus 2% for each year of employment over the minimum requirement.

Average gross monthly earnings are calculated on the basis of earnings during the 60 months of employment before the application for a pension.

The minimum pension is 100,000 AZM a month, plus a bread allowance of 11,000 AZM a month.

Normally, the maximum pension is 216,750 AZM (85% of three times the national average wage (85,000 AZM) used to calculate the pension).

**Early pension:** The reduction applied to early pensions varies from profession to profession.

**Gradual retirement pension:** Working pensioners are entitled to 50% of their pension entitlement.

**Care supplement:** 20% of the monthly minimum old-age pension for single pensioners aged 75 or older.

**Special supplements:** 30%, 50%, 70%, or 100% of the minimum old-age pension, according to the specified category.

**Benefit adjustment:** Benefits are adjusted according to changes in the cost of living.

**Social pension:** 80% of the national monthly minimum wage.

The national monthly minimum wage is 100,000 AZM.

**Benefit adjustment:** Benefits are adjusted according to changes in the cost of living.

### Permanent Disability Benefits

**Disability pension:** The benefit is based on the insured's average monthly earnings and the assessed degree of disability. For a Group I disability, 70% of average monthly earnings (80% if war-disabled); Group II, 50% (60% if war-disabled); or Group III, 30% (40% if war-disabled).

Average gross monthly earnings are based either on earnings during 5 years chosen out of the entire employment history or during the last 2 years.

The maximum monthly earnings for benefit calculation purposes are 216,750 AZM.

The minimum pension for a Group I disability is 150% of the minimum old-age pension (200% if war-disabled); Group II, 100% (150% if war-disabled); or Group III, 70% (100% if war-disabled).

Normally, the maximum pension is 216,750 AZM (85% of three times the national average monthly wage (85,000 AZM) used to calculate the pension).

**Partial pension:** The full pension is reduced in proportion to the number of years of employment.

The minimum partial pension is 85% of the national minimum wage.

The national monthly minimum wage is 100,000 AZM.

Dependent supplement: 20% of the monthly minimum old-age pension for each dependent. There is no maximum.

Care supplement: 50% of the monthly minimum old-age pension for a Group I disabled person.

Benefit adjustment: Benefits are adjusted according to changes in the cost of living.

**Social pension:** 100% of minimum wage for a Group I disability, for a Group II disability if the disability began in childhood, or for disabled children younger than age 16; 80% for a Group II disability (excluding the disabled up to age 16); 65% for a Group III disability if the disability began before age 16.

The national monthly minimum wage is 100,000 AZM.

Benefit adjustment: Benefits are adjusted according to changes in the cost of living.

### Survivor Benefits

**Survivor pension:** For a surviving spouse, 30% of the insured's average monthly earnings; 60% if the insured was in military service. The spouse's pension ceases upon remarriage.

**Orphan's pension:** 30% of the insured's average monthly earnings; 60% for full orphans.

Dependent supplement: Members of families of National Heroes of Azerbaijan who died for their country are entitled to 100% of the minimum old-age pension; members of families of other people who have died for their country are entitled to 50% of the minimum old-age pension.

Other dependents: 30% of the insured's average monthly earnings.

The minimum survivor pension is 100% of the minimum old-age pension (100,000 AZM) per survivor.

The maximum pension for each survivor is 216,750 AZM (85% of three times the national average monthly wage (85,000 AZM) used to calculate the pension).

There is no limit to the total maximum survivor pension.

**Death grant:** 150,000 AZM.

Benefit adjustment: Benefits are adjusted according to changes in the cost of living.

**Social pension:** 80% of the minimum wage a month for each orphan, nonworking parents, grandparents, aunts and uncles, and for siblings who were employed by the insured to care for a disabled child younger than age 8.

The national monthly minimum wage is 100,000 AZM.

Benefit adjustment: Benefits are adjusted according to changes in the cost of living.

### Administrative Organization

State Social Protection Fund (<http://www.sspf.gov.az>) provides general coordination and supervision.

Regional and local departments of the State Social Protection Fund administer the program.

State Social Protection Fund and its regional counterparts collect and manage payroll contributions and finance benefit payments.

## Sickness and Maternity

### Regulatory Framework

**First law:** 1912.

**Current laws:** 1998 (social insurance) and 1999 (health insurance).

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

### Coverage

**Cash benefits:** Employed citizens.

Voluntary coverage for the self-employed.

**Medical benefits:** Permanent residents.

### Source of Funds

#### Insured person

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

*Medical benefits:* None.

#### Self-employed person

*Cash sickness and maternity benefits:* May contribute on a voluntary basis.

*Medical benefits:* None.

#### Employer

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

*Medical benefits:* None.

#### Government

*Cash sickness and maternity benefits:* May cover deficits.

*Medical benefits:* Total cost.

### Qualifying Conditions

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

**Medical benefits:** Permanently resident.

### Sickness and Maternity Benefits

**Sickness benefit:** 100% of the last month's earnings for those employed for at least 8 years; for those wounded during the military conflict in Baku in 1990; for those wounded during the military conflict in Karabakh; for parents, wives, and

children of soldiers killed in combat; and for persons who helped during the Chernobyl catastrophe (80% of the last month's earnings for those employed between 5 and 8 years; 60% of the last month's earnings those who have worked for less than 5 years).

The benefit is paid from the first day of incapacity until recovery or assessed as permanently incapable of work.

The employer pays the benefits for the first 6 months.

**Maternity benefit:** 100% of gross average monthly earnings during the period before childbirth and 15,000 AZM a month after childbirth.

The employer pays the benefit for 70 days before and 56 days after the expected date of childbirth.

**Benefit adjustment:** Benefits are adjusted according to changes in the cost of living.

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

### **Workers' Medical Benefits**

Compulsory medical insurance is organized by employers and covers medical services provided directly to patients by public and private facilities contracted by the health insurance agencies. (Mandatory medical insurance for nonworking people is organized by the local authorities.)

Free medical services include the provision of wheelchairs, immunization and vaccination services, and home nursing care for Group I disabled persons. There is compensation for transportation expenses for disabled persons and for authorized medical treatment abroad.

Groups I and II disabled persons and persons with long employment records are entitled to free dental prosthesis and medicines prescribed by a doctor. Prosthesis, eyeglasses, and hearing aids are free for Groups I, II, and III disabled persons and for those with long employment records. General dental care is not free except for children up to age 16 and vulnerable groups of the population, including the disabled.

### **Dependents' Medical Benefits**

Individual entitlement is provided to all permanent residents.

### **Administrative Organization**

**Cash benefits:** State Social Protection Fund (<http://www.ssp.gov.az>) provides general coordination and supervision.

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

## **Work Injury**

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### **Regulatory Framework**

**First law:** 1956.

**Current law:** 1996 (work injury).

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

### **Coverage**

**Cash benefits:** All employees.

**Exclusions:** The self-employed.

**Medical benefits:** All residents.

### **Source of Funds**

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

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

**Employer:** See source of funds under Old Age, Disability, and Survivors, above; and the cost of medical benefits and funeral grants.

**Government:** May cover deficits.

### **Qualifying Conditions**

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

### **Temporary Disability Benefits**

100% of previous income. The benefit is payable from the first day of incapacity until recovery or the award of a permanent disability pension.

Previous income is calculated on the basis of income in the 12 months before the onset of disability or the determination of the degree of disability.

The degree of disability is assessed and periodically reviewed by a medical commission.

### **Permanent Disability Benefits**

**Permanent disability pension:** 100% of average monthly earnings multiplied by the assessed degree of incapacity. The pension is paid monthly.

Average gross monthly earnings are based on earnings during the last 60 months of employment before the application for a pension.

The minimum degree of assessed disability for entitlement to a pension is 25%.

Constant-attendance allowance: 9,000 AZM a month for a Group I disabled person to pay for someone else to provide personal care.

The degree of disability is assessed and periodically reviewed by a medical commission.

Benefit adjustment: Benefits are adjusted according to changes in the cost of living.

**Disability lump sum:** A lump sum of 500,000 AZM is paid annually to victims of the Chernobyl catastrophe.

Benefit adjustment: Benefits are adjusted according to changes in the cost of living.

### Workers' Medical Benefits

Medical services are provided directly to patients by governmental health providers. Benefits include general and specialist care, hospitalization, laboratory services, transportation, and the full cost of appliances and medicines. Rehabilitation and vocational training are available to disabled persons. All costs are paid by the employer.

### Survivor Benefits

#### Survivor benefit

*Widow(er) pension:* For a widow(er) under the pensionable age, 1/3 of average monthly earnings.

*Orphan's pension:* Up to 100% of the deceased's average monthly earnings are shared equally. Orphans must be younger than age 18 (age 23 if a student; no limit if disabled).

*Other eligible survivors (in the absence of the above):* 100% of the deceased's average monthly earnings are shared equally among dependent parents and other relatives.

Average monthly earnings are equal to the insured's average monthly earnings in the last 60 months of employment.

Dependent supplement: Members of families of National Heroes of Azerbaijan who died for their country are entitled to 100% of the minimum old-age pension; members of families of other people who have died for their country are entitled to 50% of the minimum old-age pension. The minimum old-age pension is 100,000 AZM a month.

The maximum total survivor pension is 100% of average monthly earnings.

**Funeral grant:** The employer pays for the funeral.

Benefit adjustment: Benefits are adjusted according to changes in the cost of living.

### Administrative Organization

**Temporary disability benefits:** Enterprises and employers pay benefits to their own employees.

**Pensions:** State Social Protection Fund (<http://www.sspf.gov.az>) provides general coordination and supervision.

Regional and local departments of the State Social Protection Fund administer the program.

Social Protection Fund and its regional counterparts collect and manage payroll contributions and finance benefit payments.

**Medical benefits:** Ministry of Health (<http://www.mednet.az>) and health departments of local governments provide general supervision and coordination. Medical services are delivered through clinics, hospitals, and other facilities administered by the Ministry of Health and local health departments.

### Unemployment

#### Regulatory Framework

**First law:** 1991.

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

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

#### Coverage

All residents.

#### Source of Funds

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

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

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

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

#### Qualifying Conditions

**Unemployment benefit:** At least 26 weeks of covered employment in the 12 months before unemployment. The insured must be between age 15 and the pensionable age, registered with the state employment services, and actively seeking and willing to work.

The benefit is suspended for 3 months for refusing two acceptable job offers or for failing to attend the monthly registration at the employment service without a valid reason. The benefit ceases for filing a false or fraudulent claim or for refusing to attend vocational training.

#### Unemployment Benefits

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

The national average monthly wage is 383,100 AZM.

Dependent supplement: 10% of the benefit for each dependent up to age 18, up to a maximum of 50% of the benefit.

Benefit adjustment: Benefits are adjusted according to changes in the cost of living.

## Administrative Organization

Ministry of Labor and Social Protection of the Population (<http://www.azerin.com/members/mlspp>) provides general oversight.

State Employment Service, with its local branch offices, is responsible for administering the program, paying benefits, providing services for unemployed persons (including training), and also for creating new jobs.

## Family Allowances

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### Regulatory Framework

**First law:** 1944.

**Current laws:** 1992 (pensions), implemented in 1993, with 1997 and 1998 amendments; 1995 (low-income families); and 1996 (children of low-income families).

**Type of program:** Social insurance (child-rearing allowance) and social assistance (child benefit) system.

### Coverage

**Child benefit:** All residents; the benefit is usually paid to a parent or the person responsible for rearing the child.

**Child-rearing allowance:** Employees and covered self-employed persons.

### Source of Funds

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

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

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

**Government:** Total cost of child benefit and subsidies for the child-rearing allowance.

### Qualifying Conditions

**Child benefit (income tested):** Residents younger than age 16 (age 18 if a student with no student allowance).

**Income test:** The average monthly income per family member is less than 16,500 AZM.

**Child-rearing allowance:** For employees who leave the labor force in order to rear a child. There is no minimum qualifying period.

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

**Full orphan's special allowance:** Paid to a full orphan until age 16.

## Family Allowance Benefits

**Child benefit (income tested):** Claims for benefits are either normal or special. For a normal case, the basic amount varies according to the income of the family. The full normal benefit is 9,000 AZM a month per child. For a special case, the basic amount does not vary with the age of the child or the income of the family. Special cases are as follows: for a child whose parent is in periodic military service, 12,500 AZM a month; children of war invalids and martyrs, 20,000 AZM a month; children of parents killed during the defense of the motherland, 35,000 AZM; or children of a parent who helped during the Chernobyl catastrophe, 25,000 AZM.

**Child-rearing allowance:** 15,000 AZM a month until the child is age 3.

**Birth and adoption grants:** A lump sum of 70,000 AZM.

**Full orphan's special allowance:** 5,500 AZM a month.

**Benefit adjustment:** Benefits are adjusted annually.

## Administrative Organization

Ministry of Labor and Social Protection of the Population (<http://www.azerin.com/members/mlspp>) provides general oversight.

Local branches of the Ministry of Labor and Social Protection of the Population are responsible for administering social security benefits and paying benefits to nonworking parents.

State Social Protection Fund and its regional counterparts collect and manage payroll contributions and finance benefit payments.

## Bahrain

Exchange rate: US\$1.00 equals 0.37 dinars.

### Old Age, Disability, and Survivors

#### Regulatory Framework

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

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

#### Coverage

Bahraini employed persons in establishments with five employees or more; workers in establishments with fewer than five employees may contribute voluntarily. (From June 1, 2005, all establishments with one or more employees.)

**Exclusions:** Domestic servants, certain groups of agricultural employees, casual workers, temporary noncitizen workers, and other groups as specified in law.

Voluntary coverage for persons with 5 years or more of previous compulsory social security coverage but who are no longer covered on a compulsory basis. Voluntary coverage for the self-employed. Voluntary contributors are covered for old-age, disability, and survivor benefits.

**Special schemes:** Public-sector employees.

#### Source of Funds

**Insured person:** 5% of total monthly salary; insured persons who were previously compulsorily insured for at least 5 years contribute 12% of their declared monthly income on a voluntary basis.

**Self-employed person:** The self-employed contribute voluntarily 12% of monthly income. When contributions begin, a hypothetical monthly income is set between a minimum of 200 dinars and a maximum of 1,000 dinars. The amount may be increased or decreased annually by up to 5% but may not fall below the minimum of 200 dinars or exceed 1,500 dinars.

**Employer:** 7% of the employee monthly salary.

**Government:** None.

#### Qualifying Conditions

##### Old-age pension

**Men:** Age 60 with 15 years of coverage; after age 60, with 10 years of coverage and 36 consecutive monthly contributions in the last 5 years.

**Women:** Age 55 with 10 years of coverage; after age 55, with 10 years of coverage and 36 consecutive monthly contributions in the last 5 years.

**Early pension:** Regardless of age with 20 years of coverage (men) or 15 years of coverage (women).

**Lump-sum compensation for prolonged service:** For a contribution period beyond 40 years.

Retirement from usual employment is necessary. Pensioners are allowed to combine pension income and earned income from new employment provided that total income does not exceed the level of income earned at the time of retirement.

**Old-age settlement:** The insured is ineligible for an old-age pension.

**Disability pension:** The insured had at least 6 consecutive months of contributions immediately before the onset of disability; or 12 interrupted months of contributions, 3 months of which were consecutive and immediately before the onset of disability. The pension is also payable if the disability occurs within 1 year of the cessation of contributions. The insured must be younger than age 60 (men) or age 55 (women) at the onset of disability.

**Disability settlement:** The insured is ineligible for a disability pension.

**Survivor pension:** The insured was a pensioner at the time of death; had at least 6 consecutive months of contributions immediately before the date of death; or 12 nonconsecutive months of contributions, 3 months of which were consecutive and immediately before the date of death. The pension is also payable if death occurs within 1 year of the cessation of contributions, regardless of age.

**Lump-sum compensation for prolonged service:** Paid if the deceased had a contribution period beyond 40 years.

**Marriage grant:** A lump-sum grant is paid upon marriage to each female heir receiving a survivor pension. The grant is paid only once. Entitlement to a survivor pension for widows, daughters, or sisters ceases on marriage but may be reinstated if she is subsequently divorced or widowed.

If a widow remarries or dies after the death of her insured or pensioner spouse, her pension is paid to eligible sons and daughters.

A son's pension ceases at age 22 (no limit if disabled); upon earning a sum equal to the pension; or if in higher education, until age 26 or the end of education, whichever is earlier.

A daughter's pension ceases on marriage (or if she earns a sum equal to the pension) but will be reinstated if she is subsequently divorced or widowed.

**Survivor settlement:** The deceased was ineligible for a pension.

**Death grant:** Paid for the death of the insured or a pensioner.

#### Old-Age Benefits

**Old-age pension:** The monthly pension is 2% of the insured's monthly average earnings in the last 2 years times the number of years of contributions.

The maximum contribution period for pension calculation purposes is 40 years (a maximum of 5 years may be credited, but only up to a maximum contribution period of 30 years).

The minimum pension is the insured's average contributory wage during the last 2 years or 150 dinars a month, whichever is less. The contributory wage is equal to the total monthly wage received in January of each year. The minimum pension must be at least the equivalent of 30 dinars a month for every family member (including the pensioner) provided that the total does not exceed the average contributory wage over the last 2 years.

The maximum pension is 88% of average earnings, calculated as a base of 80% of average earnings plus an additional 10% of the pension (equal to 8% of average earnings) on which the pension is based.

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.

Lump-sum compensation for prolonged service: For a contribution period beyond 40 years, the insured is entitled to a lump sum equal to 11% of average earnings in the last 2 years for each contribution year beyond 40.

**Old-age settlement:** A lump sum equal to 15% of the insured's average monthly earnings in the last 2 years, multiplied by 12 times the number of years of contributions, plus 5% interest from the date coverage stops until the date the settlement is paid.

Benefit adjustment: Benefits are adjusted on an ad hoc basis according to changes in the cost of living.

### **Permanent Disability Benefits**

**Disability pension:** The pension is 44% of the insured's average monthly salary over the last year of contributions before the onset of disability or 2% of the insured's average salary during the last year of contributions times the number of years of contributions, whichever is higher.

The minimum pension is equal to 44% of the insured's average monthly earnings in the last year of contribution or 150 dinars, whichever is higher; an insured person with income less than 150 dinars qualifies for a pension equal to 100% of his or her average contributory wage in the last year.

The contributory wage is equal to the total monthly wage received in January of each year.

The maximum pension is 88% of average earnings, calculated as 80% of the insured's average earnings plus an additional 10% of the pension.

**Disability settlement:** A lump sum equal to 15% of the insured's monthly average earnings in the last 2 years, multiplied by 12 times the number of years of contributions, plus 5% interest from the date the insured ceased employment because of the onset of disability until the date the settlement is paid.

Benefits are payable abroad in limited circumstances.

Benefit adjustment: Benefits are adjusted on an ad hoc basis according to changes in the cost of living.

### **Survivor Benefits**

#### **Survivor pension**

*Widow's pension:* 37.5% of the insured's pension; 50% in the absence of orphans.

*Orphan's pension:* 50% of the insured's pension is divided equally among the insured's children (a son must be under age 22; under age 26 if a student in higher education) or 62.5% if there are no other eligible survivors except the widow.

In the absence of any other survivors, a full orphan receives 100% of the insured's pension; in the absence of a widow but with the presence of other eligible survivors (below), a full orphan receives 87.5%.

Other eligible survivors: 12.5% of the insured's pension is divided equally among dependent parents, brothers, and sisters.

The minimum pension is 44% of the insured's average earnings in the last year of contribution or 150 dinars a month, whichever is higher; an insured person with income less than 150 dinars qualifies for a pension equal to 100% of his or her average contributory wage in the last year. The minimum pension must be at least 30 dinars a month for every surviving family member even if the total exceeds 44% of the insured's average earnings or 150 dinars, but the total cannot exceed the average contributory wage during the last year.

The maximum pension is 88% of average earnings, calculated as 80% of the insured's average earnings plus an additional 10% of the pension.

Lump-sum compensation for prolonged service: For a contribution period beyond 40 years, the survivor is entitled to a lump sum calculated at a rate of 11% of average earnings in the last 2 years for each contribution year beyond 40.

Survivor pensions are payable monthly.

Marriage grant: A lump-sum grant equal to 15 times the monthly pension is paid.

**Survivor settlement:** A lump sum equal to 15% of the deceased's monthly average earnings in the last 2 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' earnings (if in employment at the time of death) or pension (if retired) plus 300 dinars for funeral expenses; 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 adjusted on an ad hoc basis according to changes in the cost of living.

## Administrative Organization

Minister of Labor and Social Affairs (<http://www.bah-molsa.com>) provides general supervision.

Managed by a board of directors, the General Organization for Social Insurance (<http://www.gosi.org.bh>) administers the program.

## Work Injury

### Regulatory Framework

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

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

### Coverage

Employed persons in establishments with five employees or more. (From June 1, 2005, all establishments with one or more employees.)

Exclusions: Domestic servants, casual employees, those engaged in family labor, the self-employed, and agricultural workers.

Special schemes: Public-sector employees.

### Source of Funds

**Insured person:** None.

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

**Employer:** 3% of the employee basic salary; 1% if the employer pays cash benefits to an insured worker who is receiving medical treatment and pays the insured's transportation expenses to the place of treatment or provides medical care to insured workers in employer-owned hospital facilities.

**Government:** None.

### Qualifying Conditions

**Work injury benefits:** There is no minimum qualifying period. The degree of disability is assessed by the Medical Committee. The General Organization for Social Insurance may request periodic medical examinations during the first 4 years of disability. The insured may also request medical reexamination during this period.

Survivor benefits are payable to the widow(er) and orphans. Other eligible survivors include dependent parents, brothers, and sisters. If a widow remarries or dies after the death of her insured or pensioner spouse, her share is paid to eligible sons and daughters. A daughter's pension ceases on marriage (or if she earns a sum equal to the pension) but will be reinstated if she is subsequently divorced or widowed.

## Temporary Disability Benefits

The daily allowance is 100% of the insured's contributory daily wage. The employer pays the wage for the day of the injury; thereafter, the benefit is paid by the General Organization for Social Insurance, until recovery or certification of permanent disability.

## Permanent Disability Benefits

**Permanent disability pension:** The base pension is 80% of the insured's last monthly earnings. In addition, a supplement equal to 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. If totally disabled, the total pension amounts to 88% or 92% of the insured's average monthly earnings.

The minimum pension is 150 dinars a month or 88% or 92% of the insured's contributory wage, whichever is higher; for those earnings less than 150 dinars, the pension equals 100% of his or her contributory wage. The contributory wage is equal to the insured's total monthly wage received in January of each year. The minimum pension for every family member (including the insured) must be at least 30 dinars a month, provided that the total does not exceed the insured's last contributory wage.

**Partial disability:** A percentage of the full pension in proportion to the assessed degree of disability. For a loss of capacity of less than 30%, a lump sum equal to 36 times the monthly pension for permanent disability multiplied by the actual percentage of the disability.

## Workers' Medical Benefits

Medical and surgical care, hospitalization, drugs, appliances, rehabilitation, transportation, diagnostic examinations, and dental care, inside or outside Bahrain.

## Survivor Benefits

### Survivor pension

The base pension is 80% of the insured's last monthly earnings. In addition, a supplement equal to 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 total pension amounts to 88% or 92% of the insured's average monthly earnings.

**Widow's pension:** 37.5% of the insured's pension.

**Orphan's pension:** 50% of the insured's pension is divided equally among the insured's children (a son must be under age 22; age 26 if a student in higher education) or 62.5% if there are no other eligible survivors except the widow.

In the absence of any other survivors, a full orphan receives 100% of the insured's pension; in the absence of a widow but with the presence of other eligible survivors (below), a full orphan receives 87.5%.

**Other eligible survivors:** 12.5% of the insured's pension is divided equally among dependent parents, brothers, and sisters.



The minimum pension is 150 dinars a month or 88% or 92% of the insured's contributory wage, whichever is higher; for those who earned less than 150 dinars, the pension equals 100% of the deceased's contributory wage. The contributory wage is equal to the deceased's total monthly wage received in January of each year. The minimum pension for every family member must be at least 30 dinars a month, provided that the total does not exceed the insured's last contributory wage.

The maximum pension is 88% of average earnings, calculated as 80% of the insured's average earnings plus an additional 10% of the pension.

**Marriage grant:** A lump-sum grant equal to 15 times the monthly pension is awarded upon marriage to each female heir who is currently receiving a pension. The grant is paid only once. Entitlement to a survivor pension for widows, daughters, or sisters ceases on marriage but may be reinstated if she is subsequently divorced or widowed.

**Death grant:** Six months' earnings (if employed at the time of death) or monthly pension (if retired at the time of death), plus 300 dinars for funeral expenses; 400 dinars if the insured died abroad and regardless of the place of burial. The grant is paid to the widow or the eldest son or his heirs.

**Benefit adjustment:** Benefits are adjusted by the government on an ad hoc basis according to changes in the cost of living.

### ***Administrative Organization***

Minister of Labor and Social Affairs  
(<http://www.bah-molsa.com>) provides general supervision.

Managed by a board of directors, the General Organization for Social Insurance (<http://www.gosi.org.bh>) administers the program.

## Bangladesh

Exchange rate: US\$1.00 equals 60 takas.

### Old Age, Disability, and Survivors

#### Regulatory Framework

**First and current law:** 1998.

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

#### Coverage

Low-income citizens aged 57 or older.

Special system for public-sector employees.

#### Source of Funds

**Insured person:** None.

**Self-employed person:** None.

**Employer:** None.

**Government:** Total cost.

#### Qualifying Conditions

**Old-age pension:** Aged 57 or older, resident in Bangladesh, and selected for eligibility.

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

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

#### Old-Age Benefits

**Old-age pension:** A monthly pension of 120 takas (July 2002), equal to 10% of average income.

#### Permanent Disability Benefits

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

#### Survivor Benefits

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

#### Administrative Organization

The government administers the program.

#### Sickness and Maternity

##### Regulatory Framework

**First law:** 1939.

**Current laws:** 1950 (maternity benefit) and 1965.

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

Note: This information is more than 10 years old.

#### Coverage

**Cash sickness benefits:** Employees of factories in manufacturing industries employing 10 or more workers and employees of shops and establishments with 5 or more workers.

Exclusions: Clerical staff and the self-employed.

**Cash maternity benefits:** Employed women.

**Medical benefits:** Medical facilities are provided by some employers in the public and private sectors through dispensaries in their establishments; workers can also use general hospital facilities run by the government.

#### Source of Funds

**Insured person:** None.

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

**Employer:** Total cost.

**Government:** Provides hospital facilities.

#### Qualifying Conditions

**Cash sickness benefits:** In insured employment.

**Cash maternity benefits:** At least 9 months' service with the same employer on the expected date of childbirth.

#### Sickness and Maternity Benefits

**Sickness benefit:** 50% of wages for factory workers and 100% of wages for workers in shops, establishments, and large factories, for up to 14 days a year.

**Maternity benefit:** A cash payment, depending on the level of the insured's wages, for 6 weeks before and 6 weeks after childbirth.

#### Workers' Medical Benefits

A medical allowance of 100 takas a month is paid to workers whose employer does not provide medical facilities.

#### Administrative Organization

Ministry of Labor and Manpower administers the program.

Public Health Service administers public health services.

#### Work Injury

##### Regulatory Framework

**First law:** 1923.

**Current laws:** 1980 (workmen's compensation) and 1982.

**Type of program:** Employer-liability system for accidental injuries and 34 listed occupational diseases.

Note: This information is more than 10 years old.

### **Coverage**

Employees of railways, factories with 10 or more workers, and estate and dock employees.

Exclusions: Clerical staff, the self-employed, and workers earning 1,200 takas or more a month.

### **Source of Funds**

**Insured person:** None.

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

**Employer:** Total cost.

**Government:** None.

### **Qualifying Conditions**

**Work injury benefits:** There is a 4-day waiting period.

### **Temporary Disability Benefits**

The insured's full wages for the first 2 months, 2/3 of wages for the next 2 months, and half of wages for subsequent months of disability or for a maximum of a year, whichever is shorter.

### **Permanent Disability Benefits**

Between 10,000 takas and 30,000 takas a month, depending on the insured's monthly wage, payable for up to a year of disability.

### **Survivor Benefits**

Between 8,000 takas and 21,000 takas, depending on the insured's monthly wage.

### **Administrative Organization**

Ministry of Labor and Manpower administers the program.

Commissioner of Workmen's Compensation provides supervision.

### **Unemployment**

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#### **Regulatory Framework**

No statutory unemployment benefits are provided.

The 1965 labor act requires employers to provide a termination benefit, a retrenchment and layoff benefit, and a benefit for discharge from service on the grounds of ill health to workers in shops and commercial and industrial establishments.

Monthly rated permanent employees receive half of the average basic wage for 120 days (plus 1 month's salary for

each year of service); casual workers, for 60 days (plus a lump-sum payment of 14 days' wages for each year of service); and temporary workers, for 30 days.

Note: This information is more than 10 years old.

## Brunei

Exchange rate: US\$1.00 equals  
1.69 Brunei dollars (B\$).

### Old Age, Disability, and Survivors

#### Regulatory Framework

**First and current laws:** 1955 (old-age and disability pensions), with 1984 (universal pension system) amendment; and 1992 (employees' trust fund).

**Type of program:** Provident fund and universal old-age and disability pension system.

#### Coverage

**Provident fund:** All employees up to age 55 who are citizens or permanent residents in Brunei, including government civil servants who began service on or after January 1, 1993. (Civil servants who began service before January 1, 1993, are covered by the government pension scheme.)

Voluntary coverage for the self-employed and persons aged 55 or older.

Exclusions: Foreign workers.

Special systems for armed forces personnel, police force personnel, and prison wardens.

**Universal old-age and disability pension:** Residents.

#### Source of Funds

##### Insured person

**Provident fund:** 5% of monthly salary if the monthly salary exceeds B\$80. (Additional voluntary contributions are permitted with prior notification given to the employer.)

There are no minimum or maximum earnings levels for contribution purposes.

**Universal old-age and disability pension:** None.

##### Self-employed person

**Provident fund:** The level of any voluntary contributions is optional.

There are no minimum or maximum earnings levels for contribution purposes.

**Universal old-age and disability pension:** None.

##### Employer

**Provident fund:** 5% of monthly payroll. (Additional voluntary contributions on behalf of employees are permitted.)

There are no minimum or maximum earnings levels for contribution purposes.

**Universal old-age pension:** None.

#### Government

**Provident fund:** None.

**Universal old-age and disability pension:** Total cost.

#### Qualifying Conditions

##### Old-age benefit

**Provident fund:** Age 55. Retirement is not necessary.

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 can draw down funds from their account for building or purchasing a house for their personal residence.

A lump sum is payable to members of any age if emigrating permanently from the country.

**Universal old-age pension:** Age 60 and resident. For persons born in Brunei, 10 years of residence immediately before claiming the pension; for persons born outside Brunei, 30 years of residence immediately before claiming the pension.

##### Disability benefit

**Provident fund:** The fund member must be totally physically or mentally unable to work. The degree of disability is assessed by the Medical Board.

**Universal disability pension:** Unable to work and 10 years of residence immediately preceding the onset of disability. Must participate in suitable medical treatment and rehabilitation.

**Survivor benefit (provident fund):** Paid to the next of kin or named survivors.

#### Old-Age Benefits

##### Old-age benefit

**Old-age benefit (provident fund):** A lump sum equal to the total employee and employer contributions plus compound interest.

**Early withdrawal:** Fund members may draw down 25% of accumulated assets.

**Drawdown payment:** The fund member may draw down up to 45% of accumulated assets in the individual account only once before age 55 for building or purchasing a house.

**Interest rate adjustment:** Set by the government annually according to the financial health of the fund, bank saving rates, and inflation rates. The current rate is 3.1%.

**Universal old-age pension:** A flat-rate amount.

**Benefit adjustment:** The pension is adjusted on an ad hoc basis.

## Permanent Disability Benefits

### Disability benefit

*Disability benefit (provident fund):* A lump sum equal to the total employee and employer contributions plus compound interest.

Interest rate adjustment: Set by the government annually according to the financial health of the fund, bank saving rates, and inflation rates. The current rate is 3.1%.

*Universal disability pension:* A flat-rate amount.

Benefit adjustment: The pension is adjusted on an ad hoc basis.

### Survivor Benefits

**Survivor benefit (provident fund):** A lump sum equal to total employee and employer contributions plus compound interest.

Interest rate adjustment: Set by the government annually according to the financial health of the fund, bank saving rates, and inflation rates. The current rate is 3.1%.

### Administrative Organization

Under the supervision of the Employees' Trust Fund Board, the Employees' Trust Fund Department of the Ministry of Finance is responsible for the administration of contributions and benefits and the investment of funds.

Department of Community Development of the Ministry of Culture, Youth, and Sports (<http://www.belia-sukan.gov.bn>) administers the universal benefit program.

### Sickness and Maternity

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#### Regulatory Framework

The government provides all residents with access to medical benefits, including outpatient and inpatient care provided by registered physicians and, upon referral by the physician, by approved hospitals. The Ministry of Health (<http://www.moh.gov.bn>) registers physicians and approves hospitals to provide services to residents.

### Work Injury

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#### Regulatory Framework

**First and current law:** 1957 (workmen's compensation), with 1984 amendment.

**Type of program:** Employer-liability system.

### Coverage

All employees who are citizens or permanent residents in Brunei, including government civil servants.

Exclusions: Domestic servants, home workers, and security personnel.

There is no voluntary coverage.

### Source of Funds

**Insured person:** None.

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

**Employer:** Total cost, met through the direct provision of benefits.

**Government:** None.

### Qualifying Conditions

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

### Temporary Disability Benefits

A monthly benefit equal to 2/3 of the employee's average monthly earnings in the 6 months before the onset of disability.

The maximum benefit is B\$130 a month.

The benefit is payable after a 4-day waiting period for up to 5 years. If the disability lasts more than 14 days, the benefit is paid retroactively for the first 4 days.

### Permanent Disability Benefits

A lump sum of 48 times the employee's average monthly earnings in the 6 months before the onset of disability.

The maximum benefit is B\$9,600.

Constant attendance supplement (total permanent disability): A lump sum of 25% of the permanent total disability benefit if constant help for daily living is required.

Partial disability: A lump sum equal to the permanent total disability benefit times the assessed percentage of disability, according to a schedule.

If temporary disability benefits were paid for a period exceeding 6 months before the determination of total or partial permanent disability, the temporary disability benefits paid after the duration of 6 months are deducted from the permanent disability benefit.

### Workers' Medical Benefits

The employer must pay for examination and treatment by a registered physician and, upon referral by the physician, in approved hospitals.

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### **Survivor Benefits**

A lump sum of 36 times the employee's average monthly earnings in the last 6 months before death.

The maximum benefit is B\$7,200.

Eligible survivors are dependent members of the deceased's family (including the spouse, children, parents, and brothers and sisters).

If there are no dependent survivors, the employer must pay for the deceased's funeral.

### **Administrative Organization**

Workmen's Compensation, Health and Safety Section, of the Department of Labor (<http://www.labour.gov.bn>) enforces work injury law. The Department of Labor 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 equals 450 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, below.)

Special systems for civil servants, permanent employees of state boards and corporations and municipal authorities, and the armed forces.

### 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 employees of state enterprises, certain types of civil servant, and temporary and permanent employees of public or private firms with five or more workers in industry and commerce or in specified industries and services (railways, ports, mines, and oilfields).

Coverage is being extended gradually to different regions. Coverage is provided in Yangon, Mandalay, Mawlamyaing, Patheingyi, Bago, and 92 townships.

Exclusions: Self-employed persons, workers in private shops and establishments with less than five employees, construction workers, agricultural workers, and fishermen.

#### Source of Funds

**Insured person:** 1.5% of monthly earnings, according to 10 wage classes.

The minimum monthly earnings for contribution and benefit purposes are 100 kyats for monthly earnings in the lowest wage class of less than 150 kyats.

The maximum earnings for contribution and benefit purposes are 1,000 kyats for monthly earnings in the highest wage class of more than 950 kyats.

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

**Employer:** 1.5% of monthly payroll, according to 10 wage classes.

The minimum monthly earnings for contribution and benefit purposes are 100 kyats for monthly earnings in the lowest wage class of less than 150 kyats.

The maximum earnings for contribution and benefit purposes are 1,000 kyats for monthly earnings in the highest wage class of more than 950 kyats.

**Government:** Subsidies if necessary.

All of the above contributions also finance the work injury funeral grant.

#### Qualifying Conditions

**Cash sickness benefits:** Seventeen 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 for up to 26 weeks after the last day of covered employment for involuntarily unemployed persons registered as unemployed who had fulfilled the contribution conditions on the date of dismissal.

**Cash maternity benefit:** Twenty-six weeks of contributions in the 52 weeks before the expected date of childbirth.

**Medical benefits:** In insured employment. There is no minimum qualifying period. Coverage is provided for up to 26 weeks after the last day of covered employment for involuntarily unemployed insured persons registered as unemployed.

#### Sickness and Maternity Benefits

**Sickness benefit:** 50% of the insured's average covered earnings in the 17 weeks before the onset of incapacity, according to 10 wage classes. The benefit is payable from the first day of incapacity for up to 26 weeks for one illness.

The minimum daily benefit is 2.55 kyats.

**Funeral grant:** Payable to the person who paid for the funeral. The benefit is 1,000 kyats for the deceased's surviving spouse or child; otherwise, the benefit equals the actual cost of the funeral, up to a maximum of 1,000 kyats.

**Maternity benefit:** Two-thirds of the insured's average covered earnings in the 17 weeks before maternity leave, according to 10 wage classes. The benefit is payable for a maximum of 12 weeks (6 weeks before and 6 weeks after) the expected date of childbirth.

The minimum daily benefit is 2.55 kyats.

#### Workers' Medical Benefits

Medical services are provided directly to patients through the Social Security Board's dispensaries and hospitals, the dispensaries of large employers, and public hospitals. Insured persons are registered with a dispensary and are covered for services provided by this dispensary only (except in the cases of emergency or upon referral from the dispensary). Medical benefits include medical care at the dispensary, emergency domiciliary care, specialist and laboratory services at a

diagnostic center, necessary hospitalization, maternity care, and medicines.

The duration of benefits is 26 weeks for one illness (may be extended for medical reasons or if in the interest of public health).

### **Dependents' Medical Benefits**

Pediatric care for an insured woman's newborn child up to the age of 6 months.

### **Administrative Organization**

Ministry of Labor provides general supervision.

Social Security Board is responsible for the administration of 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.

The 1923 law is still in force for agricultural workers and nonagricultural employees not yet covered by the current law.

#### **Coverage**

Certain groups of employees of state enterprises, certain types of civil servant, and temporary and permanent employees of public or private firms with five or more workers in industry and commerce or in specified industries and services (railways, ports, mines, and oilfields).

Coverage is being extended gradually to different regions. Coverage is provided in Yangon, Mandalay, Mawlamyaing, Patheingyi, Bago, and 92 townships.

**Exclusions:** Self-employed persons, workers in private shops and establishments with less than five employees, 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 10 wage classes; see source of funds under Sickness and Maternity for the funeral grant.

The minimum monthly earnings for contribution and benefit purposes are 100 kyats for monthly earnings in the lowest wage class of less than 150 kyats.

The maximum earnings for contribution and benefit purposes are 1,000 kyats for monthly earnings in the highest wage class of more than 950 kyats.

**Government:** None.

### **Qualifying Conditions**

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

### **Temporary Disability Benefits**

Two-thirds of the insured's average covered earnings in the 17 weeks before the onset of disability, according to 10 wage classes. The benefit is payable from the first day of incapacity for up to 52 weeks.

### **Permanent Disability Benefits**

**Permanent disability pension:** Two-thirds of the insured's average covered earnings in the 17 weeks before the onset of disability, according to 10 wage classes, if totally disabled (100%).

**Constant-attendance supplement:** If totally disabled, 25% of the insured's pension is payable for the constant attendance of another person, as certified by a medical officer of the Social Security Board.

**Partial disability:** A percentage of the full pension, calculated according to the percentage loss of capacity; if the loss of capacity is less than 20%, the benefit is converted to a lump sum equal to 5 years' pension.

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 through the Social Security Board's dispensaries and hospitals, the dispensaries of large employers, and public hospitals. Insured persons are registered with a dispensary and are covered for services provided by this dispensary only (except in the cases of emergency or upon referral from the dispensary). Medical benefits include medical care at the dispensary, emergency domiciliary care, specialist and laboratory services at a diagnostic center, necessary hospitalization, physiotherapy, prostheses, appliances, and medicines.

There is no limit on duration.

### **Survivor Benefits**

**Survivor pension:** Between 28 kyats and 267 kyats a month, according to 10 wage classes. The pension is payable to the widow (the benefit ceases upon remarriage). The average benefit is 27% of the deceased's covered earnings.



**Orphan's pension:** Between 14 kyats and 133.50 kyats a month, according to 10 wage classes for each orphan younger than age 16; between 21 kyats and 200 kyats a month, according to 10 wage classes for each full orphan younger than age 16. The average pension is 13% (20% for a full orphan) of the deceased's covered earnings.

**Other eligible survivors (in the absence of the above):** A pension is payable to a disabled widower and aged or disabled relatives who were dependent on the deceased. The pension for other eligible 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 equal to 2/3 of the deceased's average covered earnings in the 17 weeks before death, according to 10 wage classes. If the total of all survivor pensions exceeds the maximum, the pensions are reduced proportionally.

**Funeral grant:** Payable to the person who paid for the funeral. The benefit is 1,000 kyats for the deceased's surviving spouse or child; otherwise, the benefit equals the actual cost of the funeral, up to a maximum of 1,000 kyats.

### ***Administrative Organization***

Ministry of Labor provides general supervision.

Social Security Board is responsible for the administration of contributions and benefits.

## China

Exchange rate: US\$1.00 equals 8.26 yuan.

### Old Age, Disability, and Survivors

#### Regulatory Framework

**First law:** 1951.

**Current laws:** 1953 (regulations) and 1978, 1995, 1997, and 1999 (directives).

**Type of program:** Social insurance and mandatory individual account system. (Provincial and city/county social insurance agencies and employers adapt central government guidelines to local conditions.)

Note: China does not yet have national social security legislation.

#### Coverage

Employees in urban enterprises and urban institutions managed as enterprises and the urban self-employed. In some provinces, coverage for the urban self-employed is voluntary. (Urban enterprises comprise all state-owned enterprises, regardless of their location.)

Old-age provision in rural areas is based mainly on family support and through community and state financial support. Pilot schemes in the form of individual accounts, supported at the town and village level and subject to preferential support by the state, operate in some rural areas.

Special systems: Employees of government and communist party organizations and of cultural, educational, and scientific institutions (except for institutions financed off-budget) are covered under a government-funded, employer-administered system. Enterprise-based pension systems cover some employees (including the self-employed) in cities.

#### 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 contribution rate is higher in some provinces.)

The minimum earnings for employee contribution and benefit purposes are equal to 60% of the local average wage for the previous year.

The maximum earnings for employee contribution and benefit purposes vary but may be as much as 300% of the local average wage of the previous year.

##### Self-employed person

**Basic pension insurance:** Total contribution rates vary among provinces, from 10% to 20% of the local average wage (or a multiple of the local average wage). Around one-quarter of the total contribution finances basic pension insurance. The total contribution also finances the mandatory individual pension account, below.

**Mandatory individual pension account:** Around three-quarters of the total contribution (see basic pension insurance, above).

##### Employer

**Basic pension insurance:** Total contribution rates vary among provinces. The maximum is 20% of payroll, depending on local government regulations. The total contribution also finances the mandatory individual pension account, below.

**Mandatory individual account:** 3% of insured payroll. The contribution is taken from the total contribution made to basic pension insurance. (In the province of Liaonin and other pilot provinces, none).

##### Government

**Basic pension insurance:** Central and local government subsidies are provided to city/council retirement pension pools as needed.

**Mandatory individual account:** Central and local government subsidies are provided to city/council retirement pension pools as needed.

#### Qualifying Conditions

**Old-age pension (basic pension insurance and mandatory individual account):** Age 60 (men); age 60 (professional women), age 55 (nonprofessional salaried women), or age 50 (other categories of women). The insured must have a minimum of 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 10 years of coverage and if totally disabled.

##### Disability pension

**Basic pension insurance:** Total incapacity for work and not eligible for early retirement. Medical experts of the Labor Ability Appraisal Committee assess the degree of disability.

**Mandatory individual account:** No cash benefit is provided.

##### Survivor pension

**Basic pension insurance (central government guidelines):** The deceased was in covered employment or was a pensioner.

**Funeral grant:** For the death of the insured or a dependent immediate family member.

**Mandatory individual account (central government guidelines):** The deceased was in covered employment.

## Old-Age Benefits

### Old-age pension

**Basic pension insurance (central government guidelines):** 20% of the citywide or countywide average wage of the preceding year if the enterprise is participating in a city/county retirement pension pool. (Some rural areas follow the directives of the urban scheme. Benefits vary in rural areas following the rural pilot pension scheme). (In Liaonin and other pilot provinces, an equivalent of 0.6% to 1% of the average wage is paid for each additional year of contributions after the minimum period of 15 years.)

Early pension: A pension is provided.

The minimum pension is paid with 15 years of coverage.

The maximum pension is no higher than 100% of the insured's wage before retirement.

**Mandatory individual account (central government guidelines):** The monthly benefit is equal to 1/120 of total employer and employee contributions plus interest (transition arrangements are provided by local governments for workers whose employment began before the introduction of mandatory individual accounts and ended after). Benefits paid beyond 120 months are paid out of a reserve fund from balances of employer contributions to individual accounts closed on the death of the individual account holder (see mandatory individual accounts under survivor benefits, below).

(Liaonin and other pilot provinces are considering adopting a different method of calculating monthly benefits on the basis of person's retirement age, the average life expectancy for the urban population, and the interest rate.)

The minimum pension is set by provincial and city/county governments according to local standards of living.

**Lump-sum settlement:** A lump sum equal to the balance of the insured's total contributions plus interest is paid with less than 15 years of contributions to the mandatory individual account.

### Permanent Disability Benefits

**Basic pension insurance (central government guidelines):** 40% of the average local wage in the previous year.

The minimum pension is set by provincial and city/county governments according to local standards of living.

**Mandatory individual account (central government guidelines):** No cash benefit is provided. (Local governments' regulations may vary.)

### Survivor Benefits

#### Survivor pension

**Basic pension insurance (central government guidelines):** A lump sum of between 6 and 12 months of the insured's last monthly wage, according to the number of surviving dependents. Eligible survivors include the spouse, children, and parents.

**Funeral grant:** For the death of the insured, a lump sum equal to 2 months' average local wage in the previous year, payable to the spouse, children, parents, and grandparents. For the death of a dependent immediate family member, from 1/3 to 1/2 of the monthly average local or enterprise wage in the previous year, depending on the age of the deceased.

**Mandatory individual account (central government guidelines):** A lump sum equal to the balance of the insured's contributions only plus interest, payable to the insured's legal heir.

### Administrative Organization

Ministry of Labor and Social Security, Department of Pensions, provides general guidance and ensures that local regulations follow central government guidelines.

Provincial or city/county social insurance agencies administer their respective retirement pension pools and individual accounts.

Mandatory individual account funds are deposited in state-owned banks.

### Sickness and Maternity

#### Regulatory Framework

**First law:** 1951.

**Current laws:** 1953 (directive); 1978 (directives for permanent employees); 1986 (directives for contract workers); 1988 and 1994 (directives for women employees); and 1998, 1999, 2000, and 2002 (medical insurance directives).

#### Type of program (urban medical insurance program):

Social insurance (local level) and mandatory individual accounts system.

Note: China does not yet have national social security legislation.

#### Coverage

The urban medical insurance program covers all employees in the urban area (working in government organizations, enterprises, social groups, and nonprofit bodies).

The maternity insurance program covers all employees in urban enterprises.

Urban enterprises comprise all state-owned enterprises, regardless of their location.

#### Source of Funds

**Insured person:** Around 2% of gross wages for medical benefits only (local government may adjust contribution rates according to local factors). The contribution is paid into the insured's individual account. (Individual employees do not contribute to maternity insurance.)

The minimum earnings for employee contribution and benefit purposes are equal to 60% of the local average wage in the previous year.

The maximum earnings for employee contribution and benefit purposes are equal to 300% of the local average wage in the previous year.

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

**Employer:** Around 6% of total payroll for medical benefits (local government may adjust contribution rates according to local factors). The employer contribution is split 30/70 between the insured's individual account and the social insurance fund, respectively. (Nonparticipating enterprises pay directly for the cost of benefits.) A maximum of 1% of total payroll for maternity benefits (to be decided by local government).

**Government:** Central and local governments provide tax concessions and subsidies for administrative costs and finance complementary medical insurance schemes for civil servants.

Local governments and employers adapt central government guidelines on contribution rates to local conditions.

### 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):** According to length of service, 60% to 100% of the insured's last monthly wage is payable by the employer for up to 6 months each year; thereafter, 40% to 60% is payable by the employer until recovery or the determination of permanent disability.

Contract workers receive the same benefits as permanent workers.

**Maternity benefit (central government guidelines for permanent workers):** The average monthly wage of the enterprise in the previous year is paid by the maternity social insurance fund for up to 90 days for the birth of a child, 42 days for a pregnancy that lasted 4 months or more (15 to 30 days for less than 4 months), or 42 days for 4 months or more of gestation before an abortion.

Contract workers receive the same benefits as permanent workers.

### Workers' Medical Benefits

**Medical benefits (central government guidelines for permanent workers):** Covered workers receive medical benefits at a chosen accredited hospital or clinic on a fee-for-service basis.

Cost sharing: The individual account is used to finance medical benefits only, up to a maximum equal to 10% of the

local average annual wage. The social insurance fund reimburses the cost of the medical benefit from 10% up to 400% of the local average annual wage, according to the schedule. Medical treatment in high-grade hospitals results in lower percentage reimbursements, and vice versa. Reimbursement for payments beyond 400% of the local average annual wage must be covered by private insurance or public supplementary schemes.

Contract workers receive the same benefits as permanent workers.

### Dependents' Medical Benefits

**Medical benefits for dependents (central government guidelines for permanent workers):** The same benefits as the insured.

Dependents include a grandfather, father, and husband aged 60 or older or disabled; a grandmother, mother, or wife not in paid employment; children younger than age 16; grandchildren younger than age 16 whose father is dead or disabled and whose mother is not in paid employment.

The individual account must not be used to pay for dependents' medical benefits.

### Administrative Organization

Ministry of Labor and Social Security, Department of Medical Care Insurance, provides general guidance to local governments' medical insurance programs and ensures that local regulations follow central government guidelines.

Ministry of Labor and Social Security, Department of Medical Care Insurance, supervises the provision of benefits by nonparticipating enterprises.

Local government social insurance agencies and participating enterprises administer medical benefits insurance with the social insurance funds.

Local government social insurance agencies contract with accredited clinics and hospitals for the provision of 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.

### Work Injury

#### Regulatory Framework

**First law:** 1951.

**Current laws:** 1953 (directive), 1978 (permanent employees directive), 1986 (contract workers directive), 1996 (directive), 2003 (employment injury directive), and 2004 (rural migrants directive).

**Type of program:** Local government-administered social insurance system. (Employer-liability scheme for nonparticipating enterprises.)

Local governments and employers adapt central government guidelines to local conditions.

Note: China does not yet have national social security legislation.

### Coverage

Employees in all enterprises in China; self-employed persons and their employees.

Special systems: Employees of government and communist party organizations; employees of cultural, educational, and scientific institutions (except for institutions financed off-budget); and university students are covered under government-funded and employer-administered programs.

### Source of Funds

**Insured person:** None.

**Self-employed person:** Contributes as an employer on behalf of employees.

### Employer

**Social insurance:** Contributions vary according to three categories of industry and the assessed degree of risk. The average contribution rate in provinces is 1% of total payroll.

**Employer-liability:** Total cost for employers not participating in social insurance.

**Government:** Central and local government subsidies to guarantee reserve funds as needed.

### Qualifying Conditions

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

### Temporary Disability Benefits

**Temporary disability benefit (central government guidelines):** 100% of the insured's wage for a maximum of 12 months is paid by the employer; may be extended for another 12 months. Payment is subject to approval by the municipal labor capability appraising committee. The employer provides necessary nursing care. The benefit is suspended on the award of the permanent disability pension.

### Permanent Disability Benefits

**Permanent disability pension (central government guidelines):** The pension is awarded according to 10 degrees of assessed disability.

For total disability (degrees 1–4), a lump sum equal to 24 months of the previous wage plus a monthly pension equal to 90% of the previous wage (1st degree); a lump sum equal to 22 months' wages plus a pension equal to 85% of the previous

wage (2nd degree); a lump sum equal to 20 months' wages plus a pension equal to 80% of the previous wage (3rd degree); or a lump sum equal to 18 months' wages plus a pension equal to 75% of the previous wage (4th degree).

The pension ceases on the award of the old-age pension. If the old-age pension is less than the permanent disability pension, the employment injury fund pays the difference.

In the case of total disability, the insured and the former employer must contribute to the basic medical insurance scheme.

For a moderate permanent disability (degrees 5–6), a lump sum equal to 16 months' wages (5th degree) or 14 months' wages (6th degree). If the employer cannot offer the insured an appropriate job, a monthly benefit is paid equal to 70% of the insured's wage before the onset of disability (5th degree) or 60% of the insured's wage (6th degree).

Employers pay social insurance contributions for 5th and 6th degree pensioners. If the permanent disability pension is less than the local minimum wage, the employer pays the difference. If the insured voluntarily ceases the employment relationship with the employer, the insured receives a lump-sum employment injury medical treatment subsidy and a disability employment subsidy. Provincial governments set the subsidy rates.

For a minor permanent disability (degrees 7–10), a lump sum equal to 12 months' wages (7th degree), 10 months' wages (8th degree), 8 months' wages (9th degree), or 6 months' wages (10th degree). If the labor contract expires or the insured voluntarily ceases the employment relationship with the employer, the insured receives a lump-sum employment injury medical treatment subsidy and a disability employment subsidy. Provincial governments set the subsidy rates.

For all degrees of disability, employers are required to pay higher lump-sum compensation if the injured worker was employed illegally.

The minimum pension is equal to the local minimum wage.

### Workers' Medical Benefits

Benefits are provided by accredited hospitals and clinics for nonemergency cases and any medical services for emergencies. Medical benefits include treatment, surgery, nursing, medicine, appliances, transportation, and hospitalization.

### Survivor Benefits

**Survivor pension (central government guidelines):** 40% of the insured's wage before death for the spouse; 30% each for other dependents.

**Widow(er) and orphans' supplements:** Equal to 10% of the insured's wage.

Other eligible survivors include parents, grandparents, grandchildren, brothers, and sisters.

The maximum total survivor pension is equal to the insured's wage before death.

**Lump-sum death allowance:** A lump sum equal to between 48 and 60 months of the local average wage.

**Funeral grant:** A lump sum equal to 6 months of the local average wage.

### **Administrative Organization**

**Participating enterprises:** Ministry of Labor and Social Security, Department of Medical Care Insurance, provides general guidance and ensures that local regulations follow central government guidelines.

Local government social insurance agencies and participating enterprises administer programs.

## **Unemployment**

### **Regulatory Framework**

**First and current laws:** 1986 (directive), 1993 (directive), and 1999 (directive).

**Type of program:** Local government-administered social insurance programs.

Local governments and employers adapt central government guidelines to local conditions.

Note: China does not yet have national social security legislation.

### **Coverage**

All employees of urban enterprises and institutions. (Urban enterprises comprise all state-owned enterprises, regardless of their location.)

### **Source of Funds**

**Insured person:** 1% of gross earnings.

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

**Employer:** 2% of gross payroll.

**Government:** Provincial regulatory fund and local governments provide subsidies to unemployment funds as required.

### **Qualifying Conditions**

**Unemployment benefit:** At least 1 year in covered employment; involuntarily employed; not receiving old-age benefits; registration at, and regularly reporting to, a local employment-service agency; and actively seeking employment. The claim to an 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**

The benefit amount is set by local governments at a level higher than the local public assistance benefit but lower than the local minimum wage. The benefit is payable for a maximum of 1 year with less than 5 years of coverage, for a maximum of 1.5 years with 5 or more but less than 10 years, or for a maximum of 2 years with 10 or more years of coverage.

### **Administrative Organization**

Ministry of Labor and Social Security, Department of Unemployment, 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 taxes.

## **Family Allowances**

### **Regulatory Framework**

Beginning in 1999, a tax-financed and means-tested minimum guarantee system has provided benefits to urban families whose per capita income is below the stipulated minimum level.

A similar program has been implemented in some rural areas.

Note: China does not yet have national social security legislation.

## Fiji

Exchange rate: US\$1.00 equals  
1.75 Fiji dollars (F\$).

### Old Age, Disability, and Survivors

#### Regulatory Framework

**First law:** 1966 (national provident fund).

**Current law:** 1995 (national provident fund), with 1998, 1999, and 2001 amendments.

**Type of program:** Provident fund system.

#### Coverage

Employed workers aged 15 to 55, except members of equivalent private plans approved by the Fiji National Provident Fund Board.

Voluntary coverage for all benefits for domestic workers, the self-employed, students, and informal-sector workers. Voluntary coverage for death benefit for nonemployed persons aged 15 to 50. (Mandatory coverage is being extended gradually.)

Special systems for public employees and military and police personnel who began work before November 1971 and who have elected to continue under the Civil Service Act's old scheme.

#### Source of Funds

**Insured person:** 8% of wages; for death benefit, a single F\$17 contribution is deducted annually from each eligible member's provident fund account.

**Self-employed person:** 8% of earnings; for death benefit, a single F\$17 contribution is deducted annually from each eligible member's provident fund account.

**Employer:** 8% of payroll; additional voluntary contributions up to a maximum of 22% of the total payroll; 30% in certain cases.

**Government:** None.

The maximum annual total contributions for pension calculation purposes are 16% of earnings (F\$2,400 a year for voluntary contributors).

#### Qualifying Conditions

**Old-age benefit:** Age 55; at any age if leaving the country permanently.

Fund members with at least 10 years of contributions may elect to receive a monthly pension; a reduced pension may be paid for contributions of less than 10 years.

**Disability benefit:** Incapacity for work in covered employment. Medical certification is required. A medical board

appointed by the provident fund may request the scheme member to attend a medical examination.

The disabled fund member may elect to receive a lump sum or a monthly pension.

**Survivor benefit:** The death of the fund member before retirement age. If the surviving spouse is the only survivor, the spouse may elect to receive a lump sum or a monthly pension.

**Death benefit:** A lump sum is paid to named survivors.

#### Old-Age Benefits

A lump sum equal to total employee and employer contributions plus accumulated interest or, optionally, a monthly pension based on an annuity factor equal to 19% (for a single person) of employee and employer contributions (additional voluntary contributions are excluded) plus accumulated interest. A couple may elect to receive a monthly pension of 2/3 of the single person pension plus accumulated interest for as long as either spouse lives.

The annuity factor will be reduced by 1% each year until it reaches 15% (for a single person) for the financial year 2008/2009.

**Drawdown payment:** Workers who are members of the provident fund for at least 2 years and whose individual balance exceeds a prescribed minimum amount (F\$1,000) can withdraw 2/3 of the balance for housing costs. Workers can also make withdrawals equal to 1/3 of the balance for education assistance and medical assistance.

#### Permanent Disability Benefits

A lump sum equal to total employee and employer contributions plus accumulated interest or, optionally, a monthly pension based on an annuity factor equal to 19% (for a single person) of employee and employer contributions (additional voluntary contributions are excluded) plus accumulated interest. A couple may elect to receive a monthly pension of 2/3 of the pension for a single person plus accumulated interest for as long as either spouse lives.

The annuity factor will be reduced by 1% each year until it reaches 15% (for a single person) for the financial year 2008/2009.

#### Survivor Benefits

**Survivor benefit:** A lump sum equal to total employee and employer contributions plus accumulated interest is payable to named survivors. A monthly pension based on an annuity factor equal to 19% of employee and employer contributions (additional voluntary contributions are excluded) may be paid in lieu of the lump sum to a spouse.

The annuity factor will be reduced by 1% each year until it reaches 15% for the financial year 2008/2009.

**Death benefit:** A lump sum of F\$5,400.

Benefit adjustment: The death benefit is reviewed annually.

### **Administrative Organization**

Fiji National Provident Fund Board (<http://www.fnpf.com.fj>) provides general supervision and enforces the law.

Permanent Secretary for Labor and Industrial Relations and Productivity (<http://www.fiji.gov.fj>) acts as chair of the Board.

### **Work Injury**

#### **Regulatory Framework**

**First and current law:** 1965 (workmen's compensation), with amendments.

**Type of program:** Employer-liability system.

#### **Coverage**

Employed persons and apprentices.

Exclusions: Casual labor, family labor, armed forces personnel, and some public-sector employees and other workers designated by the government.

#### **Source of Funds**

**Insured person:** None.

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

**Employer:** Total cost, met through the direct provision of benefits.

**Government:** None.

#### **Qualifying Conditions**

**Work injury benefits:** The insured must be totally incapacitated for work for at least 3 days.

#### **Temporary Disability Benefits**

66% of the insured's weekly earnings is payable after a 2-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 the schedule in law and following examination by a doctor chosen by the employer. Periodic assessment of the degree of disability may be required.

#### **Permanent Disability Benefits**

A lump sum equal to 260 weeks' earnings, if totally disabled.

Constant-attendance supplement: Equal to 25% of the lump-sum payment, if totally disabled and in need of the constant help of another person.

Partial disability: A percentage of the full lump-sum benefit in proportion to the assessed degree of disability.

The assessed degree of disability is established according to the schedule in law and following examination by a doctor chosen by the employer. Periodic assessment of the degree of disability may be required.

#### **Workers' Medical Benefits**

Medical and hospital care, surgery, medicines, appliances, and transportation.

#### **Survivor Benefits**

A lump sum equal to 208 weeks of the deceased's earnings.

Eligible survivors are individuals who were fully or partially dependent on the insured. Survivor benefits may be 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 Labor and Industrial Relations (<http://www.fiji.gov.fj>) enforces work injury law.

Individual employers pay compensation directly to their own employees in most cases except for lump-sum payments and survivor benefits.

Local courts administer lump-sum payments and survivor benefits.

Disputes regarding the provision of medical benefits are settled by the courts.



## Georgia

Exchange rate: US\$1.00 equals 1.92 lari.

### Old Age, Disability, and Survivors

#### Regulatory Framework

**First law:** 1956 (state pensions).

**Current laws:** 1990 (pension security), with 1995 amendments; 2003 (mandatory social security); and 2003 (individual registration and accounts).

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

Local authorities and employers may provide supplementary benefits out of their own budgets.

#### Coverage

**Social insurance:** All employed persons resident in Georgia. Special system for employees of the Ministry of Security, the Ministry of Internal Affairs, and the Ministry of Defense.

**Social assistance:** Elderly persons, disabled persons, and survivors according to need as determined by local government authorities.

#### Source of Funds

##### Insured person

*Social insurance:* 2% of earnings.

*Social assistance:* None.

##### Self-employed person

*Social insurance:* None, if no employees; 31% of declared profits for those with employees.

*Social assistance:* None.

##### Employer

*Social insurance:* 31% of payroll for state-owned and private-sector enterprises.

*Social assistance:* None.

##### Government

*Social insurance:* Subsidies as needed.

*Social assistance:* Total cost.

All of the above social insurance contributions also finance maternity and work injury benefits.

#### Qualifying Conditions

**Old-age pension (social insurance):** Age 65 with 25 years of covered employment (men) or age 60 with 20 years of covered

employment (women). (Age requirements are reduced by 5 years for those living in high mountainous areas.) The minimum period of covered employment for entitlement is 5 years.

**Earnings test:** There is an earnings test for pensioners in gainful employment.

**Disability pension (social insurance):** See social pension, below.

**Survivor pension (social insurance):** See social pension, below.

**Social pension (social assistance):** Aged 70 or older (men) or aged 65 or older (women). The pension is payable to an individual or to a family without other means of support. Other means of support include pension benefits, income earned by any family member, or assistance from relatives outside the immediate household. Local departments of labor, health, and social affairs determine eligibility.

#### Old-Age Benefits

**Old-age pension (social insurance):** A flat rate of 20 lari a month.

**Social pension (social assistance):** A flat rate of 22 lari a month.

**Benefit adjustment:** Benefits are adjusted on an ad hoc basis.

#### Permanent Disability Benefits

**Disability pension (social insurance):** No cash benefits are provided; there are certain reductions on hospital and medical charges if the disability is certified by local medical and health departments.

**Social pension (social assistance):** A flat rate of 22 lari a month is payable to an eligible single disabled person; 35 lari a month if the disabled person lives in a family of two or more.

**Benefit adjustment:** Benefits are adjusted on an ad hoc basis.

#### Survivor Benefits

**Survivor pension (social insurance):** No cash benefits are provided.

**Social pension (social assistance):** A flat rate of 22 lari a month for a single survivor; 35 lari a month for a family of two or more survivors.

**Benefit adjustment:** Benefits are adjusted on an ad hoc basis.

#### Administrative Organization

Ministry of Labor, Health, and Social Affairs provides general supervision and coordination.

Department of Labor, Health, and Social Affairs administers the program at the local level.

## Sickness and Maternity

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### Regulatory Framework

**First law:** 1964 (health).

**Current laws:** 1994 (health care), 1955 (health care system), and 1997 (medical insurance).

**Type of program:** Social insurance (employee maternity benefits) and social assistance (medical care) system.

### Coverage

**Cash sickness benefits:** Employees.

**Cash maternity benefits:** Employed and self-employed women.

**Medical benefits:** Needy residents.

### Source of Funds

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

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

**Employer:** See source of funds under Old Age, Disability, and Survivors, above; plus a flat rate of 16 lari per employee.

**Government:** None (cash benefits); the total cost for needy residents (medical benefits).

### Qualifying Conditions

**Cash sickness benefits:** No statutory cash sickness benefits are provided.

(Private employers may voluntarily provide benefits if an employee's illness is certified by a doctor. The employee pays the cost of medical certification.)

**Cash maternity benefits:** There is no minimum qualifying period.

**Medical benefits:** Citizens who satisfy a needs test.

### Sickness and Maternity Benefits

**Sickness benefit:** No statutory cash sickness benefits are provided.

(Private employers may voluntarily pay 100% of earnings for up to 30 days a year if the employee has more than 8 years of employment.)

**Maternity benefit:** A lump sum of 50 lari is paid for the child plus 200 lari for the mother.

**Maternity leave:** A mother is entitled to leave without pay for up to 8 weeks after childbirth; may be extended to up to 3 years without pay to care for an infant.

## Workers' Medical Benefits

Medical services are provided through government clinics, hospitals, maternity homes, and other facilities to needy disabled and other needy residents.

### Dependents' Medical Benefits

Same as for the head of the household.

### Administrative Organization

**Cash maternity benefits:** Ministry of Labor, Health, and Social Affairs provides general supervision.

Cash benefits are provided directly by the place of employment as well as by the Department of Labor, Health, and Social Affairs at the local level.

**Medical benefits:** Ministry of Labor, Health, and Social Affairs provides general supervision and coordination.

Department of Labor, Health, and Social Affairs determines eligibility for medical benefits at the local level.

## Work Injury

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### Regulatory Framework

**First laws:** 1955 (short-term benefits) and 1991 (pensions), with amendment.

**Current law:** 1999 (workmen's compensation).

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

### Coverage

**Cash benefits:** Employed persons.

**Medical benefits:** Employed persons.

### Source of Funds

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

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

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

**Government:** See source of funds under Old Age, Disability, and Survivors, above; the cost of medical benefits.

### Qualifying Conditions

**Work injury benefits:** There is no minimum qualifying period. Department of Labor, Health, and Social Affairs determines eligibility for medical benefits at the local level.

### **Temporary Disability Benefits**

100% of earnings for a maximum of 6 months; 10 months for tuberculosis. The benefit is payable if the employer is at fault. A special local commission, consisting of local health and medical officials, the employee, and the employer, determines liability and assesses the degree of disability.

### **Permanent Disability Benefits**

**Permanent disability pension:** The benefit is payable if the employer is at fault; it is based on the average monthly salary during the last 3 months and the percentage loss in working capacity. The duration of the payment depends on the assessed degree of disability and the extent to which the employer was at fault. A special local commission, consisting of local health and medical officials, the employee, and the employer, determines liability and assesses the degree of disability.

### **Workers' Medical Benefits**

Medical services are provided directly by government health providers unless the employer is at fault.

### **Survivor Benefits**

**Survivor pension:** If the employer is not at fault for the insured's death, a social pension of 22 lari a month is paid for a single survivor; 35 lari a month for a family of two or more survivors. If the employer is at fault, the benefit is based on the average monthly salary during the last 3 months.

### **Administrative Organization**

**Temporary disability benefits:** If the employer is at fault, enterprises and employers pay benefits to their own employees.

**Permanent disability and survivor pensions:** Ministry of Labor, Health, and Social Affairs provides general supervision and coordination.

If the employer is at fault, enterprises and employers pay benefits to their own employees.

**Medical benefits:** Ministry of Labor, Health, and Social Affairs and health departments of local governments provide general supervision and coordination. Medical services are provided through clinics, hospitals, and other facilities administered by the Ministry of Labor, Health, and Social Affairs and local health departments.

### **Unemployment**

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#### **Regulatory Framework**

**First law:** 1991 (unemployment benefits), implemented in 1993, with amendment.

**Current law:** 2001 (unemployment benefits).

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

### **Coverage**

Citizens between ages 16 and 65 (men) or ages 16 and 60 (women).

### **Source of Funds**

**Insured person:** None.

**Self-employed person:** None.

**Employer:** 1% of payroll.

**Government:** Subsidies as needed from republic and local governments.

### **Qualifying Conditions**

**Unemployment benefit:** Registered at an employment office and able and willing to work. 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 a fraudulent claim.

### **Unemployment Benefits**

20 lari a month for a maximum of 6 months.

**Benefit adjustment:** Benefits are adjusted on an ad hoc basis.

### **Administrative Organization**

Ministry of Labor, Health, and Social Affairs provides general supervision.

State United Social Insurance Fund (<http://www.susif.ge>) and its regional and local branches are responsible for financing and administering the program.

### **Family Allowances**

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#### **Regulatory Framework**

**First and current law:** 2002 (social allowances for vulnerable families).

### **Coverage**

Residents.

### **Source of Funds**

**Insured person:** None.

**Self-employed person:** None.

**Employer:** None.

**Government:** Total cost.

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### **Qualifying Conditions**

**Family benefit:** Needy families. (Needy families can also receive social pensions at the same time as family benefits, subject to conditions.)

### **Family Allowance Benefits**

**Family benefit:** A flat-rate benefit of 35 lari a month for a family of two or more; 22 lari for a single person.

### **Administrative Organization**

State United Social Insurance Fund (<http://www.susif.ge>) administers the program.

## Hong Kong

Exchange rate: US\$1.00 equals  
7.79 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, social security allowance); and 1995 (mandatory provident fund schemes), implemented in 2000, with 2002 amendment.

Note: Hong Kong does not yet have social security legislation for the old-age allowance, disability allowance, and comprehensive social security assistance programs.

**Type of program:** Universal old-age and disability pension, mandatory occupational benefit (mandatory provident fund schemes), and social assistance (comprehensive social security assistance) system.

Note: The mandatory occupational schemes operating under the name of mandatory provident fund schemes are privately run and should not be confused with publicly run national provident funds found in other countries.

#### Coverage

**Universal old-age and disability pension and social assistance system:** Residents.

**Mandatory occupational system:** All employees holding a contract of 60 days or more (employees in the catering and construction industry who are employed for periods shorter than 60 days or are covered on a daily basis) and the self-employed between ages 18 and 65.

Exclusions: Self-employed hawkers; domestic employees; persons covered by statutory pension or provident fund schemes, such as civil servants or teachers; members of occupational retirement schemes who are granted exemption certificates; and foreign citizens working in Hong Kong for less than 13 months or covered by another country's retirement system.

#### Source of Funds

##### Insured person

*Universal old-age and disability pension and social assistance system:* None.

*Mandatory occupational system:* A minimum of 5% of monthly earnings. Voluntary additional contributions are permitted.

The minimum and maximum earnings levels for contribution purposes are HK\$5,000 a month and HK\$20,000 a month, respectively. Contributions are tax-deductible up to HK\$12,000 a year.

##### Self-employed person

*Universal old-age and disability pension and social assistance system:* None.

*Mandatory occupational system:* A minimum of 5% of monthly or yearly income. Voluntary additional contributions are permitted.

The minimum and maximum earnings levels for contribution purposes are HK\$5,000 a month or HK\$60,000 a year and HK\$20,000 a month or HK\$240,000 a year, respectively. Contributions are tax-deductible up to HK\$12,000 a year.

##### Employer

*Universal old-age and disability pension and social assistance system:* None.

*Mandatory occupational system:* A minimum of 5% of monthly payroll. Voluntary additional contributions are permitted.

There is no minimum earnings level for contribution purposes.

The maximum earnings for contribution purposes are HK\$20,000 a month.

##### Government

*Universal old-age and disability pension and social assistance system:* Total cost.

*Mandatory occupational system:* None.

#### Qualifying Conditions

##### Old-age pension

*Old-age allowance (universal system)*

Lower-rate allowance: Residents aged 65 to 69 with 7 years of residence (requirement waived for persons who became Hong Kong residents before January 1, 2004) and 1 year of residence immediately before claiming the benefit. The allowance is income-tested (monthly income must not exceed HK\$5,910 if single or HK\$9,740 if married) and asset-tested (assets must not exceed HK\$169,000 if single or HK\$254,000 if married).

Higher-rate allowance: Residents aged 70 or older with 7 years of residence (requirement waived for persons who became Hong Kong residents before January 1, 2004) and 1 year of residence immediately before claiming the benefit.

*Mandatory occupational old-age benefit:* Age 65 (men and women).

Early retirement: Age 60 (men and women) if ceasing employment permanently. (Funds may be withdrawn before retirement if the member leaves Hong Kong permanently.)

*Old-age benefit (social assistance):* Residents aged 60 or older with 7 years of residence (requirement waived for persons who became Hong Kong residents before January 1, 2004) and 1 year of residence immediately before claiming the benefit. 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 the family's eligibility.

## Disability pension

### *Disability allowance (universal system)*

Lower-rate allowance: Residents with 7 years of residence (requirement waived for persons who became Hong Kong residents before January 1, 2004) and 1 year of residence immediately before claiming the benefit. There are no requirements for length of residence for resident claimants younger than age 18. Certified by the Director of Health or the Chief Executive of the Hospital Authority (or in exceptional cases, a registered hospital doctor) to have a 100% loss of earning capacity or to be profoundly deaf.

Higher-rate allowance: Same as for lower-rate disability allowance, above. In addition, certified by the Director of Health or the Chief Executive of the Hospital Authority (or, in exceptional cases, a registered hospital doctor) to need constant attendance by others for carrying out daily living activities, and not residing in a government-owned (or government-subsidized) residential institution.

*Mandatory occupational disability benefit:* Total and permanent incapacity for work certified by a registered medical practitioner and termination of former employment.

*Disability benefit (social assistance):* Disabled residents between ages 15 and 59 with at least 7 years of residence (requirement waived for persons who became Hong Kong residents before January 1, 2004) and 1 year of residence immediately before claiming the benefit. There are no requirements for length of residence for disabled resident claimants 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 the family's eligibility.

The disability must be certified by a registered hospital doctor.

Partial disability: The benefit is paid for an assessed degree of disability of 50% or more, involving the loss of 50% of earning capacity but less than 100%, or to a person assessed by the Director of Health or the Chief Executive of the Hospital Authority as having a degree of disability equivalent to a 50% loss in earning capacity.

The benefit is also payable for a work-related disability.

## Survivor pension

*Mandatory occupational survivor benefit:* The death of the scheme member before retirement. The benefit is payable to the named survivor.

*Funeral grant (social assistance):* The deceased was a recipient of social assistance benefits. The benefit is paid as a lump sum to the person who incurred the funeral expense.

## Old-Age Benefits

### Old-age pension

*Old-age allowance (universal system):* HK\$625 a month (lower rate) or HK\$705 a month (higher rate).

*Mandatory occupational old-age benefit:* A lump sum equal to total employee and employer contributions plus accrued interest.

*Old-age benefit (social assistance):* HK\$2,400 to HK\$4,095 a month for a person living alone or HK\$2,265 to HK\$3,750 a month if living with other family members, subject to the recipient's health and whether constant attendance is needed; plus special grants to meet the specific individual needs of recipients.

## Permanent Disability Benefits

### Disability pension

*Disability allowance (universal system):* HK\$1,120 a month (lower rate) or HK\$2,240 a month (higher rate).

*Mandatory occupational disability benefit:* A lump sum equal to total employee and employer contributions plus accrued interest.

*Disability benefit (social assistance):* HK\$2,030 to HK\$4,390 a month for a person living alone or HK\$1,845 to HK\$4,055 a month if living with other family members, subject to the recipient's age, the assessed degree of disability, and whether constant attendance is needed; plus special grants to meet the specific individual needs of recipients.

## Survivor Benefits

**Mandatory occupational survivor benefit:** A lump sum equal to total employee and employer contributions plus accrued interest.

**Funeral grant (social assistance):** The cost of the funeral, up to HK\$10,310.

## Administrative Organization

**Universal and social assistance system:** Social Welfare Department (<http://www.info.gov.hk/swd>) administers the program.

**Mandatory occupational system:** Under the direction of an executive director and an advisory committee, the Mandatory Provident Fund Schemes Authority (<http://www.mpfahk.org>) supervises mandatory provident fund schemes. The MPFSA is responsible for registering schemes and ensuring that approved trustees administer the schemes in a prudent manner.

## Sickness and Maternity

### Regulatory Framework

**First and current laws:** 1968 (employment ordinance), with 1997 amendment; and 1971 (social assistance).

**Type of program:** Employer-liability (cash benefits only) and social assistance (comprehensive social security assistance) system.

Note: Hong Kong does not yet have social security legislation for the comprehensive social security assistance program.

## Coverage

**Employer-liability system:** All employees, except family helpers.

**Social assistance system:** All residents.

## Source of Funds

### Insured person

*Employer-liability system:* None.

*Social assistance system:* None.

### Self-employed person

*Employer-liability system:* Not applicable.

*Social assistance system:* None.

## Employer

*Employer-liability system:* Total cost through the direct provision of benefits.

*Social assistance system:* None.

## Government

*Employer-liability system:* None.

*Social assistance system:* Total cost.

## Qualifying Conditions

**Cash sickness benefits (employer liability):** One month of continuous employment.

For the first 36 days of sickness, the employee must obtain a certificate issued by a registered medical practitioner. To be eligible for an additional 84 days of sick pay, the employee must obtain a certificate issued by a registered hospital doctor, including a brief record of the examination and treatment prescribed.

**Cash maternity benefits (employer liability):** Forty weeks of continuous employment. A medical certificate issued by a registered medical practitioner confirming the pregnancy and stating the expected date of confinement is necessary.

**Social assistance:** Residents aged 15 to 59 with at least 7 years of residence (requirement waived for persons who became Hong Kong residents before January 1, 2004) and 1 year of residence immediately before claiming the benefit. There are no requirements for length of residence for disabled resident claimants younger than age 18. 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 the family's eligibility.

Certified by a registered hospital doctor to have limited working capacity.

The benefit is also payable for a work-related temporary incapacity.

## Sickness and Maternity Benefits

**Sickness benefit (employer liability):** 80% of the employee's wage in the last month before the onset of sickness is payable for the number of paid sick days accumulated by the employee (paid sick days) are accumulated at the rate of 2 days for each completed month of employment during the first 12 months of employment and 4 days for each month of employment thereafter), up to a maximum of 120 days. The benefit is payable after a 3-day waiting period.

**Maternity benefit (employer liability):** 80% of the employee's wage in the last month before beginning maternity leave is payable for 10 weeks. The benefit is payable from 2 to 4 weeks before the expected date of childbirth or from the date of childbirth if it occurs earlier.

**Social assistance:** HK\$2,030 to HK\$3,720 a month for a person living alone or HK\$1,845 to HK\$3,375 a month if living with other family members, subject to the assessed degree of reduced working capacity and whether constant attendance is needed; plus special grants to meet the specific individual needs of recipients.

## Workers' Medical Benefits

**Medical benefits (social assistance):** Free medical care in public hospitals for recipients of social assistance cash benefits.

## Dependents' Medical Benefits

**Medical benefits for dependents (social assistance):** Free medical care in public hospitals for recipients of social assistance cash benefits.

## Administrative Organization

**Employer-liability system:** Labor Department (<http://www.labour.gov.hk>) administers the program.

**Social assistance system:** Social Welfare Department (<http://www.info.gov.hk/swd>) administers the program.

## Work Injury

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### Regulatory Framework

**First and current law:** 1953 (employee's compensation ordinance), with 2000 amendment.

**Type of program:** Employer-liability system with compulsory insurance with private carriers.

### Coverage

Employees, including domestic workers, agricultural employees, and crew members of Hong Kong ships.

Exclusions: Certain types of contract workers, family helpers, and certain casual employees.

## Source of Funds

**Insured person:** None.

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

**Employer:** Total cost of the employer-liability program. (The minimum insurance coverage must be at least HK\$100 million for employers with up to 200 employees or at least 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 onset of disability. The benefit is payable for up to 36 months, after which a disability is considered to be permanent.

The employee's monthly earnings for calculating the temporary disability benefit are the earnings in the month immediately preceding the onset of disability or the average monthly earnings in the last 12 months before the onset of disability, whichever is higher.

The minimum and maximum monthly earnings for benefit calculation purposes are HK\$3,490 and HK\$21,000, respectively.

Incapacity for work must be certified by a registered medical practitioner or an Employees' Compensation Assessment Board appointed by the Commissioner of Labor.

**Benefit adjustment:** Employees monthly earnings are adjusted according to the average rate of increase of earnings of employees in similar employment with the same employer or, in the absence of such employees, according to the rate of increase in the consumer price index at the end of each 12-month period of receipt of a temporary disability benefit.

## Permanent Disability Benefits

**Permanent disability grant:** If totally disabled (100% of assessed disability), a lump sum equal to 48 months' times the insured's earnings if aged 56 or older, 72 months' earnings if aged 40 but younger than age 56, or 96 months' earnings if under age 40.

The insured's earnings for calculating the permanent disability grant are the earnings in the month immediately preceding the onset of disability or the average monthly earnings in the last 12 months before the onset of disability, whichever is higher.

The maximum monthly earnings for benefit purposes are HK\$21,000.

The minimum lump sum is HK\$344,000, regardless of age.

The maximum lump sum is HK\$1,008,000 if aged 56 or older, HK\$1,512,000 if aged 40 but younger than age 56, or HK\$2,016,000 if under age 40.

**Constant-attendance supplement:** The actual cost of constant attendance, up to HK\$412,000. The supplement is payable as a lump sum or as periodic payments for up to 2 years.

**Partial disability:** A percentage of the full benefit in proportion to the assessed degree of disability, according to the schedule.

The degree of disability is assessed by an Employees' Compensation Assessment Board appointed by the Commissioner of Labor.

## Workers' Medical Benefits

Medical examination and treatment by a registered medical practitioner including dental care, physiotherapy and chiropractic services, and appliances.

The maximum limits on employers' liability for treatment costs are HK\$200 a day for in-patient care, HK\$200 a day for outpatient care, and HK\$280 if both types of care are needed during the same day. The maximum limits on costs for appliances are initially HK\$33,000 per appliance and HK\$100,000 for subsequent repair and renewal of the appliance.

## Survivor Benefits

**Survivor grant:** A lump sum equal to 36 months of the deceased's earnings, if the deceased was aged 56 or older, 60 months' earnings if aged 40 but younger than age 56, or 84 months' earnings if under age 40.

The deceased's earnings for the purpose of calculating the survivor grant are earnings in the month immediately preceding the death or average monthly earnings in the last 12 months before death, whichever is higher.

The maximum monthly earnings for benefit purposes are HK\$21,000.

The minimum lump sum is HK\$303,000, regardless of age.

The maximum lump sum is HK\$756,000 if the deceased was aged 56 or older, HK\$1,260,000 if aged 40 but younger than age 56, or HK\$1,764,000 if under age 40.

The grant is payable to the deceased's spouse, children, parents, grandparents, and other family members who have been living with the deceased as a member of the same household for not less than 24 months immediately preceding the death. The survivor grant is split depending on the number and type of eligible survivors (with spouse and children receiving the major share of the benefit in all cases). If there are only a spouse and children, the spouse receives 50% of the grant and the children share the remaining 50% in equal amounts.

**Funeral grant:** A lump sum of HK\$35,000 is payable to the person who incurred the funeral expense.



## Administrative Organization

Labor Department (<http://www.labour.gov.hk>) administers the employer-liability program.

Employers take out insurance policies with private insurance carriers.

## Unemployment

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### Regulatory Framework

**First and current law:** 1977.

**Type of program:** Social assistance (comprehensive social security assistance) system.

Note: Hong Kong does not yet have social security legislation for the comprehensive social security assistance program.

### Coverage

Residents.

### Source of Funds

**Insured person:** None.

**Self-employed person:** None.

**Employer:** None.

**Government:** Total cost.

### Qualifying Conditions

**Unemployment assistance:** Residents between ages 15 and 59 with at least 7 years of residence (requirement waived for persons who became Hong Kong residents before January 1, 2004) and 1 year of residence immediately before claiming the benefit. There are no requirements for length of residence for resident claimants younger than age 18. 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 the family's eligibility.

Recipients must actively seek paid employment and have joined the Support for Self Reliance scheme of the Social Welfare Department.

### Unemployment Benefits

**Unemployment assistance:** HK\$1,605 a month for a person living alone or HK\$1,145 to HK\$1,745 a month if living with other family members, subject to the number of family members and whether the person is a single parent; plus special grants to meet the specific individual needs of recipients.

### Administrative Organization

Social Welfare Department (<http://www.info.gov.hk/swd>) 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.

Note: Hong Kong does not yet have social security legislation for the comprehensive social security assistance program.

### Coverage

Residents.

### Source of Funds

**Insured person:** None.

**Self-employed person:** None.

**Employer:** None.

**Government:** Total cost.

### Qualifying Conditions

**Family assistance:** Resident when claiming the benefit (1 year of residence immediately before claiming the benefit if the child is aged 18 or older). The benefit is payable for children younger than age 15 (ages 15 to 21 if a full-time education). 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 the family's eligibility.

### Family Allowance Benefits

**Family assistance:** HK\$1,920 a month for a person living alone or from HK\$1,275 to HK\$1,595 a month if living with other family members, subject to the number of family members; plus special grants to meet the specific individual needs of recipients.

If the child is disabled, the benefit is between HK\$2,705 and HK\$4,390 a month for a person living alone or from HK\$2,360 and HK\$4,055 a month if living with other family members, subject to the assessed degree of disability and whether constant attendance is needed; plus special grants to meet the specific individual needs of recipients.

### Administrative Organization

Social Welfare Department (<http://www.info.gov.hk/swd>) administers the program.

## India

Exchange rate: US\$1.00 equals 45.10 rupees.

### Old Age, Disability, and Survivors

#### Regulatory Framework

**First and current laws:** 1952 (employees' provident funds), with amendments; 1972 (payment of gratuity), 1976 (employees' deposit-linked insurance), 1995 (employees' pension scheme); and 1995 (national social assistance program).

**Type of program:** Provident fund with survivor (deposit-linked) insurance and pension fund; gratuity schemes for industrial workers; and social assistance system.

Note: In 2004, a voluntary old-age, disability, and survivors benefits scheme, part of the Unorganized Sector Social Security Scheme for employees and self-employed persons aged 36 to 50 with monthly earnings of 6,500 rupees or less but without mandatory coverage, was introduced as a pilot program in 50 districts. Contributions are income related and flat rate.

#### Coverage

**Provident fund and survivor (deposit-linked) insurance:** Employees, including casual, part-time, daily wage workers, and those employed through contractors, with monthly earnings of 6,500 rupees or less working in establishments with a minimum of 20 employees in one of the 182 categories of covered industry (the establishment remains covered even if the number of employees falls below 20); employees of other establishments specified by law, including cooperatives with more than 50 employees and establishments with less than 20 employees; newspaper employees; and cinema and theatres employing 5 or more persons.

Employees covered by equivalent occupational private plans may contract out.

Voluntary coverage for employees of covered establishments with monthly earnings of more than 6,500 rupees, with the agreement of the employer. Voluntary coverage for establishment with less than 20 employees if the employer and majority of the employees agree to contribute.

Exclusions: The self-employed, agricultural workers, and cooperatives employing less than 50 workers.

**Pension scheme:** Employees with monthly earnings of 6,500 rupees or less.

Voluntary coverage is possible.

Exclusions: The self-employed, agricultural workers, and cooperatives employing less than 50 workers.

**Gratuity scheme:** Employees of factories, mines, oilfields, plantations, ports, railways, and shops with at least 10 workers.

Exclusions: The self-employed, agricultural workers, and cooperatives employing less 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 elderly persons and poor households on the death of the primary breadwinner.

#### Source of Funds

##### Insured person

**Provident fund:** 12% of basic wages (10% of basic wages in five specified categories of covered industry) in covered establishments with less than 20 employees and some other specific cases.

The maximum monthly earnings for contribution purposes 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 payroll. Employers pay an additional 1.1% of payroll a month for administrative costs.

**Survivor (deposit-linked) insurance scheme:** 0.5% of payroll, plus 0.01% of payroll for administrative costs.

The maximum monthly earnings for contribution purpose are 6,500 rupees.

**Pension scheme:** 8.33% of payroll.

The maximum monthly earnings for contribution purpose are 6,500 rupees.

**Gratuity scheme:** An average of 4% of payroll.

**Social assistance:** None.

##### Government

**Provident fund:** None.

**Survivor (deposit-linked) insurance scheme:** None.

**Pension scheme:** 1.16% of the insured's basic wages.

The maximum monthly earnings for contribution purpose are 6,500 rupees.

**Gratuity scheme:** None.

**Social assistance:** Total cost.

## Qualifying Conditions

### Old-age benefits

*Provident fund:* Age 55 and retired from covered employment; at any age if leaving the country permanently, 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 2 months of unemployment.

Early retirement: Age 54 or within one year before actual retirement, whichever is later.

Drawdown payment: Partial drawdown is permitted before retirement for special purposes, including the purchase of life insurance; the purchase or construction of a home; loan repayment; to pay for children's education fees, a child's marriage, or care costs for a serious illness; to compensate for damage resulting from a natural disaster; or to meet costs relating to the onset of disability.

*Pension scheme:* Age 58 or retired with a minimum of 10 years' coverage.

Early pension: Age 50 with a minimum of 10 years' coverage. Employment must cease.

*Gratuity scheme:* Five years of continuous employment.

*Old-age pension (social assistance):* Needy elderly persons aged 65 or older.

### Disability benefits

*Provident fund:* Permanent and total incapacity for normal work.

*Pension scheme:* Permanently and totally disabled as the result of an occupational injury. The insured must have at least 1 month of contributions.

*Gratuity scheme:* A disability caused by a disease or an accident.

### Survivor benefits

*Provident fund:* Payable for the death of the provident fund member before retirement.

*Survivor (deposit-linked) insurance scheme:* Payable for the death of the provident fund member before retirement.

*Pension scheme:* The scheme member had at least 1 month of contributions (payable regardless of whether the insured was employed or retired at the time of death).

*Gratuity scheme:* Payable for the death of the insured as the result of an illness or an accident.

*Survivor grant (social assistance):* Payable to needy households (under the National Family Benefit Scheme) on the death of the primary breadwinner between ages 18 and 65.

## Old-Age Benefits

### Old-age benefits

*Provident fund:* A lump sum equal to total employee and employer contributions plus interest.

Drawdown payment: According to circumstances, the minimum payment varies between a sum equal to 1 month's wages to all the employee and employer contributions with accrued interest.

*Pension scheme:* For 10 years of coverage or more, a monthly pension based on a member's pensionable service and salary, subject to a minimum pension; with less than 10 years, a lump sum equal to total employee and employer contributions plus interest.

Optionally, one-third of the pension can be taken as a lump sum.

There are no fixed amounts for the minimum and maximum pension.

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 by central government annually according to an actuarial evaluation.

*Gratuity scheme:* Based on the insured's final salary, a lump sum equal to 15 days' wages for each year of continuous service (a reduced amount is paid for part years in excess of 6 months).

The maximum award is 350,000 rupees.

For seasonal employees, employers pay the gratuity at the rate of 7 days' wages for each season worked.

*Old-age pension (social assistance):* 75 rupees a month.

## Permanent Disability Benefits

### Disability benefits

*Provident fund:* A lump sum equal to total employee and employer contributions plus interest.

*Pension scheme:* A monthly pension based on the member's pensionable salary subject to a minimum of 250 rupees or, optionally, a lump-sum benefit equal to total employee and employer contributions plus interest.

Pension adjustment: The pension is adjusted by central government annually according to an actuarial evaluation.

*Gratuity scheme:* Based on the insured's last wage, a lump sum equal to 15 days' wages for each year of continuous service before the onset of disability (a reduced amount is paid for part years in excess of 6 months).

The maximum award is 350,000 rupees.

For seasonal employees, employers pay the gratuity at the rate of 7 days' wages for each season worked.

*Social assistance (disability):* No benefits are provided.

## Survivor Benefits

### Survivor benefits

*Provident fund:* A lump sum equal to total employee and employer contributions plus interest. The lump sum is payable to a named survivor or to every member of the deceased's family in equal share.

Death grant: Up to 2,000 rupees.

*Survivor (deposit-linked) insurance scheme:* A lump sum equal to 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 award is 60,000 rupees (and is paid in addition to the provident fund survivor benefit).

*Widow(er)'s pension (pension scheme):* 50% of the deceased's pension. The pension is payable until the remarriage of the widow(er).

The minimum monthly pension is 450 rupees.

*Orphan's pension (pension scheme):* Payable for one or two orphans up to age 25 (no limit if totally and permanently disabled). The pension is equal to 25% of the widow(er)'s pension, subject to a minimum of 150 rupees a month; full orphans receive 75% of the widow(er)'s pension, subject to a minimum of 250 rupees a month.

*Other eligible survivors (pension scheme):* In the absence of the above, up to 75% of the deceased's pension is payable to a named survivor or to a dependent father or mother.

*Pension adjustment:* The pension is adjusted by central government annually according to an actuarial evaluation.

*Gratuity scheme:* Based on the deceased's last wage, a lump sum equal to 15 days' wages for each year of continuous service (a reduced amount is paid for part years in excess of 6 months). The benefit is payable to a named survivor or to the deceased's heirs.

The maximum award is 350,000 rupees.

For the death of seasonal employees, employers pay the gratuity at the rate of 7 days' wages for each season worked.

*Funeral grant:* See Sickness and Maternity, below.

*Survivor grant (social assistance):* A lump sum equal to 10,000 rupees.

## Administrative Organization

Ministry of Labor (<http://labour.nic.in>) provides general supervision for all schemes.

Employees' Provident Fund Organization (<http://www.epfindia.com>) is organized and administered through regional, subregional, inspectorate, and subaccounts offices.

Central Board of Trustees of the Employees' Provident Fund administers the funds through a tripartite body representing government, employers, and employees.

Gratuity scheme is administered by central and state authorities.

National Social Assistance Scheme administers social assistance old-age pensions.

National Family Benefit Scheme administers survivor grants.

## Sickness and Maternity

### Regulatory Framework

**First and current laws:** 1948 (employees' state insurance) and 1995 (social assistance).

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

Notes: Under a 1961 law, maternity benefits are provided by employers to employees in factories and establishments not covered by the 1948 law.

In 2004, a voluntary sickness and maternity benefits scheme, part of the Unorganized Sector Social Security Scheme for employees and self-employed persons aged 36 to 50 with monthly earnings of 6,500 rupees or less but without mandatory coverage, was introduced as a pilot program in 50 districts. Contributions are income related and flat rate.

### Coverage

**Social insurance:** Employees with monthly earnings of 6,500 rupees or less, working in power-using manufacturing establishments with 10 workers or more or in nonpower-using establishments with 20 workers or more, including shops, hotels, restaurants, cinemas, road transport agencies, and newspaper establishments.

Employees of establishments run by the government that are covered by equivalent private plans may contract out.

Coverage is being extended gradually to different districts, with 677 industrial centers currently covered. (The scheme still does not apply to the states of Nagaland, Manipur, Tripura, Sikkim, Arunachal Pradesh, and Mizoram.)

Exclusions: The self-employed, employees in seasonal work (less than 7 months a year), agricultural workers, and workers in certain other sectors.

Voluntary coverage for medical benefits is available to previously insured retired persons through the payment of a flat-rate monthly contribution of 10 rupees.

**Social assistance:** Needy pregnant women may receive assistance for the first two births.

### Source of Funds

#### Insured person

**Social insurance:** 1.75% of earnings for employees whose average daily wage is at least 40 rupees (plus an annual lump sum paid in advance for medical benefits).

The above contributions also finance work injury benefits.

**Social assistance:** None.

#### Self-employed person

**Social insurance:** Not applicable.

**Social assistance:** None.

### Employer

**Social insurance:** 4.75% of payroll for covered employees; the cost of maternity benefits for employees not covered by the 1948 law.

The above payroll contributions also finance work injury benefits.

**Social assistance:** None.

### Government

**Social insurance:** State governments pay 12.5% of the cost of medical benefits.

The above contributions also finance work injury medical benefits.

**Social assistance:** Total cost.

### Qualifying Conditions

**Cash sickness benefits (social insurance):** In insured employment for 78 days during a 6-month period within the last 15 months.

**Cash maternity benefits (social insurance):** In insured employment for 70 days during two designated and consecutive 6-month periods.

**Cash maternity grant (social assistance):** Payable to needy pregnant women aged 19 or older for the first two live births.

**Funeral grant (social insurance):** Payable for the death of the insured.

**Medical benefits:** Currently in insured employment or qualified for cash sickness benefit.

### Sickness and Maternity Benefits

**Sickness benefit:** The benefit varies but is around 50% of the average daily wage. The benefit is payable after a 2-day waiting period for up to 91 days in any two consecutive designated 6-month periods.

**Family planning (sterilization):** Cash sickness benefit is paid at double rate for 7 days (men) or 14 days (women); may be extended in case of complications.

**Maternity benefit:** 100% of average earnings according to wage class is payable for up to 12 weeks (including a maximum of 6 weeks before the expected date of childbirth); 6 weeks in the case of a miscarriage. The benefit may be extended by 4 weeks for medical reasons.

The minimum daily benefit is 10 rupees.

**Cash maternity grant (social assistance):** A lump sum of 500 rupees.

**Funeral grant (social insurance):** A lump sum equal to the funeral cost, up to a maximum of 2,500 rupees. The grant is payable to the oldest member of the family or to the person paying for the funeral.

### Workers' Medical Benefits

State governments arrange for the provision of medical care on behalf of the Employees' State Insurance Corporation, except in Delhi and the Noida area of Uttar Pradesh 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; transportation; and the free supply of drugs, dressings, artificial limbs, aids, and appliances. The scale of services provided varies among states.

The duration of benefits is from 3 months to 1 year according to the insured's contribution record.

### Dependents' Medical Benefits

Benefits are currently provided in most states and districts. Benefits are the same as those of the insured, except there is no coverage for hospitalization.

Eligible dependents are the spouse, children until age 18 (age 21 if a student, no limit if disabled), a widowed mother, an unmarried daughter, and dependent parents.

### Administrative Organization

Ministry of Labor (<http://labour.nic.in>) provides general supervision.

Employees' State Insurance Corporation (<http://www.esic.nic.in>), which is managed by a tripartite board and a director general, administers the social insurance program through regional and local offices.

National Maternity Benefit Scheme administers cash maternity grants.

State governments administer the provision of medical benefits through agreement with, and reimbursement by, the Employees' State Insurance Corporation.

Employees' State Insurance Corporation administers the provision of medical benefits in some cases.

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### Work Injury

#### Regulatory Framework

**First law:** 1923 (workmen's compensation).

**Current law:** 1948 (employees' state insurance).

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

#### Coverage

Employees with monthly earnings of 6,500 rupees or less working in power-using manufacturing establishments with 10 workers or more or in nonpower-using establishments with 20 workers or more, including shops, hotels, restaurants,

cinemas, road transport agencies, and newspaper establishments.

Employees of establishments run by the government that are covered by equivalent private plans may contract out.

Coverage is being extended gradually to different districts, with 677 industrial centers currently covered. The scheme still does not apply to the states of Nagaland, Manipur, Tripura, Sikkim, Arunachal Pradesh, and Mizoram.

Exclusions: Employees in seasonal work (less than 7 months a year), agricultural workers, and workers in certain other sectors.

### Source of Funds

**Insured person:** See source of funds under Sickness and Maternity, above, plus 10 rupees a month paid annually in advance as a lump sum for the permanent disability pension.

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

**Employer:** See source of funds under Sickness and Maternity, above.

**Government:** See source of funds under Sickness and Maternity, above.

### Qualifying Conditions

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

### Temporary Disability Benefits

The benefit is 40% more than would be payable for normal sickness benefit (approximately 85% of the average daily wage). The benefit is payable after a 3-day waiting period for the duration of the disability.

Separate medical boards assess the loss of earning capacity resulting from a work injury or an occupational disease.

### Permanent Disability Benefits

**Permanent disability pension:** The pension is paid in proportion to the assessed loss of earning capacity. The duration of the pension is determined by the medical board.

Separate medical boards assess the loss of earning capacity resulting from a work injury or an occupational disease.

The maximum pension is equal to the temporary disability benefit.

A pension equal to no more than 5 rupees a day may be paid as a lump sum, provided the total value of the pension for the duration of the award period does not exceed 30,000 rupees.

**Partial disability:** A percentage of the full pension in proportion to the loss of earning capacity.

**Benefit adjustment:** Pensions are reviewed periodically by the Employees' State Insurance Corporation and adjusted for inflation.

### Workers' Medical Benefits

State governments arrange for the provision of medical care on behalf of the Employees' State Insurance Corporation, except in Delhi and the Noida area of Uttar Pradesh 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; transportation; and the free supply of drugs, dressings, artificial limbs, aids, and appliances. The scale of services provided varies among states.

### Survivor Benefits

#### Survivor pension

**Widow's pension:** 60% of the deceased's total disability pension (the average pension is equal to 70% of the deceased's earnings).

**Orphan's pension:** 40% of the deceased's pension (the average pension is equal to 70% of the deceased's earnings) for an orphan younger than age 18 (no limit if disabled) or until an orphaned daughter marries.

Eligible dependents are the spouse, a child until age 18 (age 21 if a student, no limit if disabled), a widowed mother, an unmarried daughter without age conditions, and dependent parents.

The maximum total survivor pension is 100% of the deceased's pension.

**Other eligible survivors (in the absence of the above):** Parents, grandparents, and other dependents younger than age 18.

The minimum daily benefit is 14 rupees.

The maximum total pension for other eligible survivors is 50% of the deceased's pension.

**Funeral grant:** A lump sum equal to the funeral cost, up to a maximum of 2,500 rupees. The grant is payable to the oldest member of the family or to the person who pays for the funeral.

### Administrative Organization

Ministry of Labor (<http://labour.nic.in>) provides general supervision.

Employees' State Insurance Corporation (<http://www.esic.nic.in>), which is managed by a tripartite board and a director general, administers the program through regional and local offices.

State governments administer the provision of medical benefits through agreement with, and reimbursement by, the Employees' State Insurance Corporation.

Employees' State Insurance Corporation administers the provision of medical benefits in some cases.

## ***Unemployment***

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### ***Regulatory Framework***

Labor law requires employers to provide a severance payment equal to 15 days' average pay for each year of employment.

Eleven states have instituted temporary unemployment programs funded by the government.

## Indonesia

Exchange rate: US\$1.00 equals 9,100 rupiah (Rp).

### Old Age, Disability, and Survivors

#### Regulatory Framework

**First law:** 1977.

**Current law:** 1992 (employees' social security).

**Type of program:** Provident fund and social insurance system.

#### Coverage

Establishments with 10 or more employees or a monthly payroll of Rp1 million or more. Employees with contracts of less than 3 months are covered for social insurance death benefits only.

Exclusions: Self-employed persons.

Coverage is being extended gradually to employees of smaller establishments and to organized informal-sector workers, including family labor, fishermen, and employees of rural cooperatives.

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:** Not applicable.

##### 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 (men and women). Retirement from employment is not required.

**Deferred old-age benefit:** Any age after age 55. Employment must cease.

**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 6 months after at least 5 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 provident fund member was younger than age 55 at the time of death. The benefit is payable to the spouse and, in the absence of spouse, to dependent children.

**Death grant and funeral grant (social insurance):** Payable for the death of the insured.

#### Old-Age Benefits

**Old-age benefit (provident fund):** A lump sum equal to total employee and employer provident fund contributions plus accrued interest; optionally, a periodic pension is payable to members with more than Rp50 million in their provident fund account.

**Drawdown payments:** The maximum payment is a lump sum equal to total employee and employer provident fund contributions plus accrued interest.

#### Permanent Disability Benefits

**Disability benefit (provident fund):** A lump sum equal to total employee and employer provident fund contributions plus accrued interest; optionally, a periodic pension is payable to members with more than Rp50 million in their provident fund account.

#### Survivor Benefits

**Survivor benefit (provident fund):** A lump sum equal to total employee and employer provident fund contributions plus accrued interest; optionally, eligible survivor(s) may receive a periodic pension if the deceased had more than Rp50 million in his or her provident fund account.

If the deceased was receiving a periodic pension, the survivor benefit equals the total employee and employer provident fund contributions plus accrued interest minus the amounts already paid to the deceased member.

**Death grant and funeral grant (social insurance):** A lump-sum death grant of Rp5 million and a lump-sum funeral grant of Rp1 million.

Eligible survivors (in order of priority) are the spouse, children, parents, grandchildren, grandparents, siblings, or parents-in-law. In the absence of eligible survivors, the benefits are payable to a person named by the deceased; in the absence of a named survivor, only the funeral benefit is payable to the person who pays for the funeral.

**Benefit adjustment:** Social insurance benefits are adjusted every 2 years.

#### Administrative Organization

Ministry of Manpower and Transmigration (<http://www.nakertrans.go.id>) provides general supervision.

Employees Social Security System (Jamsostek) (<http://www.jamsostek.co.id>) manages the contribution and benefit administration and the investment of funds.



## Sickness and Maternity

### Regulatory Framework

**First law:** 1957.

**Current law:** 1992 (employees' social security).

**Type of Program:** Social insurance system. Medical benefits only.

### Coverage

Establishments with 10 or more employees or a monthly payroll of Rp1 million or more.

Exclusions: Employees whose employer provides benefits that are more comprehensive than those provided by the Jamsostek program; employees with labor contracts of less than 3 months; and self-employed persons.

Coverage is being extended gradually to employees of smaller establishments and to organized informal-sector workers, including family labor, fishermen, and employees of rural cooperatives.

Special system for civil servants, civil service pensioners, military and police pensioners, veterans, national independence pioneers, and for their respective dependents up to age 25.

### Source of Funds

**Insured person:** None.

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

**Employer:** 3% of monthly payroll for single employees; 6% for married employees.

The maximum monthly earnings for contribution purposes are Rp1 million.

**Government:** None.

### Qualifying Conditions

**Cash sickness and maternity benefits:** No benefits are provided.

**Medical benefits:** Currently covered.

### Sickness and Maternity Benefits

**Cash sickness and maternity benefits:** No benefits are provided.

### Workers' Medical Benefits

Services are provided by contracted providers from the public and private sectors. Insured persons must register with a contracted primary care provider. Access to specialist and inpatient care is provided after a doctor's referral (except for emergencies). Medical benefits include primary and specialist outpatient care, hospitalization, medicines, emergency care, dental care, and eye care.

The cost of maternity care for up to three children, up to a maximum of Rp150,000 each.

The maximum limit on duration for inpatient care is 60 days a year.

### Dependents' Medical Benefits

Same as for the insured.

Eligible dependents are the dependent spouse and up to three dependent children (not married and not employed) younger than age 21.

### Administrative Organization

Minister of Manpower and Transmigration (<http://www.nakertrans.go.id>) provides general supervision and grants exemption to employers providing benefits that are more comprehensive than those provided by the Jamsostek program.

Employees Social Security System (Jamsostek) (<http://www.jamsostek.co.id>) collects contributions and contracts with health care providers for the provision of medical benefits.

## Work Injury

### Regulatory Framework

**First law:** 1951 (workmen's compensation).

**Current law:** 1992 (employees' social security).

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

### Coverage

Establishments with 10 or more employees or a monthly payroll of Rp1 million or more.

Exclusions: Self-employed persons, family labor, fishermen, and employees of rural cooperatives.

Coverage is being extended gradually to employees of smaller establishments and to organized informal-sector workers, including family labor, fishermen, and employees of rural cooperatives.

Special system for public-sector employees.

Employers not covered by the law must provide similar benefits to their employees.

### Source of Funds

**Insured person:** None.

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

**Employer:** Total cost; contributions vary between 0.24% and 1.74% of monthly payroll according to five classes of business activity risk (class I, 0.24% of monthly payroll; class II, 0.54%; class III, 0.89%; class IV, 1.27%; or class V, 1.74%).

**Government:** None.

### **Qualifying Conditions**

**Work injury benefits:** Partial or total disability before age 55. There is no minimum qualifying period.

### **Temporary Disability Benefits**

A monthly benefit of 100% of the insured's wage in the month before the onset of disability for the first 4 months; 75% for the next 4 months; thereafter, 50% until rehabilitation or the determination of permanent disability.

Based on a health examination by a medical doctor, the degree of disability is assessed by Jamsostek.

### **Permanent Disability Benefits**

A lump sum equal to 49 months of the insured's wage in the month before the onset of disability, plus a monthly benefit of Rp50,000 paid for 24 months.

Partial disability: A lump sum equal to 70 months of the insured's wage in the month before the onset of disability times the assessed degree of disability according to the schedule in law.

Based on an examination by a medical doctor, the degree of disability is assessed by Jamsostek.

### **Workers' Medical Benefits**

Medical benefits include medical treatment, hospital care, dental and eye care, and prostheses.

The maximum limit on the cost of medical treatment and hospital expenses is Rp6,400,000 per accident.

Transportation costs from the place of the accident to the hospital are provided up to a maximum of Rp400,000, depending on the method of transport used.

### **Survivor Benefits**

**Survivor benefit:** A lump sum equal to 42 months of the deceased's wage in the month before death, plus a monthly benefit of Rp50,000 paid for 24 months.

Eligible survivors (in order of priority) are the spouse, children, parents, grandchildren, grandparents, siblings, or parents-in-law. In the absence of eligible survivors, the benefits are payable to a person named by the deceased; in the absence of a named survivor, only the funeral grant is payable to the person who pays for the funeral.

**Funeral grant:** Rp1 million is payable to the survivor eligible for the survivor benefit; in the absence of an eligible survivor, the grant is payable to the person who pays for the funeral.

### **Administrative Organization**

Minister of Manpower and Transmigration (<http://www.nakertrans.go.id>) provides general supervision.

Employees Social Security System (Jamsostek) (<http://www.jamsostek.co.id>) administers contributions and benefits and contracts with health care providers for the provision of medical services.

## Iran

Exchange rate: US\$1.00 equals 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 persons between ages 18 and 65 residing in the country.

Self-employed persons may contribute voluntarily.

Special systems for government employees and the armed forces.

#### Source of Funds

**Insured person:** 7% of earnings.

**Self-employed person:** Voluntary contributions of 12% of earnings for old-age; 14% for old-age and disability; or 18% for old-age, disability, and survivors.

**Employer:** 20% of payroll, plus 3% of payroll for unemployment insurance. (Contributions for the first five employees in small industrial and technical workshops are exempted.)

**Government:** 3% of payroll. Also pays the employers' contribution for the first five employees in small industrial and technical workshops and, depending on geographical location, 60% to 90% of the employers' contribution for new staff taken on by certain employers.

The minimum monthly earnings for contribution and benefit purposes for salaried employees are 1,060,000 rials.

The maximum monthly earnings for contribution and benefit purposes for salaried employees are 5,000,000 rials.

All of the above contributions (except for the self-employed) also finance medical care and cash sickness, maternity, and work injury benefits.

#### Qualifying Conditions

**Old-age pension:** Age 65 (men) or age 60 (women) with at least 10 years of contributions; at any age (men and women) with 30 years of work.

Age 50 (men) or age 45 (women) with between 20 and 25 years of work in an unhealthy working environment or in a physically demanding natural environment.

Retirement from insured employment is necessary.

Early pension: Age 60 (men) or age 55 (women) with at least 10 years of contributions.

Deferred pension: A deferred pension is possible with the agreement of the employer.

The old-age pension is not payable abroad.

**Disability pension:** Total disability (2/3 loss of earning capacity). One year of contributions in the last 10 years, including 90 days in the year before the onset of disability.

There is no provision for partial disability. The disability pension is not payable abroad.

**Survivor pension:** Payable to a widow or dependent widower, children younger than age 18 (age 20 if a student or disabled), an unmarried daughter until she marries or becomes unemployed, and aged dependent parents (father older than age 60; mother older than age 55).

The deceased was a pensioner at the time of death or had paid contributions for between 10 and 20 years; with less than 10 years of contributions, a lump sum equal to one month's minimum wage will be paid for each year of service.

The survivor pension is not payable abroad.

#### Old-Age Benefits

**Old-age pension:** 1/35th of the insured's average earnings during the last 24 months times the number of years of contributions. For insured persons working in difficult or hazardous occupations, each year of paid contributions counts as 1.5 years.

The minimum pension is 50% of the insured's average earnings but not less than 1,060,000 rials a month (the minimum wage of an unskilled laborer), plus food coupons.

Spouse allowance: A married male pensioner receives up to 188,000 rials for his spouse.

The maximum pension is 100% of the insured's earnings up to 4,500,000 rials a month.

Early pension: 1/35th of the insured's average earnings during the last 24 months times the number of years of contributions.

Deferred pension: 1/35th of the insured's average earnings during the last 24 months times the number of years of contributions.

Benefit adjustment: Benefits are adjusted annually according to wage changes.

#### Permanent Disability Benefits

**Disability pension:** If more than 66% disabled (totally disabled), the pension is equal to 3.3% of average earnings during the last 2 years times the number of years of contributions.

The minimum pension is 50% of the insured's average earnings (60% with dependents) but not less than 1,060,000 rials a month (the minimum wage of an unskilled laborer).

Spouse allowance: A married male pensioner receives up to 188,000 rials a month for his spouse.

The maximum pension is 100% of the insured's average earnings up to 4,500,000 rials a month.

**Benefit adjustment:** Benefits are adjusted annually according to wage changes.

### Survivor Benefits

**Survivor pension:** 50% of the deceased's pension. If there is more than one legitimate widow, the pension is divided equally between them.

The minimum widow(er) pension is 20% of the deceased's pension.

**Orphan's pension:** 25% of the deceased's pension (50% for a full orphan) is payable for each orphan younger than age 18; no limit if a student or disabled.

**Parent's pension:** 20% of the deceased's pension for each dependent aged parent (a father older than age 60; a mother older than age 55).

The minimum total survivor pension is 1,060,000 rials a month (the minimum wage of an unskilled laborer).

The maximum total survivor pension is 100% of the deceased's pension. If the total survivor pension exceeds 100% of the deceased's pension, the survivor pensions are reduced proportionately.

**Benefit adjustment:** Benefits are adjusted annually according to wage changes.

**Funeral grant:** The grant varies according to municipality.

### Administrative Organization

Ministry of Welfare and Social Security provides general supervision.

Managed by a council and a board of directors, the Social Security Organization administers the program through provincial branches 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 (cash and medical benefits).

#### Coverage

Employed persons in urban areas and old age, disability, or survivor pensioners.

Seasonal workers are covered for medical services during the working season.

Voluntary coverage for self-employed persons.

Special systems for government employees and the armed forces.

### Source of Funds

**Insured person:** See source of funds under Old Age, Disability, and Survivors, above; seasonal workers contribute 9% of the minimum monthly wage.

**Self-employed person:** Voluntary contributions of 18% of earnings.

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

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

### Qualifying Conditions

**Cash sickness and medical benefits:** Currently employed. There is no minimum qualifying period, except for 60 days of contributions for prostheses.

**Cash maternity benefits:** Sixty 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 previous 3 months for a worker with dependents; 66.6% of the insured's average earnings for a single worker.

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 payable after a 3-day waiting period (unless hospitalized) until recovery.

**Maternity benefit:** 66.6% of the insured woman's average earnings in the previous 3 months, payable for up to a maximum of 4 months, at least half of which should be taken after the expected date of childbirth.

### Workers' Medical Benefits

#### Medical benefits

**Direct system:** Medical care and medicines are provided directly to patients through medical facilities belonging to the Social Security Organization.

Dental grant: 180,000 rials for a half set of dentures or 300,000 rials for a full set.

Other medical expenses are payable according to set tariffs.

**Indirect system:** Medical services are provided through public and private hospitals and clinics, as well as through university hospitals and contracted-out physicians. The cost of inpatient

care and outpatient care varies among medical care providers, as does the degree of cost sharing and the rate of reimbursement.

### **Dependents' Medical Benefits**

Same as for the insured person. Coverage is provided for a wife and for the first three children younger than age 18 (age 20 if a student, disabled, or an unmarried daughter), for a disabled dependent husband older than age 60, and for aged dependent parents. Voluntary insurance can be taken from the Social Security Organization for the fourth and subsequent children.

### **Administrative Organization**

Social Security Organization administers the program.

Medical services are provided directly through 73 hospitals and 270 medical clinics owned by the Social Security Organization.

### **Work Injury**

#### **Regulatory Framework**

**First law:** 1936.

**Current law:** 1975 (social security).

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

#### **Coverage**

Employed persons in urban areas.

Exclusions: Employed persons in rural areas.

#### **Source of Funds**

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

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

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

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

#### **Qualifying Conditions**

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

#### **Temporary Disability Benefits**

75% of the insured's average earnings in the previous 3 months for a worker with dependents; 66.6% for a worker without dependents.

The benefit is reduced to 50% of the insured's average earnings if the insured person is hospitalized.

The benefit is payable from the first day of incapacity until recovery or certification of permanent disability.

**Benefit adjustment:** Benefits are adjusted annually according to wage changes.

### **Permanent Disability Benefits**

**Permanent disability pension:** If more than 66% disabled (total disability), 3.3% of the insured's average earnings in the last 720 days times the number of years of contributions.

The minimum pension is 50% of the insured's average earnings (60% with dependents) but not less than 1,060,000 rials a month (the minimum wage of an unskilled laborer).

The maximum pension is 100% of the insured's earnings but not more than the wage ceiling (5,000,000 rials a month).

**Partial disability:** If between 33% and 66% disabled, a percentage of the full pension in proportion to the assessed degree of disability.

**Benefit adjustment:** Benefits are adjusted annually according to wage changes.

**Disability grant:** If between 10% and 33% disabled, a lump sum equal to 36 times the insured's disability pension times the assessed degree of disability.

### **Workers' Medical Benefits**

Medical care and medicines are provided directly to patients through medical facilities belonging to the Social Security Organization. There is no qualifying period for prostheses.

### **Survivor Benefits**

**Survivor pension:** 50% of the deceased's pension is payable to a widow of any age or to a dependent widower. If there is more than one legitimate widow, the pension is divided equally between them.

The minimum widow(er) pension is 20% of the insured's pension.

**Orphan's pension:** 25% of the deceased's pension (50% for a full orphan) is payable for each orphan younger than age 18 (age 20 if a student or disabled) and to an unmarried daughter until she marries or becomes unemployed.

**Parent's pension:** 20% of the deceased's pension for each dependent aged parent (father older than age 60; mother older than age 55).

The minimum survivor pension is 1,060,000 rials a month (the minimum wage of an unskilled laborer).

The maximum total survivor pension is 100% of the deceased's pension. If the total survivor pension exceeds 100% of the deceased's pension, the survivor pensions are reduced proportionately.

**Benefit adjustment:** Benefits are adjusted annually according to wage changes.

**Funeral grant:** The grant varies according to municipality.

## **Administrative Organization**

Ministry of Welfare and Social Security provides general supervision.

Social Security Organization administers the program through branch offices and local agencies.

## **Unemployment**

### **Regulatory Framework**

**First law:** 1987.

**Current law:** 1990 (unemployment insurance).

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

### **Coverage**

Employed persons in specified occupations and geographic areas. Seasonal workers are covered only in the case of dismissal during their contract.

Exclusions: Self-employed persons, voluntarily insured persons, retired persons, the totally disabled, and those covered under construction workers' insurance.

### **Source of Funds**

**Insured person:** None.

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

**Employer:** 3% of payroll. (See source of funds under Old Age, Disability, and Survivors, above.)

**Government:** Any deficit.

### **Qualifying Conditions**

**Unemployment benefit:** Six months of insurance before the date of unemployment. Registered at an employment office and capable of, and available for, work. Unemployment is not due to leaving voluntarily, misconduct, or the refusal of a suitable job offer.

### **Unemployment Benefits**

The maximum duration of benefits depends on the length of coverage and marital status. If a married individual has between 6 and 24 months of coverage, the benefit is payable for up to 12 months (6 months if single); for between 25 and 120 months of coverage, up to 18 months (12 months if single); for between 121 and 180 months, up to 26 months (18 months if single); for between 181 and 240 months, up to 36 months (24 months if single); for 241 months and longer, up to 50 months (36 months if single).

The minimum benefit is 55% of the insured's average earnings, increased by 10% for each of the first four dependents.

The maximum benefit must not exceed 80% of the insured's average earnings.

Insured persons aged 55 or older may receive unemployment benefit up to the retirement age.

**Benefit adjustment:** Benefits are adjusted annually according to wage changes.

## **Administrative Organization**

Ministry of Labor provides general supervision.

## **Family Allowances**

### **Regulatory Framework**

**First law:** 1953.

**Current law:** 1975 (social security).

**Type of program:** Employment-related system.

### **Coverage**

Employed persons.

### **Source of Funds**

**Insured person:** None.

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

**Employer:** Total cost.

**Government:** None.

### **Qualifying Conditions**

**Family allowances:** The child must be younger than age 18 (no limit if a student or disabled). The parent must have 720 working days of contributions.

**Marriage grant:** 720 days of contributions in the 5 years before the date of marriage.

### **Family Allowance Benefits**

**Family allowances:** Three times the lowest daily wage of an unskilled laborer. (The lowest daily wage is based on the minimum wage of an unskilled laborer (1,060,000 rials a month) and is adjusted according to region.) The allowance is payable for each of the first three children.

**Benefit adjustment:** Benefits are adjusted annually according to wage changes.

**Marriage grant:** One month of the insured's average wage or salary. If both spouses are insured, both the husband and wife will receive the grant.

## **Administrative Organization**

Ministry of Labor enforces the law.

Individual employers pay allowances with wages or salaries.

## Israel

Exchange rate: US\$1.00 equals  
4.56 new shekels (NS).

### Old Age, Disability, and Survivors

#### Regulatory Framework

**First and current laws:** 1953 (national insurance), implemented in 1954; 1955 (survivor pensions); 1957 (old-age pensions), with 1996 amendment; 1970 (disability insurance); 1974 (pensions), with 1977, 1979, and 1981 amendments; 1980 (long-term care insurance); 1980 (income support); 1982 (benefits); and 1988 (benefits).

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

#### Coverage

**Social insurance:** All residents (including housewives) aged 18 or older.

Exclusions: Persons who immigrated at age 60 or older.

**Social assistance (income support programs, means-tested):** Residents aged 20 or older.

Exclusions: Those living in institutions whose maintenance is paid entirely by the state, the Jewish Agency, a local authority, or religious institution; persons serving in the regular army and their spouses; members of a kibbutz or cooperative village; vehicle owners (unless disabled in the legs or dependent on the vehicle for medical reasons); and students in higher education.

#### Source of Funds

**Insured person:** 0.77% of earnings below, plus 3.04% of earnings above, one-half of the national average wage (old-age and survivor pensions); 0.37% of earnings below, plus 1.46% of earnings above, one-half of the national average wage (disability benefits); and 0.03% of earnings below, plus 0.11% of earnings above, one-half of the national average wage (long-term care).

**Self-employed person:** 2.63% of earnings below, plus 4.55% of earnings above, one-half of the national average wage (old-age and survivor pensions); 0.95% of earnings below, plus 1.68% of earnings above, one-half of the national average wage (disability benefits); and 0.10% of earnings below, plus 0.16% of earnings above, one-half of the national average wage (long-term care).

**Employer:** 2.23% of payroll (old-age and survivor pensions), 0.46% (disability benefits), and 0.07% (long-term care).

**Government:** 0.87% of earnings above one-half of the national average wage (old-age and survivor pensions), 0.27% of earnings above one-half of the national average wage (disability benefits), and 0.04% of earnings above one-half of

the national average wage (long-term care). Reduced contributions are paid on earnings below one-half of the national average wage for old-age, disability, and survivor benefits for employees and the self-employed; reduced rates for employees only for long-term care.

The government participates in financing old-age and survivor pensions at a rate of 15% of employee and employer contributions.

The government pays the total cost of old-age and survivor pensions to uninsured new immigrants, the cost of long-term care benefits to new immigrants, and the total cost of social assistance income support programs and mobility allowance.

The minimum earnings for contribution purposes are NS3,335 (equal to the minimum wage) for employees and NS1,471 (25% of the national average wage) for the self-employed. (A person earning less than this sum pays contributions as if earning the minimum.)

The maximum earnings for contribution purposes for employers and employees are five times the national average wage as of January 1 each year.

The national average wage in January 2004 was NS6,964. (The value of the national average wage has been frozen since December 2001.)

#### Qualifying Conditions

##### Old-age pension

**Social insurance:** Beginning July 1, 2004, the retirement age and the age for the earnings-tested pension will rise gradually until it reaches age 67 (men) or age 62 (women), and the pensionable age (absolute age for receiving the pension, without an earnings test) will rise until it reaches age 70 (men and women).

Note: Until June 30, 2004, the age for the earnings-tested pension was age 65 (men), age 60 (women), and age 65 (housewives), and the absolute pensionable age was age 70 (men) or age 65 (women).

**Reduced pension:** The pension is reduced if income from work exceeds between 57% and 76% of the national average wage (according to the number of dependents), until age 70 (men) or age 65 (women).

Five years of insurance coverage in the last 10 years or a total of 12 years of insurance coverage; insured women who are widowed, divorced, deserted, married to an uninsured husband, or unmarried and aged 55 or older at the time of immigration are exempt from the qualifying period, as are women who received a disability pension for the 12 months preceding age 60.

**Earnings test:** The pension is reduced or suspended if income from work exceeds 57% (for a single person) or 76% (for a person with dependents, according to the number of dependents) of the national average wage until pensionable age. There is no earnings test on reaching the pensionable age.

**Deferred pension:** Paid between the earnings-tested age and the pensionable age to persons who were previously ineligible to receive the pension because of the earnings test.

**Dependent supplement (earnings-tested):** A supplement is paid for a dependent spouse or child.

**Seniority increment:** The increment is paid for years of insurance coverage in excess of 10. A housewife is not entitled.

**Special old-age benefit (social assistance):** A government financed pension for new immigrants not insured because of their age at the time of immigration and insured persons who emigrated from Israel then returned and do not satisfy the qualifying period condition at pensionable age.

**Income support benefit (social assistance):** Twenty-four months of continuous residence (12 months for new immigrants), subject to an earnings test and employment test; incapable of providing self with earned income sufficient for subsistence.

Partial benefit is payable to individuals whose combined income from employment and benefits falls short of the minimum income level for subsistence.

**Disability pension:** Israeli residents between ages 18 and the earnings-tested age for the old-age pension. There is no qualifying period. An assessed degree of medical disability of at least 60% (at least 40% for a man with a single assessed medical disability of 25% or more; at least 50% for a disabled housewife) and a functional loss of capacity of at least 50%.

**Additional monthly pension:** For those with at least a 75% incapacity who do not reside in an institution at the main expense (over 50%) of a public body and with an assessed degree of medical disability of at least 50%.

**Dependent supplement:** A supplement is paid for a spouse or a child with earnings below 57% of the average wage.

**Attendance allowance:** Dependent on the help of others to perform everyday functions or in need of supervision. At least 60% disabled and receiving the disability pension; if not receiving the disability pension, at least 75% disabled and subject to an earnings test.

**Disabled child benefit:** Resident in Israel, not institutionalized or living with a foster family, and not receiving mobility allowance (mobility allowance may be received if the parent has two disabled children, or under other permitted exceptional circumstances).

**Long-term care benefit (earnings-tested):** Of earnings-tested age for the old-age pension, not institutionalized, but dependent on the help of others for performing everyday functions or in need of supervision. The benefit is not paid to a single person with income higher than 1.5 times the average wage, to a couple with income higher than 2.25 times the average wage, or to a person with a child with an additional income higher than 0.75 times the average wage for each child.

**Mobility allowance:** Israeli residents aged 3 or older but younger than the retirement age (men) or the pensionable age

(women) with a loss of mobility. A medical committee assesses the degree of loss of mobility.

**Survivor pension (social insurance):** Paid to a widow(er) or child up to age 18 (age 20, if in higher education or premilitary framework; age 21, in military or volunteer service; up to age 22, 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 prior to death, or 24 months of coverage in the last 5 years, or 60 months in the last 10 years, or met the qualifying period for the old-age pension. The pension for a widow(er) ceases on remarriage.

A widow must have been married to the deceased for at least 1 year (6 months if aged 55 or older) or had a child with the deceased.

A widower must have been married to the deceased for at least 1 year (6 months if aged 55 or older) and must either have a child of the deceased living with him or satisfy an earnings test.

**Survivor pension with income supplement (social assistance):** Payable to individuals whose combined income from employment and the survivor pension is less than the minimum income level for subsistence.

**Survivor pension seniority increment:** Paid if the insured (except a housewife) had more than 10 years of insurance.

**Survivor grant:** Paid to a widow(er) under age 40 without dependent children or to a widower whose right to a survivor pension has expired.

**Special survivor benefit:** Paid to the widow and orphans of a resident who was not insured at the time of his immigration.

**Marriage grant:** Paid to a widow(er) who remarries. The right to the survivor pension ceases.

**Death grant:** The grant is paid to the widow(er) or children of a pensioner.

**Funeral grant:** On the death of the insured, the grant is paid to the organization responsible for the funeral service.

Benefits are payable abroad under bilateral agreement.

## Old-Age Benefits

### Old-age pension

**Social insurance:** 16% of the national average wage; 24% for a couple.

**Dependent supplement:** 5% of the national average wage for each of the first two children up to age 18 (age 20, if in higher education or premilitary framework; age 21, in military or volunteer service; up to age 22, in certain other cases).

**Income supplement:** Payable if income, including the pension, is below the minimum level for subsistence. Rates vary between 25% and 57.5% of the national average wage, depending on marital status and number of children. The resulting sums are increased by a further 7%.

**Deferred pension:** The pension is increased by 5% of its value for each year of deferred retirement.



**Seniority increment:** The pension is increased by 2% per year of coverage beyond 10 years, subject to a ceiling of 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 national average wage; 27.5% to 37.5% for a couple (without children). The benefit varies with age.

Benefit payments are reduced by 4%.

**Benefit adjustment:** Benefits are adjusted automatically when the national average wage is updated, normally each January. (The value of the national average wage (NS6,964) has been frozen since December 2001.)

### **Permanent Disability Benefits**

**Disability pension:** If at least 75% disabled, the full single disability pension equals 25% of the national average wage plus 7% of this amount (no earnings test).

**Partial disability:** The pension is reduced in proportion to the assessed degree of disability.

**Additional monthly pension:** 17% of the disability pension if the assessed degree of disability is 80% or higher; 14% for an assessed degree of disability between 70% and 79%; 11.5% for an assessed degree of disability between 50% and 69%.

**Dependent supplement (income-tested):** Up to 12.5% of the national average wage for a spouse; 10% for each of the first two children. The supplement is increased by 7%.

**Income supplement:** Payable if income, including the disability pension, is below the minimum level for subsistence.

**Attendance allowance:** 50%, 100%, or 150% of the full single disability pension, according to the level of dependence.

**Attendance allowance increment:** Paid at the rate of 14%, 28.5%, or 42.5% of the full disability pension, according to the level of eligibility for attendance allowance.

**Disabled child benefit:** The benefit is paid at a basic rate of between 30% and 120% of the full single disability pension, according to the assessed degree of disability.

**Disabled child benefit supplements:** The cost of studies for disabled students and an additional pension for severely disabled children.

The maximum total benefit is 137% of the full individual disability pension.

**Long-term care benefit (earnings-tested):** 93% of the full individual disability pension if largely dependent on the help of others; 150% if completely dependent. Benefits are payable directly to the organization providing the long-term care services, not to the beneficiaries (who receive the benefit at 80% of the rates indicated above only if services are not available and they live with and are cared for by a family member).

**Benefit adjustment:** Benefits are adjusted automatically when the national average wage is updated, normally each January.

(The value of the national average wage (NS6,964) has been frozen since December 2001.)

The benefit is reduced by 50% if income is higher than the average wage for a single person; 1.5 times the average wage for a couple, plus 0.5 times the average wage for each child, up to a maximum.

**Mobility allowance:** A monthly pension to help cover mobility expenses. The pension varies depending on whether the recipient has earned income, has a driving license, and owns an automobile. Additional cash benefits may be provided to help cover automobile taxes and costs resulting from a loss in mobility.

**Benefit adjustment:** The pension is adjusted periodically according to increases in the cost of automobile maintenance.

### **Survivor Benefits**

**Survivor pension:** For a surviving spouse aged 50 or older or if caring for a child, the pension is 16% of the national average wage. A 7.5% increment is paid for each child.

A single child not covered by the survivor pension child increment receives 10% of the national average wage; 7.5% of the national average wage each if there is more than one child; 10% for each full orphan.

For a widow(er) between ages 40 and 49 with no children, the pension is 12% of the national average wage.

If the survivor also receives the old-age pension, the survivor pension is reduced by 50%.

**Survivor pension with income supplement (social assistance):** A widow(er) with no children receives a total of 25% of the national average wage; a widow(er) with one child, 42.5% (less NS120); or 52.5% (less NS120) with two or more children. The resulting pensions are increased by an additional 7%. For one child (orphans and abandoned children), the total pension is 25% of the national average wage (less NS120); for two children, 37.5% (less NS240).

**Survivor pension seniority increment:** The pension is increased by 2% for each year of coverage of the deceased beyond 10 years, up to a ceiling of 50% of the pension.

**Survivor grant:** For a widow(er) under age 40 who has no children, a lump sum of 3 years' full pension.

**Special survivor benefit:** The benefits are the same as for the social insurance survivor pension.

**Marriage grant:** The grant is equal to 36 monthly pension payments and is paid in two installments (the first on marriage, the second 2 years after).

**Death grant:** A lump sum equal to 100% of the national average wage is paid to the widow(er) or children of a pensioner.

**Funeral grant:** The cost of the burial up to a fixed amount.

**Benefit adjustment:** Benefits are adjusted automatically when the national average wage is updated, normally each January. (The value of the national average wage (NS6,964) has been frozen since December 2001.)

## Administrative Organization

Minister 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

### Regulatory Framework

**First and current laws:** 1953 (national insurance), implemented in 1954, with 1976 (vacation pay for adopting parents), 1986 (birth allowance), 1990 (risk pregnancy benefit), and 1997 (maternity allowance for father) amendments; 1976 (sick pay in collective agreements, not under social security law); and 1995 (national health insurance).

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

### Coverage

**Sickness benefits:** All employees are covered under collective agreement. (Cash sickness benefits are not provided under the National Insurance Law.)

**Maternity benefits:** Employed persons, self-employed persons, and persons aged 18 or older undertaking vocational training.

**Maternity grant:** Insured women or the wife of the insured; nonresidents including employed and self-employed women and the wives of employed and self-employed men.

The nonresident woman or her husband must have been working in Israel for at least 6 months immediately preceding childbirth. The birth must occur in Israel.

**Medical care:** All residents.

### Source of Funds

**Insured person:** 3.1% of earnings below, plus 4.8% of earnings above, one-half of the national average wage (medical care); 0.17% of earnings below, plus 0.68% of earnings above, one-half of the national average wage (maternity benefits). (Sickness benefits are not provided under the National Insurance Law.)

**Self-employed person:** 3.1% of income below, plus 4.8% of income above, one-half of the national average wage (medical care); 0.48% of income below, plus 0.75% of income above, one-half of the national average wage (maternity benefits). (Sickness benefits are not provided under the National Insurance Law.)

**Employer:** None for medical care; 0.18% of payroll for maternity benefits. (Sickness benefits are not provided under the National Insurance Law.)

**Government:** None for medical care; 0.10% of earnings for maternity benefits (and a reduced contribution for earnings

below one-half of the national average wage). (Sickness benefits are not provided under the National Insurance Law.)

The minimum earnings for contribution purposes are NS3,335 (equal to the minimum wage) for employees and NS1,741 (25% of the national average wage) for the self-employed.

The maximum earnings for contribution and benefit purposes for employers and employees are five times the national average wage.

The national average wage in January 2004 was NS6,964. (The value of the national average wage has been frozen since December 2001.)

### Qualifying Conditions

**Cash sickness benefit:** Sickness benefits are not provided under the National Insurance Law.

**Cash maternity benefits:** Ten months of insurance in the last 14 months or 15 months in the last 22 months (for women with only 6 months of insurance in the last 14 months, partial benefit is payable).

A father with 10 months of insurance in the last 14 months or 15 months in the last 22 months may share the maternity leave period with his wife if his employer authorizes the leave period and his wife agrees to waive part of her leave and return to work.

**Vacation pay for adopting parents:** Cessation of work due to the adoption of a child under age 10 and 10 months of insurance in the last 14 months or 15 months in the last 22 months. An adopting father may take a period of at least 21 days of leave when the mother returns to work.

**Risk pregnancy benefit:** Cessation of work as a result of a risk to the pregnancy, in accordance with the medical authorization of a gynecologist. The benefit is payable with 10 months of insurance in the last 14 months or 15 months in the last 22 months and if not receiving a similar payment from any other source.

**Maternity and hospitalization grant:** For a birth for which hospitalization was necessary.

**Multiple birth allowance:** For the birth of three children or more, of which at least three survive past 30 days. The mother must be entitled to the maternity grant.

**Hospital transportation costs:** Provided for women who have to travel by ambulance to a hospital to give birth. If the total ambulance journey is more than 40 kilometers, the National Insurance Institute pays the cost of transportation beyond the first 20 kilometers, if the hospital is the one nearest to the woman's place of residence.

**Special allowance and special benefit:** 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 agreement; 75% of earnings for 90 days (up to 100% without limit if stipulated in a collective agreement).

**Maternity allowance:** 100% of the insured's average daily net income in the 3 months preceding the day on which the insured woman ceased work because of the pregnancy. The allowance is payable for 12 weeks; 6 weeks if only the lower contribution condition is satisfied.

**Risk pregnancy grant:** For every day of rest from work, a sum equal to the average wage divided by 30 or the insured woman's income in the 3 months preceding the day she stopped work divided by 90, whichever is lower.

**Maternity grant (layette):** A grant of NS1,354 for the first child, NS610 for the second child, and NS406 for a third or subsequent child (higher for multiple births) for the purchase of clothing and other necessities for a newborn child.

**Hospitalization grant:** A grant for the payment of hospitalization expenses.

**Multiple birth allowance:** An allowance payable for 20 months, calculated as a percentage of the national average wage and gradually reduced throughout the period of entitlement.

**Hospital transportation costs:** In certain cases, a fixed payment for the cost of transportation to the hospital.

**Special allowance:** 30% of the national average wage for a period of 24 months for each child of the last childbirth. The entitlement period is reduced to 12 months if the spouse is also receiving survivor or dependent benefits.

**Special benefit:** If the spouse stops working to care for the child(ren), a benefit is paid equal to the injury allowance (75% of earnings, up to a ceiling) for up to 12 weeks.

**Benefit adjustment:** Benefits are adjusted for cost-of-living increases paid to employees. Flat-rate benefits are adjusted periodically.

## Workers' Medical Benefits

Services provided by doctors and hospitals owned and operated by, or under contract to, the sick fund. Benefits include general and specialist care, medicines, laboratory services, hospitalization, and rehabilitation.

**Cost sharing:** Patients pay a set sum of the cost of drugs and appliances, which varies according to the sick fund.

## Dependents' Medical Benefits

Same as for the insured person.

## Administrative Organization

Minister 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) Sick Fund (<http://www.leumit.co.il>); Clalit (General) Sick Fund (<http://www.clalit.org.il>); Maccabi Sick Fund (<http://www.maccabi-health.co.il>); and Meuhedet (United) Sick Fund (<http://www.meuhedet.co.il>).

## Work Injury

### Regulatory Framework

**First and current laws:** 1953 (national insurance), implemented in 1954; and 1956 (work injury insurance for the self-employed), implemented in 1957.

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

### Coverage

Employees, self-employed persons, members of cooperatives, vocational trainees and those undergoing vocational rehabilitation, working prisoners, foreign residents working in Israel, migrant workers working in Israel, and, under certain conditions, Israelis working abroad.

Exclusions: Police, prison service, and defense employees.

### Source of Funds

**Insured person:** None.

**Self-employed person:** 0.33% of earnings below, plus 0.53% of earnings above, one-half of the national average wage.

**Employer:** 0.64% of payroll.

**Government:** 0.17% of payroll and earnings (a reduced contribution rate is paid for earnings below one-half of the national average wage).

The minimum earnings for contribution purposes are NS3,335 (equal to the minimum wage) for employees and NS1,741 (25% of the national average wage) for the self-employed.

The maximum earnings for contribution purposes for employers and employees are five times the national average wage as of January 1 each year.

The national average wage in January 2004 was NS6,964. (The value of the national average wage has been frozen since December 2001.)

### Qualifying Conditions

#### Work injury benefits

**Temporary disability benefit (injury allowance):** Work incapacity and absence from work due to a work injury or prescribed occupational disease. There is no minimum qualifying period.

*Temporary disability pension:* Payable to a worker recognized as disabled as a result of a work injury, with a temporary assessed degree of disability of 5% or more. There is no minimum qualifying period.

*Permanent disability pension:* Payable to a worker recognized as disabled as a result of a work injury, with a permanent assessed degree of disability of 20% or more. There is no minimum qualifying period.

*Disability grant:* Payable to an insured worker with a permanent degree of disability assessed at least at 5% but less than 20%. There is no minimum qualifying period.

*Special pension and special grant:* For an assessed degree of disability of 75% or more; 65% to 74% for those who have difficulty walking.

*Survivor pension:* Payable to a widow who is aged 40 or older; regardless of age with a dependent child or unable to support herself. Also payable to a widower who has a dependent child; regardless of dependent children if unable to support himself, or has income below a determined level.

*Survivor grant:* Payable to a widow who is not entitled to a survivor pension.

*Death grant (due to work injury):* Paid to the spouse and children if the deceased had received a disability pension for a degree of disability of 50% or more, was at the earnings-tested age for the old-age pension, or had received a dependent's allowance.

*Death grant (not due to work injury):* Paid to the spouse and children if the deceased had a degree of disability of 50% or more for at least 36 months before death and was receiving a work injury disability pension, throughout this period.

### **Temporary Disability Benefits**

**Temporary disability benefit (injury allowance):** A daily allowance calculated on the basis of 75% of insurable earnings in the 3 months before the injury, up to a maximum.

The benefit is payable after a 2-day waiting period (no waiting period if work incapacity lasts at least 12 days), up to a maximum of 13 weeks. The allowance is paid by the National Insurance Institute, which is reimbursed by the employer for the first 9 days. Self-employed workers are not entitled to injury allowance for the first 9 days.

The injury allowance is reduced by 4%.

**Benefit adjustment:** Benefits are adjusted according to changes in the national average wage and employee cost-of-living adjustments. (The value of the national average wage (NS6,964) has been frozen since December 2001.)

### **Permanent Disability Benefits**

**Permanent disability pension:** 75% of the insured's earnings, if totally disabled. The assessed degree of disability for a total disability is 100%.

**Partial disability:** A monthly pension proportional to the insured's wages and degree of disability.

**Income support:** Low-income recipients of disability pensions may receive an income supplement.

**Disability grant:** Equal to 43 monthly pensions.

**Benefit adjustment:** Benefits are adjusted for changes in the national average wage and employee cost-of-living adjustments. (The value of the national average wage (NS6,964) has been frozen since December 2001.)

### **Workers' Medical Benefits**

The cost of medical treatment, hospitalization, medicines, appliances, transportation, convalescence, and rehabilitation is met by the sick funds.

### **Survivor Benefits**

**Survivor pension:** The pension is equal to between 40% and 100% of the full pension that the insured would have been entitled to had he been 100% disabled, including supplements for children.

**Survivor grant:** Equal to 36 months' survivor pension.

**Remarriage grant:** A widow(er) who remarries receives a grant equal to 36 months' pension, paid in two installments (the first on marriage, the second 2 years later).

**Orphan's pension:** 20% of the insured's total disability pension for the first orphan and 10% each for the second and third. The pension is paid to the surviving spouse in addition to the survivor pension.

**Full orphan's pension:** 60% of the insured's total disability pension for the first orphan, 20% for the second, and 10% each for the third and fourth.

**Other dependent relatives (in the absence of the above):** 50% of the insured's total disability pension for one dependent, up to a maximum of 100% for four or more dependents.

**Income support:** Low-income recipients of disability pensions may receive an income supplement.

**Death grant (due to work injury):** 100% of the national average wage is paid as a lump sum.

**Death grant (not due to work injury):** 60% of the full individual disability pension, multiplied by 36. The grant is paid in two installments.

**Funeral grant:** On the death of the insured, the grant is paid to the organization responsible for the funeral service. The cost of the burial is paid up to a fixed amount.

### **Administrative Organization**

Minister 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

### Regulatory Framework

**First and current laws:** 1970 (unemployment insurance) and 1973 (payments of benefits).

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

### Coverage

Israeli resident (or temporary resident), employed, and aged 18 or older but under the earnings-tested age for the old-age pension (men) or pensionable age (women); including a soldier within 1 year of demobilization from regular service.

### Source of Funds

**Insured person:** 0.17% of earnings above, plus 0.04% of earnings below, one-half of the national average wage.

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

**Employer:** 0.04% of payroll.

**Government:** Contributes on behalf of its employees. 0.11% of payroll above, plus 0.07% of payroll below, one-half of the national average wage.

The minimum earnings for contribution purposes are NS3,335 (equal to the minimum wage) for employees and NS 1,741 (25% of the national average wage) for the self-employed.

The maximum earnings for contribution purposes are five times the national average wage as of January 1 each year for both employers and employees.

The national average wage in January 2004 was NS6,964. (The value of the national average wage (NS6,964) has been frozen since December 2001.)

### Qualifying Conditions

**Unemployment benefit:** Payable to unemployed persons from age 20 (under certain circumstances from age 18) to the earnings-tested pension age (men) or pensionable age (women), registered at the labor exchange, ready and able to perform any suitable work, and involuntarily unemployed.

**Regular employee:** 360 days of contributions out of 540 days.

**Daily employee:** 300 days of contributions out of 540 days.

No qualifying period for demobilized soldiers or for young women who completed a period of national service (for up to 1 year after completion).

### Unemployment Benefits

A daily benefit of between 20% and 80% of the beneficiary's average daily wage during his or her last 75 workdays.

The maximum daily benefit is NS279 for the first 5-month period and NS186 for the second period (from the sixth month onward). The benefit is payable after a 5-day waiting period, in

each period of 4 consecutive months from the onset of unemployment.

The maximum duration of payment varies according to the category of beneficiary, from 50 to 175 days.

**Benefit adjustment:** Benefits are adjusted according to changes in the national average wage and employee cost-of-living adjustments. (The value of the national average wage (NS6,964) has been frozen since December 2001.)

### Administrative Organization

Minister 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

#### Regulatory Framework

**First law:** 1959.

**Current laws:** 1975 (children's insurance), 1984 (partially income tested), and 1993 (universality restored).

**Type of program:** Universal system.

#### Coverage

Residents with at least one child.

#### Source of Funds

**Insured person:** None.

**Self-employed person:** 1.88% of earnings above, plus 1.18% of earnings below, one-half of the national average wage.

**Employer:** 2.27% of payroll.

**Government:** 0.60% of earnings above, and reduced rates of 0.04% (employees) or 0.06% (self-employed persons) of earnings below, one-half of the national average wage, plus an amount equal to 160% of all receipts from insurance contributions.

The minimum earnings for contribution purposes are NS3,335 (equal to the minimum wage) for employees and NS1,741 (25% of the national average wage) for the self-employed.

The maximum earnings for contribution purposes are five times the national average wage as of January 1 each year for both employers and employees.

The national average wage in January 2004 was NS6,964. (The value of the national average wage (NS6,964) has been frozen since December 2001.)

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## **Qualifying Conditions**

**Family allowances:** Child must be under age 18 and living in Israel.

## **Family Allowance Benefits**

**Family allowances:** NS120 a month for each of the first two children, NS164 for the third, NS404 for the fourth, and NS459 for the fifth and each subsequent child.

For children born on or after June 1, 2003, a uniform rate of NS120 per child will be paid regardless of the child's place in the family. For those born before that date, a gradual reduction will take place in the rates so that, by January 2009, the same rate will be payable for each child, regardless of his or her place in the family.

**Benefit adjustment:** Benefits are normally adjusted in January of every year according to the consumer price index and whenever a cost-of-living increment is paid to employees. (The value of the benefit has been frozen since December 2001.)

## **Administrative Organization**

Minister 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 equals 110.19 yen.

### Old Age, Disability, and Survivors

#### Regulatory Framework

**First law:** 1941 (employees' pension insurance).

**Current laws:** 1954 (employees' pension insurance) and 1959 (national pension), with 1985 amendment.

**Type of program:** A social insurance system involving a flat-rate benefit for all residents under the national pension program and earnings-related benefits under the employees' pension insurance program or other employment-related program.

Note: The provisions and rates are effective as of April 1, 2004.

#### Coverage

**National pension program:** Residents aged 20 to 59; voluntary coverage for residents aged 60 to 64 (aged 65 to 69 in special cases) and for citizens residing abroad (aged 20 to 64).

**Employees' pension insurance:** Employees of firms in industry and commerce, including seamen. (Partial contracting-out from employees' pension insurance is allowed if corporate plans provide equivalent or higher benefits.)

Special employment-related schemes for civil servants and private-school employees.

#### Source of Funds

##### Insured person

**National pension program:** The contribution is included in the insured person's contribution to the employees' pension insurance or other employment-related program. A proportionate amount is transferred to the national pension program.

All other insured persons contribute 13,300 yen a month. Low-income spouses of workers insured under the employment-related program may apply for exemption from payment.

**Employees' pension insurance:** 6.79% of basic monthly earnings and salary bonuses before tax, according to 30 wage classes; miners and seamen contribute 7.48% of basic monthly earnings including salary bonuses before tax, according to 30 wage classes.

If the employer is contracted-out, the contribution is between 5.29% and 5.59% of monthly earnings including salary bonuses before tax.

The minimum monthly earnings for contribution and benefit purposes are 98,000 yen.

The maximum monthly earnings for contribution and benefit purposes are 620,000 yen.

The minimum and maximum earnings levels are adjusted on an ad hoc basis in line with the increase in the national average wage.

##### Self-employed person

**National pension program:** 13,300 yen per month.

**Employees' pension insurance:** Not applicable.

##### Employer

**National pension program:** The contribution is included in the employer contribution to the employees' pension insurance or other employment-related program. A proportionate amount is transferred to the national pension program.

**Employees' pension insurance:** 6.79% of monthly payroll including salary bonuses before tax, according to 30 wage classes; contributions for miners and seamen, 7.48% of payroll including salary bonuses before tax, according to 30 wage classes.

If the employer is contracted-out, the contribution is between 5.29% and 5.59% of monthly payroll including salary bonuses before tax.

The minimum monthly earnings for contribution and benefit purposes are 98,000 yen.

The maximum monthly earnings for contribution and benefit purposes are 620,000 yen.

The minimum and maximum earnings levels are adjusted on an ad hoc basis in line with the increase in the national average wage.

##### Government

**National pension program:** One-third of the cost of benefits, plus 100% of administrative costs.

**Employees' pension insurance:** The cost of administration.

#### Qualifying Conditions

##### Old-age pension

**National pension program:** Age 65 with a minimum of 25 years of contributions (the coverage period can include years of coverage under any employment-related program belonging to the insured's dependent or common-law spouse). There is no requirement to cease employment, and the pension is not earnings tested.

**Early pension:** An early pension is payable between ages 60 and 64. There is no requirement to cease employment, and the pension is not earnings tested.

**Deferred pension:** The pension may be deferred up to age 69.

**Dependent supplement:** No supplements are paid for a spouse or children. (If the insured receives a supplement for a spouse under the employees' pension insurance scheme, when the spouse reaches age 65 he or she will receive a pension under the national pension program equal to the employee's pension

insurance supplement. The spouse must not qualify for a national pension in his or her own right.)

*Employees' pension insurance:* Age 60 (age 55, for seamen and miners) with 25 years of coverage. 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 70.

Dependent supplement: Payable for a dependent spouse under age 65. When the spouse reaches age 65 and receives a pension in his or her own right under the national pension program, the supplement ceases. Payable for children up to the end of the fiscal year in which they reach age 18 (age 20 if disabled).

### Disability pension

*National pension program:* Total disability requiring constant attendance (Class I) or a degree of disability that severely restricts the person's ability to live independently (Class II). Contributions must have been paid or credited during 2/3 of the period between age 20 and the onset of disability. Credited contributions may be awarded to low-income or disabled persons or for those receiving public aid. The pension amount is reduced for credited contribution periods.

Dependent supplement: Payable for children up to the end of the fiscal year in which they reach age 18 (age 20 if disabled).

*Employees' pension insurance:* Total disability requiring constant attendance (Class I) or a degree of disability that severely restricts the person's ability to live independently (Class II). Contributions must have been paid or credited during 2/3 of the period between age 20 and the onset of disability. Credited contributions may be awarded to low-income or disabled persons or for those receiving public aid. The pension amount is reduced for credited contribution periods. A pension (Class III) may be awarded for a disability less severe than that of Class II.

Dependent supplement: Payable to persons with a Class I or II disability for a dependent spouse under age 65. When the spouse reaches age 65 and receives a pension in his or her own right under the national pension program, the supplement ceases.

*Disability grant (employees' pension insurance):* Payable for an assessed degree of disability lower than Class III. Contributions must have been paid or credited during 2/3 of the period between age 20 and the onset of disability. Credited contributions may be awarded to low-income or disabled persons or for those receiving public aid. The pension amount is reduced for credited contribution periods.

### Survivor pension

*National pension program:* The deceased was an old-age or disability pensioner or was insured at the time of death with contributions paid or credited during 2/3 of the period between age 20 and the date of death.

Dependent supplement: Payable for children up to the end of the fiscal year in which they reach age 18 (age 20 if disabled).

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 20 if disabled), and the children of the deceased up to the end of the fiscal year in which the child reaches age 18 (age 20 if disabled).

*Death grant (national pension program):* The deceased was not an old-age or disability pensioner at the time of death and had paid at least 3 years of contributions.

*Employees' pension insurance:* The deceased satisfied the conditions for the old-age or disability (Class I or II) pension or was insured at the time of death with contributions paid or credited during 2/3 of the period between age 20 and the date of death.

Eligible survivors may include a widow, a widower older than age 55, children or grandchildren up to the end of the fiscal year in which the child reaches age 18 (age 20 if disabled), and parents or grandparents older than age 55, 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: widowed mother, children, childless widow, widower, parents, grandparents, and grandchildren.

Dependent supplement: Paid to a surviving parent or the eldest child for children up to the end of the fiscal year in which the child reaches age 18 (age 20 if disabled).

### Old-Age Benefits

**National pension program (old-age):** If fully insured (480 months of paid contributions), the pension is 794,500 yen a year. If not fully insured, the pension is reduced proportionately according to the number of contributions paid and credited. The pension is paid every 2 months.

Early pension: For those born on or after April 2, 1941, the reduction is 0.5% times the number of months between the date of application and age 65. For older cohorts, the benefit is actuarially reduced by between 42% and 11%, depending on the age at which the pension is taken between ages 60 and 64.

Deferred pension: For those born on or after April 2, 1941, the increase is 0.7% times the number of months between age 65 and the month of application. For older cohorts, the pension due at age 65 is increased by between 12% and 88%, depending on the age at which the pension is taken between ages 66 and 70.

Dependent supplement: Paid directly to a qualifying spouse aged 65 or older. The supplement ranges from 15,300 yen to 228,600 yen a year, depending on the spouse's age.

Benefit adjustment: Automatic annual adjustment for changes in the cost of living.

**Employees' pension insurance (old-age):** The insured's indexed average monthly wage over the full career times a coefficient determined by the insured's date of birth times the number of months of coverage. The pension is paid every 2 months.

Pensioners between ages 60 and 64 receive an additional 1,676 yen a month for each month of coverage. (This



additional amount is replaced by the national pension at age 65.)

**Working pensioner:** The pension is reduced by 20% for continued employment between ages 60 and 64 if the combined total of the monthly wage and 80% of the pension is under 280,000 yen; if the combined total is between 280,000 yen and 480,000 yen, the pension is reduced by 1 yen for every 2 yen earned; if the combined total exceeds 480,000 yen a month, the pension is reduced by 100% of wages over 480,000 yen.

**Dependent supplement:** 228,600 yen a year for a spouse; 228,600 yen a year for each of the first two children and 76,200 yen a year for each subsequent child up to the end of the fiscal year in which the child reaches age 18 (age 20 if disabled).

**Benefit adjustment:** Automatic annual adjustment for changes in the cost of living.

### **Permanent Disability Benefits**

**National pension program (disability):** 993,100 yen a year for a Class I disability or 794,500 yen a year for a Class II disability.

**Dependent supplement:** 228,600 yen a year for each of the first two children and 76,200 yen a year for each subsequent child up to the end of the fiscal year in which the child reaches age 18 (age 20 if disabled).

Benefits are paid every 2 months.

**Benefit adjustment:** Automatic annual adjustment for changes in the cost of living.

**Employees' pension insurance (disability):** For a Class I disability, 125% of the old-age pension plus additional benefits for dependents; for Class II, 100% of the old-age pension plus additional benefits for dependents; and for Class III, 100% of the old-age pension. For younger disabled persons with less than 300 months of coverage, the contribution period is counted as 300 months.

The minimum benefit is 596,000 yen a year.

The maximum benefit is based on the earnings limit for contribution purposes according to the wage class.

**Dependent supplement:** 228,600 yen a year for a spouse.

Benefits are paid every 2 months.

**Disability grant:** A lump sum equal to 200% of the old-age pension. The minimum lump sum is 1,206,400 yen.

**Benefit adjustment:** Automatic annual adjustment for changes in the cost of living.

### **Survivor Benefits**

**National pension program (survivor):** 794,500 yen a year for a widow. (No benefit is payable for a widower.)

**Dependent supplement:** 228,600 yen a year for each of the first two children and 76,200 yen a year for each additional child up to the end of the fiscal year in which the child reaches age 18 (age 20 if disabled).

**Full orphan:** The benefit is the same as for a widow plus dependent supplements and is divided equally among all eligible orphans.

Benefits are paid every 2 months.

**Death grant:** A lump sum of between 120,000 yen and 320,000 yen, according to the length of the period of paid contributions between 3 and 35 years.

**Benefit adjustment:** Automatic annual adjustment for changes in the cost of living.

**Employees' pension insurance (survivor):** 75% of the old-age pension is payable for the death of an insured worker. The pension is paid to the first eligible survivor in the following order of priority: widowed mother, children, childless widow, widower, parents, grandparents, and grandchildren.

**Dependent supplement:** 228,600 yen a year for each of the first two children and 76,200 yen for each additional child up to the end of the fiscal year in which the child reaches age 18 (age 20 if disabled). If there are no children, a supplement of 596,000 yen a year is paid for a widow between ages 40 and 65 if she was aged 35 or older when the insured died.

Benefits are paid every 2 months.

**Benefit adjustment:** Automatic annual adjustment for changes in the cost of living.

### **Administrative Organization**

Pension Bureau of the Ministry of Health, Labor, and Welfare (<http://www.mhlw.go.jp>) provides general supervision of both programs.

Social Insurance Agency (<http://www.sia.go.jp>) administers both programs nationally.

Regional Social Insurance Bureaus and Social Insurance Offices (part of the Social Insurance Agency) administer contributions and benefits for both programs locally.

### **Sickness and Maternity**

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#### **Regulatory Framework**

**First and current laws:** 1922 (employees' health insurance), implemented in 1927, with 1997 and 2000 amendments; 1938 (national health insurance), with 1958 and 1998 amendments; and 1982 (medical system for the elderly), implemented in 1983.

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

#### **Coverage**

**National health insurance:** All residents not covered under employment-related health insurance or special schemes are covered under local government programs operated at the municipality, township, or village level.

Special national health insurance societies provide coverage for self-employed persons.

**Employees' health insurance:** Employees of firms in industry and commerce with five or more employees are covered by the government-managed program, unless the insured is a member of an occupational health insurance society.

Voluntary coverage for employees in private-sector workplaces with less than five workers and for agricultural, forestry, or fishery workers.

Special systems for persons aged 70 or older (medical system for the elderly), seamen, private-school employees, and civil servants.

## Source of Funds

### Insured person

**National health insurance:** National health tax or premium is fixed by the individual carrier but must not exceed 530,000 yen a year per household. (The average annual contribution in 2000 was 82,954 yen per insured person, or 166,990 yen per household.)

Premiums may be reduced by between 30% and 70% for qualifying low-income residents or for households in a program run by a municipality.

**Employees' health insurance:** 4.1% of the basic monthly earnings including salary bonuses before tax, according to 39 wage classes (government-managed program). The annual average contribution in 1999 was 3.72% of basic monthly earnings including salary bonuses before tax, according to 39 wage classes (health insurance society).

The minimum monthly basic wage for contribution and benefit purposes is 92,000 yen.

The maximum monthly basic wage for contribution and benefit purposes is 980,000 yen.

The minimum and maximum earnings levels are adjusted on an ad hoc basis in line with any increase in the national average wage.

**Self-employed person:** Covered by special national health insurance societies.

### Employer

**National health insurance:** None.

**Employees' health insurance:** 4.1% of the basic monthly payroll including bonuses before tax, according to 39 wage classes (government-managed program). The annual average contribution in 1999 was 4.786% of basic monthly payroll including bonuses before tax, according to 39 wage classes (health insurance society).

The minimum monthly basic wage for contribution and benefit purposes is 92,000 yen.

The maximum monthly basic wage for contribution and benefit purposes is 980,000 yen.

The minimum and maximum earnings levels are adjusted on an ad hoc basis in line with any increase in the national average wage.

## Government

**National health insurance:** 50% of the cost of medical care, the cost of administration, and some local subsidies.

**Employees' health insurance:** 13.0% of benefit costs, 16.4% of the cost of health care for the aged, and the cost of administration for the government-managed program as well as part of the cost of administration for health insurance societies.

## Qualifying Conditions

**National health insurance (medical benefits):** Residence in a municipality, township, or village.

**Employees' health insurance (sickness, maternity, and medical benefits):** In covered employment. If an insured person leaves employment but was in covered employment during the previous 12 months, sickness and maternity benefits are continued for the normal duration of entitlement; medical care for the same insured person can be provided for up to 5 years from the first date of treatment.

Eligible dependents for medical benefits are spouses, parents, grandparents, younger sisters and brothers, children, and grandchildren whether or not residing with the insured person; and fathers and mothers-in-law, uncles, aunts, nephews, nieces, and older brothers and sisters, provided they are residing with the insured person.

**Birth grant:** Paid to an insured person or the wife of an insured person whose pregnancy lasts 4 months or more.

**Funeral grant:** Paid to the person who organizes the funeral of the deceased insured.

## Sickness and Maternity Benefits

**National health insurance:** No cash benefits are provided by law, but all insurance carriers provide lump-sum death and birth grants.

**Employees' health insurance (sickness benefit):** 60% of the average daily basic wage, according to wage class. The benefit is payable after a 3-day waiting period for up to 18 months or until the determination of disability. Health insurance societies may provide more generous benefits.

**Maternity benefit:** 60% of the average daily basic wage according to wage class is paid for 42 days before (98 days for expected multiple births) and 56 days after the expected date of childbirth. The payment of benefit is discontinued or reduced partially if the mother is receiving a wage or cash sickness benefit.

**Birth grant:** A lump sum of 300,000 yen.

**Funeral grant:** A lump sum of 100,000 yen is paid to a deceased person's dependent who organizes the funeral. If there is no dependent, the actual funeral expenses up to the limit of the deceased's basic wage for contribution purposes is paid to the person who organizes the funeral.

## Workers' Medical Benefits

**National health insurance:** Medical care and treatment is usually provided by clinics, hospitals, and pharmacists under contract with, and paid by, the insurance carrier (some carriers 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 medicines.

There is no limit to duration.

**Cost sharing:** The amount depends on the person's age: under age 3, 20% of the cost; ages 3 to 69, 30% of the cost; aged 70 or older, 10% of the cost or 20% for those with an income of 1,240,000 yen or more.

Inpatients also pay a daily fee toward the cost of food. The daily fee for food depends on family income and the duration of the hospital stay.

**Employees' health insurance:** Medical benefits are the same as under national health insurance.

**Cost sharing:** The amount depends on the person's age: under age 3, 20% of the cost; ages 3 to 69, 30% of the cost; aged 70 or older, 10% of the cost or 20% for those with an income of 1,240,000 yen or more.

Inpatients also pay a daily fee toward the cost of food. The daily fee for food depends on family income and the duration of the hospital stay.

## Dependents' Medical Benefits

**National health insurance:** Same as for the insured person.

**Employees' health insurance:** Same as for the insured person.

## Administrative Organization

Health Insurance Bureau of the Ministry of Health, Labor, and Welfare (<http://www.mhlw.go.jp>) supervises both programs.

**National health insurance:** Local administration is provided mainly by municipal health insurance funds. The National Health Insurance societies provide administration for some insured persons, including the self-employed. National Health Insurance provides medical benefits.

**Employees' health insurance:** Social Insurance Agency (<http://www.sia.go.jp>) provides the national administration for the government-managed program. Regional Social Insurance Bureaus and Social Insurance Offices administer the program locally. Employees' Health Insurance provides cash and medical benefits. For programs managed by Health Insurance Societies, insurance divisions of prefecture departments and 1,756 Health Insurance Societies provide local administration for affiliated workers.

## Work Injury

### Regulatory Framework

**First law:** 1911.

**Current law:** 1947 (workmen's accident compensation insurance), with 1980, 1986, 1995, and 2000 amendments.

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

### Coverage

Employees of all firms in industry and commerce not included under voluntary coverage or special schemes.

Voluntary coverage for employees in agricultural, forestry, and fishery establishments with less than five workers.

Special systems for seamen and civil servants.

### Source of Funds

**Insured person:** None.

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

**Employer:** 0.55% to 13.5% of payroll, according to a 3-year accident rate.

**Government:** Subsidies, set within the limits of the national budget.

### Qualifying Conditions

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

### Temporary Disability Benefits

60% of the insured's average daily wage in the preceding 3 months plus a temporary disability supplement equal to 20% of the insured's average daily wage. The benefit is payable after a 3-day waiting period until the end of the 18th month (the employer pays 60% of the average daily wage for the first 3 days).

The minimum daily benefit is 4,160 yen.

The maximum daily benefit is 23,620 yen.

**Benefit adjustment:** Automatic quarterly adjustment for wage changes higher than 10% from the previous quarter.

From the 19th month, less severely disabled persons receive the same level of benefit as before until recovery; more severely disabled persons receive the injury and disease compensation pension (annual benefit is equal to 100% of the average daily wage in the preceding 3 months multiplied by between 245 and 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 2 months.

**Benefit adjustment:** Automatic annual adjustment for wage changes.

## Permanent Disability Benefits

**Permanent disability pension:** Seriously disabled persons (assessed according to grades 1 to 7 of disability) receive an annual pension of between 131 and 313 times their average daily wage in the preceding 3 months. The pension varies with the assessed degree of disability.

Less seriously disabled persons (assessed according to grades 8 to 14 of disability) receive a lump-sum benefit of between 56 and 503 times their average daily wage in the preceding 3 months. The pension varies with the assessed degree of disability.

Constant-attendance allowance (assessed grades of disability 1 and 2): 106,100 yen a month if requiring full-time care (57,580 yen if the care is provided by family members); 53,050 yen a month if requiring part-time care (28,790 yen if the care is provided by family members).

Benefits are paid every 2 months.

Benefit adjustment: Automatic annual adjustment for wage changes.

## Workers' Medical Benefits

Benefits include medical treatment, surgery, hospitalization, nursing, dental care, medicines, appliances, and transportation.

There is no limit on the duration of benefits.

## Survivor Benefits

**Survivor pension:** An annual pension equal to the insured's average daily wage in the preceding 3 months multiplied by between 153 and 245 days, according to 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 dependent brothers and sisters up to the end of the fiscal year in which the child reaches age 18; or aged 60 or older.

Benefits are paid every 2 months.

Benefit adjustment: Automatic annual adjustment for wage changes.

**Death grant (if no eligible survivors):** A lump sum equal to the insured's average daily wage in the preceding 3 months multiplied by 1,000 days is payable to a nondependent survivor.

**Funeral grant:** 60 days of the insured's average daily wage in the 3 months preceding death or 315,000 yen plus 30 days' wages, whichever is higher.

## Administrative Organization

Ministry of Health, Labor, and Welfare (<http://www.mhlw.go.jp>) provides general supervision and administration.

Worker's Compensation Division within the Ministry of Health, Labor, and Welfare's Bureau of Labor Standards administers

the program through prefecture labor standards offices and local labor standards inspection offices.

## Unemployment

### Regulatory Framework

**First law:** 1947.

**Current law:** 1975 (employment insurance), with 2003 amendment.

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

### Coverage

Employees younger than age 65.

Voluntary coverage for employees in firms in the agricultural, forestry, and fisheries industries with less than five regular employees.

Exclusions: Seasonal workers whose term of employment is 4 months or less.

Special schemes for casual workers, seamen, and civil servants.

### Source of Funds

**Insured person:** 0.7% of earnings; 0.8% for agricultural, forestry, fishery, or construction workers.

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

**Employer:** 1.05% of payroll; 1.15% of payroll for agricultural, forestry and fishery workers; and 1.25% of payroll for construction workers.

**Government:** 25% (33.3% for daily workers) of the cost of benefits for unemployment benefit and special monthly allowance and 12.5% of the cost for newborn child and older worker allowances. The government provides subsidies to employers to reduce the need to lay off employees, to encourage the hiring of hard-to-employ older workers, and to finance other measures to reduce unemployment.

### Qualifying Conditions

**Unemployment benefit:** Six months of insurance during the last 12 months (or 1 year of insurance during the last 2 years for part-time workers). 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 4 weeks.

Unemployment is not due to voluntary leaving, serious misconduct, refusal of a suitable job offer, or nonattendance at recommended training (otherwise, the insured is disqualified from receiving benefit for between 1 and 3 months).

Special daily or monthly allowances: Includes vocational training, transportation, moving, and lodging expenses. The allowances are payable while in training and while seeking employment outside of the immediate commuting area as well as to meet other costs. The insured must have at least 3 years of coverage to receive vocational training.

**Older worker allowance:** Paid to insured persons between ages 60 and 64 whose wage has been reduced by 75% from the wage at age 60.

**Newborn child allowance:** Paid to one of two working parents who care for a newborn child for up to 1 year. There is no requirement to seek work while receiving this benefit.

**Family care leave benefit:** Payable for a maximum of 3 months if the insured takes leave to look after one of his or her family members.

### Unemployment Benefits

Between 50% and 80% of the insured's average daily wage (higher percentages are awarded to lower-wage earners) in the 6 months preceding unemployment; 45% to 80% if between ages 60 and 64. The benefit is payable after a 7-day waiting period for between 90 and 150 days, according to the length of coverage, age, reasons for unemployment, and employment prospects. Additional days of benefit are payable for between 30 days and 210 days if the insured becomes unemployed from an industry in recession, is suffering from physical or mental illness, or is undergoing training.

The minimum daily benefit is 1,696 yen.

The maximum daily benefit is 7,935 yen.

**Older worker allowance:** The amount of benefits is equal to a maximum of 15% of the wage after age 60, depending on the percentage of wage reduction.

**Newborn child allowance:** The employment fund pays a monthly benefit equal to 30% of the insured's average daily wage in the 6 months before the leave period times 30.

**Family care leave benefit:** 40% of the insured's wage before the leave period.

**Special daily or monthly allowances:** Allowances are provided for vocational training, transportation, moving and lodging expenses while in training, seeking employment outside the immediate commuting area, and other costs.

### Administrative Organization

Ministry of Health, Labor, and Welfare (<http://www.mhlw.go.jp>) provides general supervision.

Employment Security Bureau in the Ministry of Health, Labor, and Welfare is responsible for the national administration of the program.

Employment Insurance Sections of prefecture Labor Departments and Public Employment Security Offices (part of the Ministry of Health, Labor, and Welfare) are responsible for the local administration of the program and the collection of contributions.

## Family Allowances

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### Regulatory Framework

**First and current law:** 1971 (children's allowance), implemented in 1972, with 1981, 1985, 1991, 1994, 2000, and 2004 amendments.

**Type of program:** Employer-liability and social assistance system.

### Coverage

Residents with one or more children under age 9.

### Source of Funds

**Insured person:** None.

**Self-employed person:** None.

### Employer

**Children's allowance:** 70% of the cost (about 0.09% of wages) for children under age 3.

**Special allowance:** 100% of the cost for children under age 3.

### Government

**Children's allowance:** National Treasury, 20% of the cost for employees' children under age 3; prefecture, 5%; and city or town, 5%. National Treasury, 66.6% of the cost for employees' children between ages 3 and 9; prefecture, 16.6%; and city or town, 16.6%. National Treasury, 66.6% of the cost for self-employed and unemployed persons' children between ages 0 and 9; prefecture, 16.6%; and city or town, 16.6%.

**Special allowance:** National Treasury, 66.6% of the cost for employees' children between ages 3 and 9; prefecture, 16.6%; and city or town, 16.6%.

### Qualifying Conditions

#### Family allowances

**Children's allowance:** For a family of four, the parent's income must be less than 5,963,000 yen in the previous year. Paid for children under age 9.

**Special allowance:** For a family of four, allowances are provided for private and public employees with income of more than 5,963,000 yen but less than 7,800,000 yen in the previous year.

### Family Allowance Benefits

#### Family allowances

**Children's allowance:** 5,000 yen a month for each of the first two children and 10,000 yen a month for each subsequent child.

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*Special allowance:* 5,000 yen a month for each of the first two children and 10,000 yen a month for each subsequent child.

Allowances are paid every 4 months (in February, June, and October) based on eligibility in January, May, and September, respectively.

Benefit adjustment: Benefits are adjusted on an ad hoc basis.

### ***Administrative Organization***

Ministry of Health, Labor, and Welfare (<http://www.mhlw.go.jp>) supervises the program through its Equal Employment, Children, and Families Bureau.

Insurance division of prefecture Welfare Department and Social Insurance Office collects contributions.

City or town delivers allowances.

## Jordan

Exchange rate: US\$1.00 equals 0.70 dinars.

### Old Age, Disability, and Survivors

#### Regulatory Framework

**First law:** 1978.

**Current law:** 2001 (social security).

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

#### Coverage

Employees over age 16 in private establishments with five workers or more; government and public-sector employees not covered under civil or military pension laws; employees of universities, municipalities, and village councils; and Jordanians working at diplomatic missions and for international organizations.

Expatriate Jordanians may contribute voluntarily subject to a minimum income requirement and a maximum earnings ceiling.

**Exclusions:** Public-sector employees covered under civil or military pensions laws, foreign employees serving in international organizations or foreign political or military missions, and casual labor. Pending a decision by the Council of Ministers, based on the recommendation of the Board of Directors of the Social Security Corporation, the following employee categories are currently suspended from coverage: agricultural workers, seamen, fishermen, and domestic servants.

**Special schemes:** Public-sector employees covered under civil or military pension laws.

#### Source of Funds

**Insured person:** 5.5% of wages; insured workers can also contribute lump-sum amounts for previous work periods not covered.

Those ceasing to be compulsorily covered, whether employed or self-employed and whether residing inside the kingdom or abroad, may contribute voluntarily. All voluntary contributions are 14.5% of income between 150 dinars and 1,000 dinars.

**Self-employed person:** May contribute voluntarily in certain circumstances. All voluntary contributions are 14.5% of income between 150 dinars and 1,000 dinars.

**Employer:** 9% of payroll.

**Government:** Any deficit.

#### Qualifying Conditions

**Old-age pension:** Age 60 (men) or age 55 (women) with 180 months of coverage, including 60 months of paid contributions.

An insured person with at least 10 years of contributions before reaching the statutory retirement age may continue to contribute up to age 65 (men) or age 60 (women) in order to meet the minimum qualifying conditions.

**Early pension:** A reduced old-age pension is possible from age 45 with at least 18 years (men) or 15 years (women) of contributions.

Benefits are payable abroad.

**Disability pension:** Total or partial incapacity for work and 60 months of contributions of which 36 months are consecutive.

Benefits are payable abroad.

**Survivor pension:** The deceased had 24 months of contributions of which 12 months were consecutive. If more than one survivor is eligible, the pension is split between survivors according to the schedule in law.

Eligible survivors include the insured's widow(er); the insured's male children up to age 26 if a student or until the completion of the first university degree, whichever comes first; all dependent daughters if unmarried, widowed, or divorced; brothers (under age 18) who were supported by the insured; sisters supported by the insured; parents; and an unborn child.

The pension for the widow, daughter(s), or sister(s) is suspended on marriage but is resumed if subsequently widowed or divorced.

Benefits are payable abroad.

#### Old-Age Benefits

**Old-age pension:** 2.5% of the insured's average monthly wage in the last 2 years times the number of years of contributions.

The maximum pension is 75% of the insured's average monthly wage in the last 2 years.

**Dependent supplement:** The pension is increased by 10% for the first dependent and 5% each for the second and third.

**Early pension:** 2.5% of the insured's average monthly wage in the last 2 years times the number of years of contributions and subject to scaled reductions based on gender and age at the time the pension is first received.

For men, the scaled reductions range from 1% if retiring between ages 58 and 59 to 18% if retiring between ages 45 and 46; for women, the reductions are 10% if retiring between ages 45 and 50 or 5% if retiring between ages 50 and 54; no reduction for women retiring between ages 54 and 55.

If an insured person reaches retirement age, becomes disabled,

or dies without entitlement to a pension, a lump-sum award is made equal to 15% of his or her average annual wage in the last 2 years for each year of contributions; if the contribution period is less than 2 years, 15% of the average monthly wage multiplied by the number of months of contributions.

If an insured person ceases work prior to retirement age without entitlement to a pension but has between 12 and 60 months of contributions, a lump-sum award is made equal to 10% of the insured's average annual wage; for 60 to 179 months, 12% of the average annual wage; for 180 months or more, 15% of the average annual wage.

Lump-sum compensation can also be paid for certain cases as determined by the Board of Directors of the Social Security Corporation.

Since January 1, 1996, all pension benefits are increased by 10% of the pension value (by a minimum of 30 dinars up to a maximum of 50 dinars).

Benefit adjustment: Benefits are adjusted periodically by the Council of Ministers according to changes in the cost of living.

### **Permanent Disability Benefits**

**Disability pension:** 50% of the insured's average monthly wage.

The average monthly wage is average earnings on which contributions were paid in the last 36 months.

The pension is increased by 0.5% for each full year of contributions if the insured person has at least 60 months of contributions or by 1% for each full year if the total contribution period is at least 120 months.

Constant-attendance allowance: The allowance is equal to 25% of the pension.

Since January 1, 1996, all pension benefits are increased by 10% of the pension value (by a minimum of 30 dinars up to a maximum of 50 dinars).

Benefit adjustment: Benefits are adjusted periodically by the Council of Ministers according to changes in the cost of living.

### **Survivor Benefits**

**Survivor pension:** 50% of the average monthly wage in the last year of contributions or, if the deceased was a pensioner, 100% of the insured's pension. The pension is payable to a widow; for an unborn child; a dependent disabled widower; dependent daughters if unmarried, widowed, or divorced; and parents.

The pension is increased by 0.5% for each full year of contributions made by the deceased if he or she had at least 60 months of contributions; by 1% for each full year if the total contribution period is at least 120 months.

**Funeral grant:** 150 dinars.

Since January 1, 1996, all pension benefits are increased by 10% of the pension value (by a minimum of 30 dinars up to a maximum of 50 dinars).

Benefit adjustment: Benefits are adjusted periodically by the Council of Ministers according to changes in the cost of living.

### **Administrative Organization**

Social Security Corporation (<http://www.ssc.gov.jo>) administers the program.

### **Work Injury**

#### **Regulatory Framework**

**First law:** 1978.

**Current law:** 2001 (social security).

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

#### **Coverage**

Employees over age 16 in private establishments with five workers or more; government and public-sector employees not covered under civil or military pension laws; employees of universities, municipalities, and village councils; Jordanians working at diplomatic missions and for international organizations; and apprentice laborers under age 16.

Exclusions: Public-sector employees covered under civil or military pensions laws, foreign employees serving in international organizations or foreign political or military missions, and casual labor. Pending a decision by the Council of Ministers, based on the recommendation of the Board of Directors of the Social Security Corporation, the following employee categories are currently suspended from coverage: agricultural workers, seamen, fishermen, and domestic servants.

Special scheme for public-sector employees covered under civil or military pension law.

#### **Source of Funds**

**Insured person:** None.

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

**Employer:** 2% of 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). 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 wage. The employer pays the wage for the day the accident occurred; thereafter, the Corporation pays the daily benefit. Payment continues until the insured resumes work, is assessed as permanently disabled, or dies.



### ***Permanent Disability Benefits***

**Permanent disability pension:** If totally disabled, 75% of the monthly wage used for calculating the contribution on the day of the injury.

Constant-attendance allowance: Equal to 25% of the pension.

Partial disability: If 30% disabled or more, a percentage of the total disability pension in proportion to the assessed degree of disability multiplied by the insured's monthly wage. If less than 30% disabled, a lump-sum grant equal to a percentage of the total disability pension in proportion to the assessed degree of disability multiplied by 36 monthly wages.

### ***Workers' Medical Benefits***

Medical treatment, hospitalization, transportation, and rehabilitation services (including artificial limbs).

### ***Survivor Benefits***

**Survivor pension:** 60% of the covered monthly wage used for calculating the contribution on the day of the injury. Where more than one survivor is eligible, the pension is split between survivors according to the schedule in law.

Eligible survivors include the insured's widow(er); the insured's male children up to age 26 if a student or until the completion of the first university degree, whichever comes first; all daughters if unmarried, widowed, or divorced; brothers (under age 18) who were supported by the insured; sisters supported by the insured; parents; and an unborn child.

The pension for the widow, daughter(s), or sister(s) is suspended on marriage but is resumed if subsequently widowed or divorced.

**Funeral grant:** 150 dinars.

Since January 1, 1996, all pension benefits are increased by 10% of the pension value (by a minimum of 30 dinars up to a maximum of 50 dinars).

### ***Administrative Organization***

Social Security Corporation (<http://www.ssc.gov.jo>) administers the program.

## Kazakhstan

Exchange rate: US\$1.00 equals 137 tenge.

### Old Age, Disability, and Survivors

#### Regulatory Framework

**First law:** 1991.

**Current laws:** 1997 (pensions), implemented in 1997 and 1998, with 2002 amendment; and 1997 (social allowances), implemented in 1997.

**Type of program:** Mandatory individual accounts and social assistance system.

Note: In 1998, the social insurance system was replaced by a system of mandatory individual accounts (new system). Benefits continue to be paid for rights earned under the public system (old system).

#### Coverage

**Mandatory individual account (new system):** All employed residents.

**Old-age pension (old system):** All employed residents before the implementation of the new system.

**Social assistance (new system):** Pensioners whose pension income falls below a government-set minimum level and persons without entitlement to contributory benefits.

Special systems for government employees, teachers, professional athletes, specific categories of performing artists, truck drivers, machine operators, railway employees, and test pilots.

#### Source of Funds

##### Insured person

*Mandatory individual account (new system):* 10% of wages.

*Old-age pension (old system):* None.

*Social assistance system (new system):* None.

The maximum earnings for contribution purposes are 75 times the minimum wage.

##### Self-employed person

*Mandatory individual account (new system):* 10% of income.

*Old-age pension (old system):* None.

*Social assistance system (new system):* None.

The minimum earnings for contribution purposes for the self-employed are 10% of the minimum wage.

The maximum earnings for contribution purposes are 75 times the minimum wage.

#### Employer

*Mandatory individual account (new system):* None.

*Old-age pension (old system):* None.

*Social assistance system (new system):* None.

#### Government

*Mandatory individual account (new system):* The cost of the guaranteed minimum pension.

*Old-age pension (old system):* Subsidies as needed to finance benefits earned under the old system.

*Social assistance system (new system):* Total cost.

#### Qualifying Conditions

##### Old-age pension

*Mandatory individual account (new system):* Age 63 (men) or age 58 (women) with at least 35 years of contributions. Age 55 (men and women) if living in ecologically damaged zones or in zones with a maximum radiation risk; age 53 for mothers living in rural areas with five or more children older than age 8.

Early pension: Age 55 (men and women) if the accumulated capital is sufficient to finance a benefit at least equal to the minimum pension.

*Old-age pension (old system):* Age 63 with 25 years of contributions (men) or age 58 with 20 years of contributions (women). Age 55 (men and women) if living in ecologically damaged zones or in zones with a maximum radiation risk; age 53 for mothers living in rural areas with five or more children older than age 8.

Partial pension: Payable if the insured has insufficient years of covered employment.

*Old-age social allowance (new system):* Paid to low-income pensioners and to citizens of pensionable age not eligible for the old-age pension.

**Disability social allowance (new system):** Payable to persons assessed as disabled.

**Survivor social allowance (new system):** Payable on the death of the family breadwinner to dependents who are not able to work, including children younger than age 18 (no limit if disabled before age 18); brothers, sisters, and grandchildren with parents who are not able to work; parents; a widow(er) of retirement age or taking care of children, brothers, and grandchildren younger than age 8; grandparents at retirement age without any other source of income.

#### Old-Age Benefits

##### Old-age pension

*Mandatory individual account (new system):* The insured's contributions plus accrued interest.

The benefits may be paid monthly, quarterly, or annually; if the sum of total pension savings is less than 100,000 tenge or less than 12 times the minimum pension, a lump sum is payable.

Minimum pension guarantee: 5,000 tenge. Only the difference between the insured's benefit (contributions plus accrued interest) and the amount of the minimum pension is paid.

**Old-age pension (old system):** 60% of earnings for the best 3 consecutive years after 1995, plus 1% of earnings for each year in excess of 25 years (men) or 20 years (women) of work. The pension is paid monthly.

Partial pension: The monthly benefit is reduced in proportion to the number of years below the required number of years of coverage.

Benefit adjustment: Periodic benefit adjustment according to changes in the consumer price index.

**Old-age social allowance (new system):** 100% of the minimum pension a month (5,000 tenge).

Benefit adjustment: Established yearly in the national budget.

### **Permanent Disability Benefits**

**Disability social allowance (new system):** A flat-rate monthly allowance according to the assessed degree of disability and the prescribed category of disability.

Benefit adjustment: Periodic benefit adjustment according to changes in the consumer price index.

### **Survivor Benefits**

**Survivor social allowance (new system):** A flat-rate monthly allowance according to family size and whether any family members are disabled.

Benefit adjustment: Periodic benefit adjustment according to changes in the consumer price index.

### **Administrative Organization**

**Individual account system (new system):** Committee for the Regulation of Pension Funds, part of the Ministry of Labor and Social Protection (<http://www.enbek.kz>), is responsible for licensing and supervising nonstate pension funds and insurance companies as well as for controlling and supervising the single state pension fund.

**Old-age pension (old system):** Ministry of Labor and Social Protection (<http://www.enbek.kz>) provides general coordination and supervision. Regional departments of the Ministry of Labor and Social Protection administer the program.

**Social assistance (new system):** Regional departments of the Ministry of Labor and Social Protection (<http://www.enbek.kz>) administer the system.

### **Sickness and Maternity**

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#### **Regulatory Framework**

**First and current law:** 1999 (employer-financed benefits).

**Type of program:** Employer-liability (cash benefits) and universal (medical care) system.

### **Coverage**

**Cash benefits:** Employed citizens.

**Medical benefits:** Permanent residents.

### **Source of Funds**

#### **Insured person**

*Cash benefits:* None.

*Medical benefits:* None.

#### **Self-employed person**

*Cash benefits:* Not applicable.

*Medical benefits:* None.

#### **Employer**

*Cash sickness:* Total cost.

*Medical benefits:* None.

#### **Government**

*Cash benefits:* None.

*Medical benefits:* Total cost.

### **Qualifying Conditions**

**Cash and medical benefits:** There is no minimum qualifying period.

### **Sickness and Maternity Benefits**

**Sickness benefit:** 100% of average daily earnings is payable for each day of incapacity. The monthly benefit is payable from the first day of sickness until recovery or the determination of disability.

Benefit adjustment: Periodic benefit adjustment according to changes in the consumer price index.

**Maternity benefit:** 100% of earnings, payable 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: Periodic benefit adjustment according to changes in 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.

## Administrative Organization

**Cash benefits:** Benefits are paid by the employer.

Ministry of Labor and Social Protection (<http://www.enbek.kz>) provides general coordination and supervision.

**Medical benefits:** Ministry of Health (<http://www.dari.kz>) and health departments of local governments provide general supervision and coordination.

Medical services are provided through clinics, hospitals, and other facilities administered by the Ministry of Health and local health departments.

## Work Injury

### Regulatory Framework

**First law:** 1955 (short-term benefits).

**Current law:** 1993 (work injury), with 1995 and 1999 amendments.

**Type of program:** Employer-liability system.

### Coverage

Employed persons.

### Source of Funds

**Insured person:** None.

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

**Employer:** The cost of certain benefit payments.

**Government:** The cost of disability and survivor benefits.

### Qualifying Conditions

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

### Temporary Disability Benefits

100% of earnings. The monthly benefit is payable from the first day of incapacity until recovery or the award of a permanent disability pension.

### Permanent Disability Benefits

**Permanent disability benefit:** A flat-rate monthly allowance according to the assessed degree of disability and the prescribed category of disability.

Benefit adjustment: Periodic benefit adjustment according to changes in the consumer price index.

**Lump-sum grant:** Depending on the nature of the disability, employers provide compensation to meet any additional costs caused by a work injury, in accordance with collective agreement but not less than five times annual earnings in the case of a group I disability (incapable of work) or group II disability (incapable of usual work) caused by a work injury or

occupational disease; twice annual earnings in case of a group III disability (disabled but capable of work) caused by work injury or occupational disease; or 100% of annual earnings in case of the permanent loss of working capacity but no disability group determined.

Benefit adjustment: Periodic benefit adjustment according to changes in the consumer price index.

### Workers' Medical Benefits

The employer pays for all medical benefits, including appliances and rehabilitation.

### Survivor Benefits

**Survivor social allowance:** A flat-rate monthly allowance according to family size and whether any family members are disabled.

Payable on the death of the family breadwinner to dependents who are not able to work, including children younger than age 18 (no limit if disabled before age 18); brothers, sisters, and grandchildren with parents who are not able to work; parents; a widow(er) of retirement age or taking care of children, brothers, and grandchildren younger than age 8; grandparents at retirement age without any other source of income.

**Funeral benefit:** The reasonable cost of the funeral is financed from the national budget and by employers.

**Death grant:** The employer pays dependents a sum equal to 10 times the deceased's earnings.

Benefit adjustment: Periodic benefit adjustment according to changes in the consumer price index.

### Administrative Organization

**Temporary disability benefits:** Enterprises and employers pay benefits to employees.

**Pensions:** Regional departments of Ministry of Labor and Social Protection (<http://www.enbek.kz>) administer the program.

**Medical benefits:** Ministry of Health (<http://www.dari.kz>) and health departments of local governments provide general supervision and coordination.

Medical services are provided through clinics, hospitals, and other facilities administered by the Ministry of Health and local health departments.

Medical Insurance Fund finances approved medical treatments.

### Family Allowances

#### Regulatory Framework

**First and current law:** 2001 (social assistance), implemented in 2002.

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

### **Coverage**

Citizens, refugees, noncitizens, and stateless persons resident in Kazakhstan who satisfy a needs test and an income test; disabled persons; persons in full-time education or 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:** Total cost.

### **Qualifying Conditions**

**Family allowances:** Residents must satisfy needs and income tests.

### **Family Allowance Benefits**

**Family allowance:** Cash benefits are determined in relation to an individual or family satisfying a needs test and an income test. (Income from social assistance allowances is not included.)

**Benefit adjustment:** Periodic benefit adjustment according to changes in the consumer price index.

### **Administrative Organization**

Ministry of Labor and Social Protection (<http://www.enbek.kz>) provides general coordination and supervision. Regional departments of labor and social protection administer the program.

## Kiribati

Exchange rate: US\$1.00 equals  
1.39 Australian dollars (A\$).

### Old Age, Disability, and Survivors

#### Regulatory Framework

**First and current law:** 1976 (provident fund), with amendments.

**Type of program:** Provident fund system.

#### Coverage

Employed persons aged 14 or older earning at least A\$10 a month, including employees in government service, public enterprises, cooperatives, and the private sector.

Voluntary coverage for former employees with at least 2 consecutive years of contributions who have not made any withdrawals.

Exclusions: Domestic servants.

#### Source of Funds

**Insured person:** 7.5% of gross wages.

The special death benefit is financed by deducting A\$5 a year from all employee accounts from which no withdrawals have ever been made.

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

**Employer:** 7.5% of payroll.

**Government:** None; contributes as an employer on behalf of employees.

#### Qualifying Conditions

**Old-age benefit:** Age 50; at any age for a woman who marries and who has never withdrawn payments from her account; at any age (men and women) if emigrating permanently.

**Early withdrawal:** Age 45 if retired permanently from employment or on providing evidence of the intention to retire permanently.

**Disability benefit:** Physical or mental incapacity for work.

**Survivor benefit:** The deceased fund member had not withdrawn any part of the amount credited to his or her account.

**Special death benefit:** Payable for the death of a fund member.

#### Old-Age Benefits

A lump sum equal to the total employee and employer contributions plus accumulated interest. (If the fund member

makes a partial withdrawal at age 45, the remaining amount cannot be withdrawn until age 50.)

The interest rate is 11% a year.

**Interest rate adjustment:** The rate of interest is reviewed every 3 years by the National Provident Fund Board.

**Loan scheme:** Up to 70% of the member's account balance may be taken as a loan. In the event of default on the loan, the outstanding sum is payable from the account.

#### Permanent Disability Benefits

A lump sum equal to total employee and employer contributions plus accumulated interest.

The interest rate is 9% a year.

**Interest rate adjustment:** The rate of interest is reviewed every 3 years by the National Provident Fund Board.

#### Survivor Benefits

**Survivor benefit:** A lump sum equal to total employee and employer contributions plus accumulated interest. The lump sum is payable to a named survivor.

The interest rate is 11% a year.

**Interest rate adjustment:** The rate of interest is reviewed every 3 years by the National Provident Fund Board.

**Special death benefit:** 50% of the amount credited to the deceased member's fund at the time of death.

The maximum death benefit is A\$1,500.

#### Administrative Organization

Organized on a tripartite basis and consisting of two representatives each from government, employers, and employees, the National Provident Fund Board administers the program.

#### Work Injury

##### Regulatory Framework

**First and current law:** 1949 (workmen's compensation), with amendments.

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

##### Coverage

Employed persons earning A\$10,000 a year or less, including seamen employed on Kiribati ships.

Exclusion: Casual employees.

##### Source of Funds

**Insured person:** None.

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

**Employer:** Total cost.

**Government:** None.

### ***Qualifying Conditions***

**Work injury benefits:** There is no minimum qualifying period. For occupational diseases, incapacity or death must have occurred during employment or within 12 months after employment ended.

### ***Temporary Disability Benefits***

100% of earnings for monthly earnings up to a maximum of A\$40; 75% of earnings for monthly earnings greater than A\$40 up to a maximum of A\$60; or 66.6% of earnings for monthly earnings greater than A\$60.

The benefit is payable after a 3-day waiting period.

The maximum benefit is A\$160 a month.

The total maximum benefit is equal to the lump sum payable for total or partial permanent disability.

### ***Permanent Disability Benefits***

**Permanent disability grant:** A lump sum of 48 months' earnings.

The minimum grant is A\$500.

The maximum grant is A\$25,000.

Constant-attendance supplement: Equal to 25% of the permanent disability grant.

Partial disability: A percentage of the permanent disability grant in proportion to the assessed degree of disability, paid according to the schedule in law. The total payment must not exceed the full benefit payable under permanent total disability.

### ***Workers' Medical Benefits***

Medical and surgical care.

### ***Survivor Benefits***

**Survivor grant:** A lump sum equal to 48 months' earnings.

The minimum grant is A\$400.

The maximum grant is A\$25,000.

**Funeral grant:** Burial expenses of up to A\$30 are payable if there are no eligible survivors.

### ***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.

## Korea, South

Exchange rate: US\$1.00 equals 1,164 won.

### Old Age, Disability, and Survivors

#### Regulatory Framework

**First law:** 1973 (national welfare pension).

**Current law:** 1986 (national pension), with 1989, 1993, 1995, 1997, 1998, 1999, and 2000 amendments.

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

#### Coverage

Employees and the self-employed between ages 18 and 59. (Employees and the self-employed between ages 60 and 64 may contribute on a voluntary basis to increase years of coverage.)

Voluntary coverage for the nonemployed.

Special schemes for civil servants, private-school employees, military personnel, and employees of the special post office.

#### Source of Funds

**Insured person:** 4.5% of standard monthly earnings before tax, according to 45 levels of standard monthly wages. Voluntarily insured persons contribute 8% of monthly earnings (9% from July 2005) based on the previous year's median monthly income of all insured persons.

The minimum monthly earnings for contribution purposes are 220,000 won.

The maximum monthly earnings for contribution purposes are 3,600,000 won.

**Self-employed person:** Self-employed persons, including farmers and fishermen, and nonemployed persons contribute 8% of monthly earnings (9% from July 2005) on a voluntary basis, according to 45 levels of standard monthly earnings.

The minimum monthly earnings for contribution purposes are 220,000 won.

The maximum monthly earnings for contribution purposes are 3,600,000 won.

**Employer:** 4.5% of the standard monthly payroll before tax, according to 45 levels of standard monthly wages.

The minimum monthly earnings for contribution purposes are 220,000 won.

The maximum monthly earnings for contribution purposes are 3,600,000 won.

**Government:** Part of the cost of administration and an amount no less than 1/3 of the contribution of the lowest income grade (currently 7,700 won) per month per person for farmers and fishermen.

#### Qualifying Conditions

**Old-age pension:** For the full old-age pension, age 60 (to be raised gradually to age 65 by 2033) with at least 20 years of coverage. If younger than age 65, taxable annual income or earnings from gainful activity must not exceed 5,000,000 won.

**Reduced old-age pension:** Aged 60 or older with between 10 and 19 years of coverage and annual income or earnings from gainful activity not exceeding 5,000,000 won. There is no retirement test if aged 65 or older.

**Active old-age pension:** Age 60 with at least 10 years of coverage and in gainful activity with annual taxable income exceeding 5,000,000 won.

**Early pension:** Age 55 with at least 10 years of coverage and taxable annual income or earnings from gainful activity not exceeding 5,000,000 won.

Old-age pensions are payable abroad.

**Lump-sum refund:** Payable if the insured is aged 60, ceases gainful activity, and has less than 10 years of coverage; if the insured emigrates from Korea permanently or loses Korean nationality (under bilateral agreement, also payable to insured foreigners who leave Korea).

**Disability pension:** Assessed with a first, second, or third degree disability as a result of a disease or injury that began while insured. The insured must have paid 2/3 of scheduled contributions on time.

The National Pension Corporation assesses the degree of disability.

Disability pensions are payable abroad.

**Lump-sum disability benefit:** Payable for a partial loss of work capacity (fourth-degree disability).

**Survivor pension:** Payable for the death of an insured person, an old-age pensioner, or a disability pensioner with a first-, second-, or third-degree disability. The deceased must have paid 2/3 of scheduled contributions on time.

Eligible survivors include a widow(er) aged 60 or older (at any age with at least a second-degree disability); parents and grandparents (including the spouse's parents or grandparents) aged 60 or older or disabled and assessed with at least a second-degree disability; children and grandchildren younger than age 18 (any age if assessed with at least a second-degree disability). The pension is paid to eligible survivors in the following order of priority: spouse, children, parents, grandchildren, grandparents, and brothers or sisters.

**Dependent supplement:** Payable for any eligible dependents, including the spouse, children younger than age 18 or disabled (assessed with at least a second-degree disability) and parents (including the spouse's parents) aged 60 or older or disabled (assessed with at least a second-degree disability).

Survivor pensions are payable abroad.

**Lump-sum survivor refund:** Paid on the death of an insured or formerly insured person if the qualifying conditions for the survivor pension are not satisfied.



**Lump-sum death benefit:** Payable to any dependent survivor (direct blood-relatives including cousins) in the absence of eligible survivors for the survivor pension or lump-sum refund.

### **Old-Age Benefits**

**Old-age pension:** The basic monthly pension amount (BPA) is equal to 1.8 times the sum of the average covered monthly earnings of all insured persons in the 3 years immediately preceding the year in which a pension is first payable and the insured's average covered monthly wage or earnings over the entire contribution period.

**Full old-age pension:** The monthly BPA plus 5% of the monthly BPA for each year of insurance beyond 20 years.

**Reduced old-age pension:** 47.5% of the monthly BPA plus 5% of the monthly BPA for each year of insurance beyond 10 years.

**Active old-age pension:** With at least 20 years of coverage, between 50% and 90% of the monthly BPA, depending on the age of the pensioner; 10 to 19 years of coverage, between 50% and 90% of the monthly BPA, depending on the age of the pensioner, times 47.5% of the monthly BPA, plus 5% of the monthly BPA for each year of insurance beyond 10 years.

**Early pension:** 0.75 times 47.5% of the monthly BPA, plus 5% of the monthly BPA for each year of delay in claiming the pension after age 55.

**Dependent supplement:** 184,140 won a year for a spouse and 122,760 won a year per child or per parent is payable to all pensioners, except those receiving the active old-age pension.

Eligible dependents include the spouse, children younger than age 18 or disabled (assessed with at least a second-degree disability), and parents (including the spouse's parents) aged 60 or older or disabled (assessed with at least a second-degree disability).

**Benefit adjustment:** The BPA is adjusted annually according to changes in the consumer price index for the previous year.

All pensions are nontaxable.

**Lump-sum refund:** Equal to the insured's total contributions (including any employer contributions) plus interest at the basic bank rate current at the time of refund.

### **Permanent Disability Benefits**

**Disability pension:** The pension is payable according to the assessed degree of disability: a total loss of work capacity and requiring constant attendance (first degree); a severe loss of work capacity (second degree); and a less severe loss of work capacity (third and fourth degrees).

**Total disability:** 100% of the insured's BPA for an assessed first-degree disability.

**Moderate disability:** 80% of the insured's BPA for an assessed second-degree disability and 60% of the BPA for an assessed third-degree disability.

**Dependent supplement:** 184,140 won a year for a spouse and 122,760 won a year per child or parent is payable to disabled insured persons with an assessed first-, second-, or third-degree disability.

Eligible dependents include the spouse, children younger than age 18 or disabled (assessed with at least a second-degree disability) and parents (including the spouse's parents) aged 60 or older or disabled (assessed with at least a second-degree disability).

**Benefit adjustment:** Benefits are adjusted annually according to changes in the consumer price index for the previous year. (At the request of the beneficiary, the National Pension Corporation may reassess the degree of disability and adjust the benefit amount.)

**Lump-sum disability benefit:** Equal to 225% of the BPA, payable to insured persons with a fourth-degree disability.

### **Survivor Benefits**

**Survivor pension:** If the deceased had at least 20 years of contributions, the pension is 60% of the insured's BPA; between 10 and 19 years of contributions, 50%; less than 10 years of contributions, 40%.

**Dependent supplement:** 184,140 won a year is payable for a spouse and 122,760 won a year per child or parent.

**Benefit adjustment:** The survivor pension is adjusted annually according to changes to the consumer price index for the previous year.

**Lump-sum survivor refund:** Equal to the insured's total contributions (in the case of employees, the sum of employer and employee contributions) plus interest based on the average annual bank interest rate.

**Lump-sum death benefit:** Equal to the insured's total contributions (in the case of employees, the sum of employer and employee contributions) plus interest based on the average annual bank interest rate.

The maximum lump-sum death benefit is four times the insured's last covered monthly earnings, or the average covered monthly earnings for the entire insured period, whichever is higher.

**Funeral grant:** A lump sum of 250,000 won. (Paid to dependents under the Sickness and Maternity program.)

### **Administrative Organization**

Ministry of Health and Welfare (<http://www.mohw.go.kr>) supervises the program.

National Pension Corporation (<http://www.npc.or.kr>) administers the program, collects contributions, and pays benefits.

## Sickness and Maternity

### 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; and 2002 (financial stability of national health insurance).

**Type of program:** Social insurance system. Medical benefits only.

### Coverage

All Korean citizens (noncitizen residents may contribute on a voluntary basis), except for those with low incomes covered by the medical aid program.

### Source of Funds

**Insured person:** 2.105% of standard monthly wages before tax, according to 50 levels of standard monthly wages.

The minimum monthly earnings for contribution purposes are 280,000 won.

The maximum monthly earnings for contribution purposes are 5,080,000 won.

**Self-employed person:** An amount calculated on the basis of personal factors including property ownership, income, age, and gender.

There are no minimum or maximum earnings for contribution purposes.

**Employer:** 2.105% of standard monthly payroll (private-school boards contribute 1.263%), according to 50 levels of standard monthly payroll.

The minimum monthly earnings for employees for contribution purposes are 280,000 won.

The maximum monthly earnings for employees for contribution purposes are 5,080,000 won.

**Government:** None for employees; 2.105% of standard monthly wages for government employees and 0.842% for private-school employees, according to 50 levels of standard monthly payroll. Of the total benefit expenditure for insured self-employed persons, 40% is paid from general revenue, and 10% of total benefit expenditure for older cohorts (older than age 65) of insured self-employed persons is financed from an earmarked tax on tobacco.

The minimum monthly earnings for employee for contribution purposes are 280,000 won.

The maximum monthly earnings for employee for contribution purposes are 5,080,000 won.

### Qualifying Conditions

**Cash sickness and maternity benefits:** No cash benefits are provided.

**Medical benefits:** Must not have missed more than 2 months' contributions since first becoming insured.

### Sickness and Maternity Benefits

**Sickness benefit:** No cash benefits are provided.

**Maternity benefit:** No cash benefits are provided.

### Workers' Medical Benefits

Benefits include medical treatment, surgery, hospitalization, and medicines. Medical services are provided by doctors, clinics, hospitals, and pharmacists contracted to the (National Health Insurance Corporation). Benefits are payable for up to 365 treatment days a year, with each individual medical service used being counted as a day of treatment. If the treatment days exceed 365, the patient pays all subsequent costs. If the total amount paid by the NHIC for 365 days does not exceed 1,500,000 won per patient per year, the NHIC may continue to pay benefits up to that limit.

Maternity care is provided to the insured person or his or her dependents, with no limit on the number of children. There are no cash maternity benefits.

**Cost sharing:** The insured and his or her dependents pay 20% of hospitalization costs and between 30% and 50% of outpatient care (50% if provided by a specialized general hospital, 45% if provided by a general hospital, 40% if provided by a hospital, or 30% if provided by a clinic). The NHIC refunds 50% of patient's costs exceeding 1,200,000 won in 30 days. The overall limit paid by each patient is 3,000,000 won every 6 months.

### Dependents' Medical Benefits

Same as for the insured person.

Dependents include the spouse; children up to age 18 (or until the completion of university studies); parents and grandparents of the insured and of his or her spouse; and brothers and sisters who have no income or salary and who are mainly supported by the insured.

### Administrative Organization

Ministry of Health and Welfare (<http://www.mohw.go.kr>) provides general supervision.

National Health Insurance Corporation (<http://www.nhic.or.kr>) administers the national health insurance program, levies and collects contributions, and pays medical service providers.

Health Insurance Review Agency (<http://www.hira.or.kr>) examines and reviews medical claims and evaluates the quality of medical services.

## Work Injury

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### Regulatory Framework

**First law:** 1953 (law still applies to employees if the duration of incapacity due to a work-related injury or occupational disease is less than 3 days).

**Current law:** 1963 (industrial accident compensation insurance), implemented in 1964, with 1970, 1994, 1997, 1999, 2003, and 2004 amendments.

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

### Coverage

All employees.

Voluntary coverage for agriculture, forestry, hunting, and fishery businesses with fewer than five employees; small-scale construction projects (when net construction costs are below 20,000,000 won); and domestic employees and the self-employed.

Special schemes for civil servants, military personnel, private-school employees, and seamen.

### Source of Funds

**Insured person:** None.

**Self-employed person:** Voluntary coverage of between 0.4% and 40.8% of annual earnings.

There are no minimum or maximum earnings for contribution purposes. The contribution rate is reviewed annually.

**Employer:** Between 0.4% and 40.8% of annual payroll (for compulsorily and voluntarily insured persons), according to the risk of the type of business (the average contribution is 1.48%).

There are no minimum or maximum earnings for contribution purposes. 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 3 months before the onset of disability is payable after a 3-day waiting period for up to 24 months or until recovery or until the permanent disability pension is payable. After 24 months and if medical treatment continues, persons assessed with a first-, second-, or third-degree disability receive the injury and disease compensation pension (96% of the insured's average daily wage) for 257, 291, or 329 treatment days depending on the assessed degree of disability until recovery or until the permanent disability pension is payable.

The minimum benefit is 37,020 won a day.

The maximum benefit is 145,800 won a day.

**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 between grades one to seven. The annual pension is equal to the insured's average daily wage in the 3 months before the onset of disability multiplied by 138, 164, 193, 224, 257, 291, or 329, according to the assessed degree of disability. Insured persons with an assessed disability of four to seven may choose between the pension or a lump sum equal to the insured's average daily wage multiplied by 616, 737, 869, or 1,012, according to the assessed degree of disability.

The minimum benefit is 37,020 won a day.

The maximum benefit is 145,800 won a day.

**Partial disability:** A lump sum is paid to less seriously disabled persons with an assessed degree of disability from grades eight to fourteen. The benefit is equal to the insured's average daily wage in the 3 months before the date of death multiplied by between 55 and 495, according to the assessed degree of disability.

**Nursing benefit:** Payable for nursing services for insured persons with a residual chronic disability after receiving medical care. The benefit varies between 22,400 won and 33,600 won a day.

**Benefit adjustment:** The minimum and maximum benefits are adjusted annually according to wage changes.

### Workers' Medical Benefits

Medical benefits include medical treatment, surgery, hospitalization, medicines, 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 3 months before the date of death multiplied by 365) 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 wage changes.

**Lump-sum grant:** If there are no eligible survivors for the survivor pension, a lump sum equal to the insured's average daily wage in the 3 months before the date of death multiplied by 1,300 is payable to nondependent survivors.

**Funeral grant:** A lump sum equal to the insured's average daily wage in the 3 months before the date of death multiplied by 120 is paid to the person who paid for the funeral.

The minimum funeral grant is 6,669,440 won.

The maximum funeral grant is 9,932,840 won.

Benefit adjustment: The minimum and maximum benefits are adjusted annually according to wage changes.

### **Administrative Organization**

Ministry of Labor (<http://www.molab.go.kr>) provides general supervision.

Korea Labor Welfare Corporation (<http://www.welco.or.kr>) collects contributions, pays benefits, and administers the program through its own medical care institutions.

### **Unemployment**

#### **Regulatory Framework**

**First and current law:** 1993 (employment insurance), implemented in 1995, with 1997, 1999, and 2002 amendments.

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

#### **Coverage**

All employees younger than age 65.

Voluntary coverage for agriculture, forestry, hunting, and fishery businesses with fewer than five employees; small-scale construction projects (when net construction costs are below 20,000,000 won); and domestic employees.

Exclusions: Persons newly employed after reaching age 60, casual workers whose term of employment is less than 80 hours a month, family labor, and the self-employed.

Special schemes for civil servants, private-school employees, military personnel, and employees of the special post office.

#### **Source of Funds**

**Insured person:** 0.45% of annual wages before tax.

There are no maximum earnings for contribution purposes.

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

**Employer:** Between 0.7% and 1.3% (depending on the type of business) of annual payroll.

There are no maximum earnings for contribution purposes.

**Government:** None.

#### **Qualifying Conditions**

**Unemployment benefits:** At least 6 months of coverage during the last 18 months. Must be registered at an employment security office and 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.

Additional allowances are payable to the unemployed to encourage retraining or job search. Allowances include early reemployment allowance, vocational ability development allowance, and transport and moving allowance.

### **Unemployment Benefits**

The benefit is equal to half of insured's average daily earnings during the 3 months immediately before unemployment. The benefit is payable after a 7-day waiting period for 90 days to those with between 6 and 12 months of coverage; for 240 days with more than 10 years of coverage or aged 50 or older or disabled.

The minimum daily benefit is 90% of the minimum wage (18,072 won).

The maximum daily benefit is 35,000 won.

### **Administrative Organization**

Ministry of Labor (<http://www.molab.go.kr>) provides general supervision of the program.

Employment Security Offices (part of the Ministry of Labor) pay unemployment benefits.

Korea Labor Welfare Corporation (<http://www.welco.or.kr>) collects contributions.

## Kuwait

Exchange rate: US\$1.00 equals 0.29 dinars.

### Old Age, Disability, and Survivors

#### Regulatory Framework

**First and current laws:** 1976 (basic scheme), implemented in 1977; and 1992 (supplementary scheme), implemented in 1995.

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

#### Coverage

**Basic scheme:** All employees.

Special systems for the self-employed and military personnel.

**Supplementary scheme:** Employees with covered earnings above 1,250 dinars a month and persons with sources of earnings not covered by the basic scheme.

Voluntary coverage for the self-employed (not yet implemented).

#### Source of Funds

##### Basic scheme

**Insured person:** 5% of covered earnings, plus 1% of covered earnings (from August 1, 2004) for the pension increment.

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

**Employer:** 10% of covered payroll, plus 1% of covered payroll (from August 1, 2004) for the pension increment.

**Government:** A subsidy equal to 10% of covered payroll, plus 2% of covered payroll (from August 1, 2004) for the pension increment.

The minimum monthly earnings for contribution and benefit purposes are 230 dinars.

The maximum monthly earnings for contribution and benefit purposes are 1,250 dinars.

##### Supplementary scheme

**Insured person:** 5% of covered earnings.

**Self-employed person:** Voluntary contributions of 15% of the monthly income level selected by the insured (not yet implemented).

**Employer:** 10% of covered payroll.

**Government:** None.

The maximum monthly earnings for contribution and benefit purposes are 1,000 dinars.

### Qualifying Conditions

#### Old-age pension

**Basic scheme:** Age 50 with 15 years of contributions for men and women. (The pensionable age will increase gradually to age 55 by 2020.)

Age 40 with 15 years of contributions for married women and women with children. (The pensionable age will increase gradually to age 50 by 2020.)

At any age with 20 years of contributions for those in arduous work.

**Early pension:** Ages 46 to 49 with 20 years of contributions for men or unmarried women with no children. (The minimum age is to increase gradually to age 55 (men) or age 50 (women) by 2017.)

Retirement is necessary, except if moving from the public sector to the private sector, with certain conditions as to the length of service in the public sector.

**Supplementary scheme:** Awarded at the same time as the old-age pension under the basic scheme.

**Deferred pension (supplementary scheme):** The pension may be deferred.

Old-age pensions are not payable abroad.

#### Disability pension

**Basic scheme:** An assessed degree of incapacity for work of more than 50%.

**Supplementary scheme:** An assessed degree of incapacity for work of more than 50%.

The degree of incapacity for work is assessed by the general medical council.

Disability pensions are not payable abroad.

**Survivor pension:** The insured met the coverage requirements for a pension or was a pensioner at the time of death.

**Death grant:** Payable for the death of an insured person or pensioner.

Survivor benefits are not payable abroad.

### Old-Age Benefits

#### Old-age pension

**Basic scheme:** 65% of the insured's last monthly earnings plus 2% for each year of contributions beyond 15 years.

The maximum pension is 95% of the insured's last monthly earnings.

Part of the pension may be paid as a lump sum at the pensioner's request before age 65.

Pension increment: 50 dinars.

Benefit adjustment: Benefits are adjusted every 3 years.

**Supplementary scheme:** Based on the number of years of contributions, age, and average covered earnings.

Part of the pension may be paid as a lump sum at the pensioner's request.

Deferred pension (supplementary scheme): The pension is increased by 5% for each year of deferral.

Benefit adjustment: Benefits are adjusted every 3 years.

### **Permanent Disability Benefits**

#### **Disability pension**

*Basic scheme:* 65% of the insured's last monthly earnings plus 2% for each year of contributions beyond 15 years. A credited contribution period, equal to 60 years minus the insured's age at the onset of disability, is added to the number of years of contributions to calculate the pension.

The maximum benefit is 95% of earnings.

Pension increment: 50 dinars.

Benefit adjustment: Benefits are adjusted every 3 years.

*Supplementary scheme:* For those younger than age 60, the benefit is calculated as if the insured were age 60. A credited contribution period, equal to 60 years minus the insured's age at the onset of disability, is added to the number of years of contributions to calculate the pension.

Benefit adjustment: Benefits are adjusted every 3 years.

### **Survivor Benefits**

**Survivor pension:** Up to 100% of the deceased's pension according to the number and category of eligible survivors. The survivor pension for different eligible categories of survivor is set according to the schedule in law.

Eligible survivors include widows (until remarriage), dependent widowers (if incapable of work as the result of a disability), children, parents, brothers, sisters, and a son's children. Sons must be younger than age 26; younger than age 28 if a student. There is no limit for unmarried female survivors (the pension is suspended on marriage but is reinstated if subsequently divorced or widowed) or disabled male survivors.

The pension is suspended or ceases if the survivor (except the widow) starts employment.

If a survivor's eligibility for the pension ceases, the pension is split among all remaining eligible survivors.

The minimum monthly pension is 160 dinars for a widow or a dependent widower, 130 dinars for each parent, or 83 dinars for each of the other survivors.

**Death grant:** Payable on the death of an insured person or pensioner. The grant is equal to twice the deceased's last monthly earnings or monthly pension. The minimum grant is twice the minimum wage in the private and oil sectors.

Benefit adjustment: Benefits are adjusted on an ad hoc basis, often coinciding with increases in civil servant salaries.

### **Administrative Organization**

Managed by a board of directors chaired by the Minister of Finance, the Public Institution for Social Security (<http://www.pifss.gov.kw>) administers the program.

### **Work Injury**

#### **Regulatory Framework**

**First and current law:** 1976 (social insurance), not yet implemented.

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

Benefits are provided under the basic scheme for old-age, disability, and survivors, above.

The government pays for medical care in case of work injury.

## Kyrgyzstan

Exchange rate: US\$1.00 equals 43.90 soms.

### Old Age, Disability, and Survivors

#### Regulatory Framework

**First law:** 1922.

**Current law:** 1997 (state pension).

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

#### Coverage

**Social insurance:** All employed persons and members of cooperatives and state and collective farms.

Special system for the armed forces.

Special provisions for workers in aviation, the performing arts, and citizens with special merits.

**Social assistance:** Disadvantaged elderly persons, disabled persons, and survivors who are not eligible for social insurance benefits. Eligibility does not take into account the total household income of the recipient.

#### Source of Funds

**Insured person:** 8% of earnings.

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

**Employer:** 25% of payroll.

**Government:** Total cost of social assistance allowances and constant-attendance supplements for the disabled; other subsidies as needed.

All of the above social insurance contributions also finance sickness and maternity, work injury, and unemployment benefits (insured person only).

#### Qualifying Conditions

**Old-age pension:** Age 62 with 25 years of covered employment (men) or age 57 with 20 years of covered employment (women). The retirement age will be gradually increased to age 63 (men) and age 58 (women) by 2007.

The qualifying conditions are reduced for full-time underground work, for full-time work in hazardous conditions, for work periods associated with the Chernobyl catastrophe, and for mothers with five or more children or at least one disabled child.

Pension supplement: Aged 80 or older; veterans of World War II.

**Disability pension:** The disability is assessed according to three categories: total disability, requiring constant attendance (Group I); total disability, loss of 80% mobility (Group II); and

partial disability, limited ability to work (Group III). The insured must have a minimum of between 1 and 5 years of covered employment.

The degree of disability is assessed by a Ministry of Labor and Social Protection expert commission.

Pension supplement: Payable to Group I disabled persons, single Group II disabled persons, and persons who worked at the Chernobyl catastrophe.

**Survivor pension:** The insured had between 1 and 5 years of covered employment, depending on age at the onset of disability.

The pension is payable to all surviving children younger than age 16 (age 21 if a full-time student) and to nonworking dependents, including sisters, brothers, and grandchildren younger than age 16 (age 21 if a full-time student); the spouse; parents who are disabled or of pensionable age; and grandparents, if no other support is available.

Covered employment includes periods of study, maternity leave, caring for disabled persons, unemployment, and other leave periods approved by special decree.

Pensions are not payable abroad; a lump sum equal to three times monthly benefits is paid to the pensioner if leaving the country permanently.

**Social assistance allowances:** Payable if not eligible for an old-age, disability, or survivor pension. There is no income test.

#### Old-Age Benefits

**Old-age pension:** The monthly benefit is the sum of a base element (222.60 soms, but not less than 12% of the average monthly wage), an insurance element based on years of covered employment and earnings for the period before January 1, 1998, and an insurance element based on the value of accumulated contributions from January 1, 1998.

The insurance element for the period before January 1, 1998, is calculated as average earnings for every 60 consecutive months times 1% for every complete year of insured employment. The insurance element for the period from January 1, 1998, is calculated as accumulated contributions (of at least 1 year) divided by 12 months and multiplied by a coefficient.

The pension is payable monthly.

The minimum pension is 100% of the minimum wage (100 soms).

There is no maximum pension.

The maximum average earnings are equal to 15 times the minimum wage.

Partial pension: With at least 5 years of covered employment, the monthly benefit is reduced in proportion to the number of years below the required number of years of coverage for the full pension.

Pension supplement: The supplement is between 50% and 375% of the minimum wage.

Benefit adjustment: Periodic benefit adjustments according to changes in the cost of living.

**Social assistance allowance:** The allowance is not income tested, and the amount payable is linked to the guaranteed minimum standard of living (GM).

The GM is 100 soms.

If aged 65 or older (men) or aged 55 or older (women), 70% of the GM a month; 100% of the GM a month to high-altitude residents aged 55 or older (men) or aged 50 or older (women); 150% of the GM a month for mothers aged 55 or older (aged 50 or older if also a high-altitude resident) with five or more children or with at least one disabled child.

GM adjustment: The guaranteed minimum standard of living (GM) is adjusted periodically according to wage changes.

### **Permanent Disability Benefits**

**Disability pension:** The total disability pension for a Group I disability is the same as the old-age pension plus the constant-attendance supplement. The pension for a Group II disability pension is the same as the old-age pension plus a supplement for single disabled persons requiring constant attendance.

There is no minimum disability pension.

Partial pension for total disability: With insufficient years of covered employment, the partial pension is the same as the old-age pension.

Constant-attendance supplement: 50% of the minimum pension (100% if blind) a month.

Partial disability (Group III): Equal to 50% of the old-age pension.

Pension supplement: The supplement is between 50% and 375% of the minimum wage.

Benefit adjustment: Periodic benefit adjustments according to changes in the cost of living.

**Social assistance allowance:** 150% of the GM is payable to a Group I disabled person (200% of the GM if disabled since childhood); 100% of the GM for a Group II disabled person (150% if disabled since childhood); 50% of the GM for a Group III disabled person (100% if disabled since childhood).

Also, 200% of the GM is payable to disabled children up to age 16 (age 21 if a student) suffering from cerebral palsy; 150% of the GM for disabled children under age 16 (age 21 if a full-time student) and to children infected with HIV or AIDS.

There is no income test.

GM adjustment: The guaranteed minimum standard of living (GM) is adjusted periodically according to wage changes.

### **Survivor Benefits**

**Survivor pension:** 50% of the Group II disability pension that would have been payable to the deceased is paid monthly for one eligible dependent, 90% for two eligible dependents, 120% for three eligible dependents, or 150% for four or more eligible dependents.

Full orphans: Paid at the same rates as the survivor pension (above) but based on the Group II disability pensions that would have been payable for both parents.

The minimum full-orphan pension is 100% of the minimum wage.

Benefit adjustment: Periodic benefit adjustments according to changes in the cost of living.

**Social assistance allowance:** 100% of the GM a month for each orphan younger than age 16 (age 21 if a full-time student); 150% of the GM a month for a full orphan.

There is no income test.

**Funeral grant:** For the death of a social assistance allowance recipient, a lump sum equal to 500% of the GM is payable either to the surviving parent or to other family members.

GM adjustment: The guaranteed minimum standard of living (GM) is adjusted periodically according to wage changes.

### **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 administers the program.

### **Sickness and Maternity**

#### **Regulatory Framework**

**First law:** 1922.

**Current laws:** 1955, with amendments; 1996 (social insurance); and 1997 (medical insurance), with 2003 amendment.

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

#### **Coverage**

**Cash benefits:** Employed persons, students, and members of cooperatives.

**Medical benefits:** All residents.

#### **Source of Funds**

##### **Insured person**

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

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

##### **Self-employed person**

**Cash benefits:** Not applicable.

**Medical benefits:** None.



### Employer

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

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

### Government

*Cash benefits:* None.

*Medical benefits:* Total cost.

### Qualifying Conditions

**Cash and medical benefits:** There is no minimum qualifying period.

### Sickness and Maternity Benefits

**Sickness benefit:** 60% of earnings with less than 5 years of uninterrupted work; 80% with between 5 and 8 years; 100% with more than 8 years (or with three or more dependent children, if a disabled veteran, or if disabled as a result of the Chernobyl catastrophe). The monthly benefit is payable after a 5-day waiting period.

Benefit adjustment: Periodic benefit adjustments according to changes in the cost of living.

**Maternity benefit:** 100% of earnings, payable 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: Periodic benefit adjustments according to changes in the cost of living.

### 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

Same as for the head of the household.

### Administrative Organization

**Cash benefits:** Social Fund provides general oversight and administers the program.

Employers pay cash benefits.

**Medical benefits:** Ministry of Health (<http://www.med.kg>) and health departments of local governments provide general supervision and coordination. The Ministry of Health and local health departments administer the provision of medical services delivered through clinics, hospitals, maternity homes, and other facilities.

Mandatory Health Insurance Fund provides health care benefits.

Ministry of Health is responsible for policy.

### Work Injury

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#### Regulatory Framework

**First law:** 1922.

**Current laws:** 1955 (short-term benefits); 1990 (pensions), with 1992 and 1994 amendments; and 2003 (labor safety).

**Type of program:** Social insurance (short-term benefits and pensions) and universal (medical care) system.

#### Coverage

Employed persons, students, and members of cooperatives. (Medical benefits are available to all residents.)

#### Source of Funds

##### Insured person

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

*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, above.

*Medical benefits:* None.

##### Government

*Temporary disability benefits:* None.

*Permanent disability and survivor benefits:* See source of funds under Old Age, Disability, and Survivors, above.

*Medical benefits:* Total cost.

#### Qualifying Conditions

**Work injury benefits:** There is no minimum qualifying period. Pensions for a work injury or an occupational disease are payable abroad.

#### Temporary Disability Benefits

100% of earnings. The benefit is payable from the first day of incapacity until recovery or the award of a permanent disability pension.

The degree of disability is assessed by a Ministry of Labor and Social Protection expert commission.

Benefit adjustment: Periodic benefit adjustments according to changes in the cost of living.

### **Permanent Disability Benefits**

**Permanent disability pension:** The disability is assessed according to three categories: total disability, requiring constant attendance (Group I); total disability, loss of 80% mobility (Group II); and partial disability, limited ability to work (Group III).

The total disability pension for a Group I disability is the same as the old-age pension plus the constant-attendance supplement. The pension for a Group II disability pension is the same as the old-age pension plus a supplement for single disabled persons requiring constant attendance.

The degree of disability is assessed by a Ministry of Labor and Social Protection expert commission.

The minimum disability pension is 100% of the minimum wage.

Constant-attendance supplement: 50% of the minimum pension (100% if blind) a month.

Partial disability (Group III): Equal to 50% of the old-age pension.

Benefit adjustment: Periodic benefit adjustments according to changes in the cost of living.

### **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, transportation, and the full cost of appliances and medicines.

### **Survivor Benefits**

**Survivor pension:** 50% of the Group II disability pension that would have been payable to the deceased is paid monthly for one eligible dependent, 90% for two eligible dependents, 120% for three eligible dependents, or 150% for four or more eligible dependents.

Full orphans: Paid at the same rates as the survivor pension (above) but based on the Group II disability pensions that would have been payable for both parents.

The minimum full-orphan pension is 100% of the minimum wage (100 soms).

Benefit adjustment: Periodic benefit adjustments according to changes in the cost of living.

### **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 (<http://www.mlsp.kg>) 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 health departments of local governments provide general supervision and coordination. The Ministry of Health and local health departments administer the provision of medical services delivered through clinics, hospitals, maternity homes, and other facilities.

## **Unemployment**

### **Regulatory Framework**

**First law:** 1921.

**Current law:** 1998 (supporting employment), with 2000, 2001, and 2003 amendments.

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

### **Coverage**

Citizens between ages 16 and 59 (men) or ages 16 and 54 (women).

### **Source of Funds**

**Employee:** 0.5% of earnings, taken from the 8% of earnings contribution for Old Age, Disability, and Survivors, above.

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

**Employer:** 1.5% of payroll.

**Government:** Subsidies as needed from republic and local governments.

### **Qualifying Conditions**

**Unemployment benefit:** 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.

### **Unemployment Benefits**

The benefit is payable monthly for a maximum of 26 calendar weeks.

The minimum benefit is 100% of the minimum wage for all categories of unemployed, including students who are unemployed within 12 months of graduation; 150% of the minimum wage if in covered employment for more than half the period required for the old-age pension.

Dependent supplement: 10% of the unemployment benefit for each dependent.

### **Administrative Organization**

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), with 2001 and 2002 amendments.

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

#### **Coverage**

Children of single-parent families and of unwed mothers; students (younger than age 21) with disabled or unemployed parents.

For orphans, see social assistance allowances (survivor benefits) under Old Age, Disability, and Survivors, above.

#### **Source of Funds**

**Insured person:** None.

**Self-employed person:** None.

**Employer:** None.

**Government:** Total cost.

#### **Qualifying Conditions**

**Family allowances (income tested):** Household per capita income, based on average income during the 3 months before making the claim, must be lower than 100% of the guaranteed minimum standard of living (GM).

The GM is equal to 100 soms.

**Social assistance allowance:** Payable for each child younger than age 16 (age 21 if a full-time student).

**Birth grant:** Payable for each newborn child.

#### **Family Allowance Benefits**

**Family allowances (income tested):** 100% of the GM is payable monthly for a mother on leave caring for a child younger than 18 months old or caring for two children younger than age 3; 150% of the GM if caring for three children younger than age 16.

**Social assistance allowance:** Payable for each child younger than age 16 (age 21 if a full-time student). The allowance is equal to the difference between family average per capita income and the GM.

**Birth grant:** A lump sum equal to 300% of the GM for each newborn child.

The GM is equal to 100 soms.

GM adjustment: The guaranteed minimum standard of living (GM) is adjusted periodically according to wage changes.

### **Administrative Organization**

Ministry of Labor and Social Protection (<http://www.mlsp.kg>) and local offices administer the program.

## Laos

Exchange rate: US\$1.00 equals 10,552 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 in 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 operating in Laos.

Voluntary insurance for workers in smaller enterprises (not yet implemented).

Special system for civil servants, the police, and the armed forces.

#### Source of Funds

**Insured person:** 4.5% of gross monthly wages.

The insured's contributions also finance sickness and maternity benefits.

The minimum earnings for contribution and benefit purposes are 93,600 kip.

The maximum earnings for contribution and benefit purposes are 1,000,000 kip.

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

**Employer:** 5% of monthly payroll.

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

The minimum earnings for contribution and benefit purposes are 93,600 kip.

The maximum earnings for contribution and benefit purposes are 1,000,000 kip.

**Government:** Administrative costs for the salaries of civil servants who work for the Social Security Organization.

#### Qualifying Conditions

**Old-age pension:** Age 60 with 5 years of covered employment. Retirement from gainful employment is not necessary.

Early pension: Age 55.

Deferred pension: Age 65.

**Old-age lump-sum benefit:** Payable if the insured reaches the pensionable age with less than 5 years of covered employment.

**Disability pension:** Payable for a permanent or long-term inability to earn normal income (for blue-collar workers, normal income must be more than the minimum wage; for white-collar workers, income must be equal to the typical earnings of such workers) due to an assessed disability. The insured must have at least 5 years of covered employment and have been in covered employment at the onset of disability.

The pension is awarded by the board of directors of the Social Security Organization on the basis of an investigation carried out by the organization's disability assessment unit.

The pension may be reduced or suspended if the pensioner refuses to undergo proposed medical treatment or rehabilitation.

**Carer's benefit:** A need for frequent or constant attendance given by another person in order to complete routine daily activities.

**Disability lump-sum benefit:** If the insured has less than 5 years of covered employment and has a permanent or long-term inability to earn normal income (for blue-collar workers, normal income must be more than the minimum wage; for white-collar workers, income must be equal to the typical earnings of such workers) due to an assessed disability.

**Adaptation benefit:** The deceased was in covered employment at the time of death. The benefit is payable to the surviving spouse and children up to age 18 (age 25 if a full-time student, no limit if disabled) for a 12-month period directly after the insured's death.

Other survivor benefits are only payable after the adaptation benefit ceases.

**Survivor pension:** The deceased had at least 5 years of covered employment. The spouse was married to the deceased at the time of death and must not have remarried. A widow must be at least age 44; a widow younger than age 44 must have dependents under age 15 (no limit if disabled) or be disabled or incapable of finding suitable employment; a widower must be disabled or incapable of finding suitable employment.

**Orphan's pension:** The pension is payable to orphans up to age 18 (age 25 if a full-time student, no limit if disabled).

**Survivor lump-sum benefit:** Payable if the deceased had less than 5 years of covered employment.

**Death grant:** The deceased was in covered employment for at least 12 of the last 18 months.

#### Old-Age Benefits

**Old-age pension:** The pension is calculated according to the insured's total pension points multiplied by the insured's average covered earnings in the last 12 months before retirement. The resulting amount is then multiplied by 1.5%.

Awarded pension points may be earned, purchased, or credited. For a pension point to be earned, the covered annual

earnings of the insured must be equal to the average earnings of all insured persons in that year.

For a working career that began before the scheme was introduced, workers are credited with 0.8 pension points per year for a minimum of 1 year (if aged 31 at the time of the scheme's introduction) increasing up to a maximum of 15 years (if aged 45 or older at that time).

Pension points may be purchased under certain conditions to be established in the regulations (not yet implemented).

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 equal to the actuarial value of the old-age pension that the insured would have received.

### **Permanent Disability Benefits**

**Disability pension:** With a minimum of 5 years of covered employment, the pension is calculated as the insured's average covered earnings in the last 12 months multiplied by the number of pension points. Pension points are credited on the basis of the insured's average annual pension points over the insured period before the onset of disability until the insured reaches the standard pensionable age.

The disability pension is not reduced if the insured takes up employment.

Benefit adjustment: Benefits are adjusted at least once a year according to changes in the average insured earnings of all insured persons.

Carer's benefit: The benefit is calculated according to the number of hours of care needed per month times the minimum wage (not yet implemented).

**Disability lump-sum benefit:** A lump sum equal to the actuarial value of the disability pension that the insured would have received.

### **Survivor Benefits**

**Adaptation benefit:** A monthly benefit equal to 80% of the deceased's average covered earnings in the 12 months before death is payable for a 12-month period directly after the date of death. Other survivor benefits are payable only after the adaptation benefit ceases.

**Survivor pension:** The spouse receives 60% of the deceased's old-age pension. If the worker died before reaching pensionable age, the pension is equal to 60% of the disability pension, calculated as if the worker was entitled to a disability pension at the time of death.

**Orphan's pension:** 20% of the deceased's old-age pension or projected disability pension.

The maximum orphan pension is equal to 60% of the deceased's old-age pension or projected disability pension for three or more children.

The maximum total survivor benefit is equal to 80% of the deceased's old-age pension or 100% of the insured'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 equal to the actuarial value of the survivor pension that eligible survivors would have received.

**Death grant:** A lump sum equal to the insured's average covered earnings in the 6 months before death.

### **Administrative Organization**

Ministry of Labor and Social Welfare supervises the program.

Social Security Organization collects contributions and administers the payment of benefits.

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### **Sickness and Maternity**

#### **Regulatory Framework**

**First and current law:** 1999 (employees in enterprises), implemented in 2001.

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

#### **Coverage**

Employees in private-sector and state-owned enterprises with 10 or more employees, and pensioners. (Coverage is currently available only in certain regions of the country.)

Exclusions: Self-employed persons and employees of embassies and international organizations operating in Laos.

Voluntary insurance for workers in smaller enterprises (not yet implemented).

Special system for civil servants, the police, and the armed forces.

#### **Source of Funds**

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

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

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

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

## Qualifying Conditions

**Sickness benefit:** In covered employment for at least 3 of the last 12 months and no longer eligible for statutory sick pay (payable by the employer for 30 days under the labor law).

The insured must provide a medical certificate issued by the hospital with which he or she is registered stating the probable duration of sickness.

The benefit may be reduced or suspended if the insured refuses proposed rehabilitation or partial reemployment.

**Maternity benefit:** In covered employment for at least 9 of the last 12 months. The benefit is payable to a female insured person who stops work because of pregnancy, childbirth, or a miscarriage. The benefit is also payable to a male or female insured person who stops work to adopt a child younger than age 2.

**Birth grant:** In covered employment for at least 12 of the last 18 months. The grant is payable to a female insured person or the wife of a male insured person. The grant is also payable to a male or female insured person who adopts a child younger than age 2.

**Medical benefits:** In covered employment for at least 3 of the last 12 months. Benefits are provided until 3 months after the date of the last payment of contributions or after last receiving sickness benefit. The benefits may be extended for treatment for a life-threatening condition.

## Sickness and Maternity Benefits

**Sickness benefit:** 60% of the insured's average covered earnings in the 6 months before the onset of sickness; for the partial resumption of work, the benefit is 60% of the difference between the insured's earnings from partial activity and the insured's previous earnings.

The benefit is payable for up to 12 months and may be extended for up to 6 months if the insured is likely to return to work at the end of this period.

**Maternity benefit:** 70% of the insured's average covered earnings in the 6 months before stopping work is payable for a period of 3 months. (Under the labor law, employers are also required to pay 30% of the insured's covered earnings.)

**Birth grant:** A lump sum equal to 60% of the monthly minimum wage.

## Workers' Medical Benefits

Benefits include preventive, curative, and rehabilitative services, including maternity care but excluding necessary treatment resulting from motor vehicle accidents. Accredited providers deliver medical services and are paid on a per capita basis.

The maximum duration for hospitalization is 3 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.

## Dependents' Medical Benefits

Benefits include preventive, curative, and rehabilitative services, including maternity care but excluding necessary treatment resulting from motor vehicle accidents. Accredited providers deliver medical services and are paid on a per capita basis.

The maximum duration for hospitalization is 3 months a year.

There is no cost sharing.

Eligible dependents include the spouse and children up to age 18 (age 25 if a full-time student, no limit if disabled).

Voluntary insurance for other family members.

## Administrative Organization

Ministry of Labor and Social Welfare supervises the program.

Social Security Organization collects contributions, administers cash benefit payments, and contracts with hospitals to provide medical benefits. Contracts must be approved by the Ministry of Public Health.

## 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 in all private-sector and state-owned enterprises with 10 or more employees, paid trainees, and volunteers for rescue operations.

Exclusions: Self-employed persons and employees of embassies and international organizations operating in Laos.

Special system for civil servants, the police, and the armed forces.

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, above.

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

## Qualifying Conditions

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

### Temporary Disability Benefits

100% of the insured's average covered earnings in the 6 months before the onset of disability is payable during the first 6 months; 60% during the following 12 months. If the insured is partially reemployed, the benefit is calculated as the difference between the insured's earnings from partial activity and the insured's previous earnings.

The benefit may be reduced if the insured refuses proposed rehabilitation or partial reemployment.

### Permanent Disability Benefits

**Permanent disability benefit:** The monthly benefit is calculated as the percentage of permanent loss of earning capacity multiplied by 67.5% of the insured's average covered earnings during the last 12 months before the onset of disability.

The pension is awarded by the board of directors of the Social Security Organization on the basis of an investigation carried out by the organization's disability assessment unit. The disability is reassessed every 3 years.

The pension may be reduced or suspended if the pensioner refuses proposed rehabilitation.

**Benefit adjustment:** Benefits are adjusted at least once a year according to changes in the average insured earnings of all insured persons.

**Carer's benefit:** Payable if there is a need for frequent or constant attendance given by another person in order to complete routine daily activities. The benefit is calculated according to the number of hours of care needed per month times the minimum wage.

An insured person with an assessed degree of permanent disability of less than 25% may request a lump-sum payment equal to the actuarial value of the pension.

### Workers' Medical Benefits

Benefits include preventive, curative, and rehabilitative services, including the treatment of employment injuries and occupational diseases. Accredited providers deliver medical services and are paid on a per capita basis.

The maximum duration for hospitalization is 3 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:** A monthly benefit of 80% of the deceased's average covered earnings in the 12 months before death is payable to the surviving spouse and children up to age 18 (age 25 if a full-time student, no limit if disabled) for a 12-month period directly after the date of death. Other survivor benefits are payable only after the adaptation benefit ceases.

**Survivor pension:** The spouse receives 50% of the insured's average covered earnings in the last 12 months before death. The spouse was married to the deceased at the time of death and must not have remarried. A widow must be at least age 44; a widow younger than age 44 must have dependents under age 15 (no limit if disabled) or be disabled or incapable of finding suitable employment; a widower must be disabled or incapable of finding suitable employment.

**Parent pension (in the absence of a spouse):** If no eligible spouse exists, dependent parents receive 50% of the deceased's average covered earnings in the last 12 months before death.

**Orphan's pension:** Each orphan up to age 18 (age 25 if a full-time student, no limit if disabled) receives 15% of the deceased's average covered earnings in the last 12 months before death. If there is no entitled surviving spouse or dependent parents, the benefit awarded to orphans is increased to 20% per child. If there are several children, the maximum total orphan pension is 60% of the deceased's average covered earnings.

The total benefit for all surviving relatives must not exceed the maximum amount of permanent disability benefit to which the deceased could have been entitled.

**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 equal to the deceased's average covered earnings in the 6 months before death. The benefit is payable to the relatives who pay for the funeral.

## Administrative Organization

Ministry of Labor and Social Welfare supervises the program.

Social Security Organization collects contributions and administers the payment of benefits.

## Lebanon

Exchange rate: US\$1.00 equals 1,513.75 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, all employees who opted in 1965 to continue with coverage under the labor code, and citizens of other countries not providing reciprocal coverage.

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:** Payable from age 60 but is compulsory at age 64; at any age after 20 years of employment; if a woman marries and leaves employment during the first year of marriage; if disabled (with at least 20 years of employment); or on death (with at least 6 years of employment).

Reduced benefit: A reduced benefit is paid at any age with between 5 and 19 years of employment if the insured is leaving employment permanently.

Employment must cease.

**Disability benefit:** A loss of at least 50% of normal working capacity.

**Survivor benefit:** The deceased was covered, or was previously covered, under the program.

#### Old-Age Benefits

A lump sum equal to the final month's earnings (or average monthly earnings during the previous 12 months, if greater) times the number of years of service up to 20 years, plus 1.5 months' earnings per year of service beyond 20 years of service or age 64. (For benefit calculation purposes, the insured is credited with up to 20 years of coverage for service before 1963.)

Reduced benefit: A lump sum equal to 50% of the benefit for 1 to 5 years of contributions; 65%, for 6 to 10 years; 75%, for 10 to 15 years; or 85%, for 15 to 20 years.

#### Permanent Disability Benefits

A lump sum equal to the insured's last month's earnings times the number of years of service.

The minimum benefit is equal to 20 times the insured's last month's earnings.

#### Survivor Benefits

A lump sum equal to the deceased's final month's earnings times the number of years of service.

The minimum benefit is equal to six times the deceased's final month's earnings.

Eligible survivors: The widow (or a widower aged 60 or older or disabled) receives 25% of the benefit; the remaining 75% is divided equally among the deceased's children (no minimum or maximum age limit). If there are surviving parents (no minimum or maximum age limit), they receive 10%, with the remaining 90% going to the widow and children (divided on the basis of 25% and 75% of the 90%, respectively). If there is no widow(er) and no children, 50% to the parents and 50% to surviving brothers and sisters. If there are no surviving parents, their portion of the benefit is awarded to surviving brothers.

#### Administrative Organization

Ministry of Labor provides general supervision and trusteeship.

National Social Security Fund, 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. Cash and medical benefits.

Note: The program for sickness benefit has not been implemented.

##### Coverage

Employees in industry and commerce, certain categories of agricultural employees, and teachers.

Public-sector employees, university students, dock workers, and weekly and daily newspaper sellers are covered for medical benefits only.

Exclusions: Temporary agricultural employees and citizens of other countries without reciprocal agreements.



Voluntary coverage for workers previously covered by the mandatory system but without coverage in their present employment and self-employed persons.

### **Source of Funds**

**Insured person:** 2% of earnings.

The maximum earnings for contribution purposes are 1,500,000 pounds.

**Self-employed person:** Voluntary contributions only; 9% of earnings.

The maximum earnings for contribution purposes are 1,000,000 pounds (1,500,000 pounds for self-employed persons with employees).

**Employer:** 7% of payroll.

The maximum earnings for contribution purposes are 1,500,000 pounds.

**Government:** About 25% of the cost of benefits.

### **Qualifying Conditions**

**Cash maternity benefits:** Three months of coverage during the last 6 months.

**Medical benefits:** Currently covered.

### **Sickness and Maternity Benefits**

**Maternity benefit:** Information is not available.

**Funeral grant:** 150% of the minimum wage (minimum wage is 300,000 pounds).

### **Workers' Medical Benefits**

The insured receives a partial cash refund for the cost of treatment from doctors (full refund for maternity care); service benefits are provided by hospitals under contract with, and paid directly by, the National Social Security Fund. Benefits include general and specialist care, hospitalization, maternity care, medicines, and laboratory services.

The insured is normally reimbursed by the fund for 80% of the cost of doctor's treatment (90% of the cost of hospital care and 100% of the cost of maternity care and kidney and cholesterol dialysis), according to the 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**

Same as for the insured worker.

### **Administrative Organization**

Ministry of Labor provides general supervision and trusteeship.

National Social Security Fund administers the program.

## **Work Injury**

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### **Regulatory Framework**

**First and current law:** 1943, with 1983 amendment.

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

### **Coverage**

All wage earners covered by an employment contract.

### **Source of Funds**

**Insured person:** None.

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

**Employer:** Total cost.

Earnings for contribution and benefit purposes 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 payable from the day after the accident until full recovery, certification of permanent disability, or death.

### **Permanent Disability Benefits**

If more than 50% disabled, the benefit is equal to 2/3 of salary; if less than 50% disabled, the benefit is equal to half of the permanent disability benefit.

If less than 30% disabled, the benefit is payable as a lump sum equal to 3 years' salary.

**Partial disability:** The benefit is in proportion to the assessed loss of earning capacity.

**Constant-attendance supplement:** A set amount according to the regulations.

### **Workers' Medical Benefits**

Medical services are provided by hospitals under contract with, and paid directly by, the National Social Security Fund. Medical benefits include general and specialist care, hospitalization, medicines, 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. For calculation purposes, the deceased's pay includes only 1/4 of the amount exceeding the minimum wage and 1/8 of the amount exceeding twice the minimum wage.

Eligible survivors are 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 (minimum wage is 300,000 pounds).

### **Administrative Organization**

Ministry of Labor provides general supervision and trusteeship.

National Social Security Fund administers benefits.

### **Administrative Organization**

Ministry of Labor provides general supervision and trusteeship.

National Social Security Fund administers allowances.

### **Family Allowances**

#### **Regulatory Framework**

**First law:** 1943.

**Current law:** 1963.

**Type of program:** Employment-related system.

#### **Coverage**

Employees and social insurance beneficiaries with a nonworking wife or with children.

Coverage extends to five children only.

#### **Source of Funds**

**Insured person:** None.

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

**Employer:** 6% of payroll.

The maximum earnings for contribution purposes are 1,500,000 pounds.

**Government:** None.

#### **Qualifying Conditions**

**Family allowances:** The child must be younger than age 18 (age 25 if a student or an unmarried unemployed daughter; no limit if disabled). The wife must not be gainfully employed.

#### **Family Allowance Benefits**

**Family allowances:** The maximum monthly allowance is 75% of the minimum wage, including a lump sum of 60,000 pounds payable to the wife (20% of the minimum wage) and 33,000 pounds for each child (11% of the minimum wage for each of up to five children).

## Malaysia

Exchange rate: US\$1.00 equals 3.80 ringgits (M\$).

### Old Age, Disability, and Survivors

#### Regulatory Framework

**First law:** 1951 (provident fund).

**Current laws:** 1969 (social security) and 1991 (provident fund), with 2001 amendment.

**Type of program:** Provident fund (old-age, disability, and survivors) and social insurance (disability and survivors) system.

Note: Employees' Provident Fund (EPF) operates three types of mandatory individual accounts: Account 1, to finance old-age, disability, and survivor benefits and the purchase of approved investments; Account 2, to finance old-age, disability, and survivor benefits and to finance the purchase of a house and education costs; and Account 3, to finance old-age, disability, and survivor benefits and to pay for designated critical illnesses and prosthetic appliances. A voluntary fourth account may be opened to finance periodic payments between ages 55 and 75.

#### Coverage

**Provident fund:** Private-sector employees and nonpensionable public-sector employees.

Voluntary coverage for domestic servants, foreign workers, self-employed persons, and pensionable public-sector employees.

Exclusions: Nomadic aborigines and prisoners or other persons detained in rehabilitation centers or psychiatric hospitals.

Special system for government employees.

**Social insurance:** Employees up to age 55 earning M\$2,000 or less a month (or earning M\$2,000 or less a month when first employed) and casual workers.

Voluntary coverage for employees earning more than M\$2,000 a month, on agreement between the employer and the employee.

Exclusions: Domestic servants, foreign workers, and the self-employed.

Special system for public-sector employees.

#### Source of Funds

##### Insured person

**Provident fund:** 11% of monthly earnings according to wage classes; pensionable public-sector employees may voluntarily contribute between M\$50 and M\$5,000 a month. (60%, 30%, and 10% of monthly contributions are placed in Accounts 1, 2,

and 3, respectively. If voluntary Account 4 is opened, it is credited with up to 50% of the balance of Account 1 and subsequently 50% of the contributions to Account 1 until the member is age 55.)

Insured persons can make voluntary additional contributions to the provident fund.

The minimum monthly earnings for provident fund contribution purposes are R\$10.

There are no maximum earnings for provident fund contribution purposes.

The (mandatory and voluntary) provident fund contributions (up to R\$5,000 a month) are tax deductible.

**Social insurance:** 0.5% of monthly earnings according to 24 wage classes.

There are no minimum monthly earnings for contribution purposes for social insurance (for the lowest wage class of under M\$30, the contribution is based on M\$20).

The maximum monthly earnings for contribution purposes for social insurance are M\$2,000.

Social insurance contributions are tax deductible.

##### Self-employed person

**Provident fund:** Voluntary contributions of between M\$50 and M\$5,000 a month.

The voluntary provident fund contributions (up to R\$5,000 a month) are tax deductible.

**Social insurance:** Not applicable.

##### Employer

**Provident fund:** 12% of monthly earnings according to wage classes. (60%, 30%, and 10% of monthly contributions are placed in Accounts 1, 2, and 3, respectively. If voluntary Account 4 is opened, it is credited with up to 50% of the balance of Account 1 and subsequently 50% of the contributions to Account 1 until the member is age 55.)

Employers can make voluntary additional contributions to the provident fund.

**Social insurance:** 0.5% of monthly payroll according to 24 wage classes.

There are no minimum monthly earnings for contribution purposes for social insurance (for the lowest wage class of under M\$30, the contribution is based on M\$20).

The maximum monthly earnings for contribution purposes for social insurance are M\$2,000.

##### Government

**Provident fund:** None.

**Social insurance:** None.

10% of the total insured person and employer provident fund contributions finance certain medical expenses (see Sickness and Maternity, below).

The minimum and maximum earnings levels for contribution purposes and percentage contribution rates are set by government.

## Qualifying Conditions

### Provident fund

*Old-age benefit:* Contributions are allocated to three separate accounts (an optional fourth account is opened for members participating in a monthly retirement payment scheme), and individual savings can be accessed under different specified conditions.

Account 1: All funds can be withdrawn at age 55.

Drawdown payment: Funds can be drawn down before age 55. Members may draw down up to 20% of an account balance over M\$50,000 for investment in unit trusts through external fund management institutions approved by the Ministry of Finance.

Account 2: All funds can be withdrawn at age 55.

Drawdown payment: Funds can be drawn down before age 55 to purchase a home, to pay for a house loan, and to pay for education for the member or his or her children.

Account 3: All funds can be withdrawn at age 55.

Drawdown payment: Funds can be drawn down before age 55 to pay for the treatment of designated critical illnesses and certain prosthetic appliances. A list of critical illnesses is provided by the Employees' Provident Fund Board.

The fund member is not required to retire at age 55. If the fund member withdraws all of his or her funds (Accounts 1, 2, and 3) at age 55, he or she can choose to rejoin and contribute to the Employees' Provident Fund if still in employment or if new employment is found. Fund members who do not withdraw funds at age 55 and who are still employed must continue to make contributions.

Account 4 (voluntary): The member must be aged 55 or older and have at least R\$24,000 in Account 4 to receive a monthly payment.

All funds may be withdrawn at any age if a member permanently emigrates from Malaysia.

*Incapacitation benefit:* Certified by a medical doctor to be mentally or physically unable to work. Fund members may be referred to an Employees' Provident Fund panel clinic to confirm the disability certified by the medical doctor.

Additional benefit: A lump sum is payable up to age 55.

*Survivor benefit:* The benefit is payable to the named beneficiary (non-Muslims) or administrator (Muslims). In the absence of a nominated beneficiary, the benefit is paid (in order of priority) to the administrator (Muslims), spouse, children, parents, and siblings.

Additional benefit: A lump sum is payable on the death of a fund member (up to age 55) to the dependent spouse (if married) or parents (if single).

The benefits are payable in addition to social insurance benefits.

All provident fund benefits are also payable abroad.

### Social insurance

*Old-age pension:* No benefits are provided.

*Disability pension:* Twenty-four months of contributions in the last 40 months; contributions for at least 2/3 of the months since first becoming insured, with a minimum of 24 months of contributions.

Reduced disability pension: A reduced pension is paid if contributions were paid for at least 1/3 of the months since first becoming insured, with a minimum of 24 months.

The degree of disability is assessed by the medical board appointed by the Social Security Organization in consultation with the Ministry of Health.

*Invalidity grant:* If the insured is not eligible for a disability pension but has at least 12 months of contributions.

*Survivor pension:* Twenty-four months of contributions in the last 40 months; contributions for at least 2/3 of the months since first becoming insured, with a minimum of 24 months of contributions.

Reduced survivor pension: A reduced pension is paid if contributions are paid for 1/3 of the months since first becoming insured, with a minimum of 24 months of contributions.

The survivor pension is split as follows: 60% of the benefit is payable to the widow (the widower if previously the insured's dependent); 40% to unmarried children (60% to full orphans) younger than age 21 (until the completion of a first university degree, no limit if disabled).

*Other eligible survivors (in absence of the above):* 40% of the benefit is payable to parents (grandparents if the parents are deceased) and 30% to unmarried dependent brothers and sisters younger than age 21.

The spouse pension ceases on remarriage.

*Funeral grant:* The deceased was a disability pensioner or fulfilled the contribution conditions for a full or reduced disability pension. The grant is payable to the person who paid for the funeral.

## Old-Age Benefits

### Old-age benefit (provident fund)

*Accounts 1, 2, and 3:* The withdrawal of total savings (employee and employer contributions plus compound interest, minus drawdown payments) in a lump sum, monthly installments, or a combination of both.

The minimum total amount to be paid in monthly installments is R\$12,000 (the minimum duration for periodic payments is 60 months, and the minimum monthly benefit is M\$200).

*Account 4 (voluntary):* The amount accumulated in Account 4 is divided by 240 and paid monthly over a 20-year period

between ages 55 and 75, plus compound interest. The minimum monthly payment is M\$100, corresponding to the minimum required savings of M\$24,000.

The yearly compound interest can be withdrawn annually, beginning at age 55, if some or all of the principal capital is left with the fund.

The interest rate (4.5% in 2003) is set annually by the government upon the recommendation of the Employees' Provident Fund Board.

**Old-age pension (social insurance):** No benefits are provided.

### **Permanent Disability Benefits**

**Incapacitation benefit (provident fund):** A lump sum equal to total employee and employer contributions (Accounts 1, 2, and 3) plus compound interest, minus drawdown payments.

The interest rate (4.5% in 2003) is set annually by the government upon recommendation of the Employees' Provident Fund Board.

Additional benefit (provident fund): A lump sum of M\$5,000.

**Disability pension (social insurance):** 50% of the insured's average monthly earnings in the 24 months before the onset of disability plus 1% of the insured's average monthly earnings in the 24 months before the onset of disability for each 12-month period of contributions over 24 months.

The maximum pension is 65% of the insured's average monthly earnings in the 24 months before the onset of disability.

Reduced disability pension: 50% of the insured's average monthly earnings in the 24 months before the onset of disability.

The minimum monthly pension is M\$171.43.

The maximum monthly earnings for calculating the disability pension are M\$2,000.

Constant-attendance supplement: 40% of the insured's pension (up to a maximum of M\$500 a month) if in need of the constant attendance of another person. The supplement is payable on the decision of the medical board of the Social Security Organization.

**Invalidity grant (social insurance):** A lump sum equal to the total employer and employee contributions plus interest. (The minimum annual interest rate is 4%.)

Benefit adjustment: Social insurance benefits are adjusted according to changes in the cost of living and the financial health of the fund.

### **Survivor Benefits**

**Survivor benefit (provident fund):** A lump sum equal to the total employee and employer contributions (Accounts 1, 2, and 3) plus compound interest, minus drawdown payments.

The interest rate (4.5% in 2003) is set annually by the government upon the recommendation of the Employees' Provident Fund Board.

Additional benefit (provident fund): A lump sum of M\$2,500.

**Survivor pension (social insurance):** If the deceased was a disability pensioner, 100% of the disability pension is payable. If the deceased was employed, 50% of the insured's average monthly earnings in the 24 months before death plus 1% of the insured's average monthly earnings in the 24 months before death for each 12-month period of contributions over 24 months.

The maximum survivor pension is 65% of the deceased's average monthly earnings in the 24 months before death.

Reduced survivor pension: 50% of the deceased's average monthly earnings in the 24 months before death.

The minimum monthly survivor pension is M\$171.43.

The maximum monthly earnings for calculating the survivor pension are M\$2,000.

**Funeral grant (social insurance):** Up to M\$1,500 is payable to the person who paid for the funeral.

Benefit adjustment: Social insurance benefits are adjusted according to changes in the cost of living and the financial health of the fund.

### **Administrative Organization**

**Provident fund:** Ministry of Finance (<http://www.treasury.gov.my>) provides general supervision for the program.

Managed by a tripartite governing board, the Employees' Provident Fund (<http://www.kwsp.gov.my>) 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.

Managed by a tripartite governing board, the Social Security Organization (Perkeso) (<http://www.perkeso.gov.my>) administers contributions and benefits.

### **Sickness and Maternity**

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#### **Regulatory Framework**

**First law:** 1951 (provident fund).

**Current law:** 1991 (provident fund).

**Type of program:** Provident fund system (medical benefits only).

#### **Coverage**

**Cash sickness and maternity benefits:** No coverage is provided.

**Medical benefits:** Private-sector employees and nonpensionable public-sector employees.

Voluntary coverage for domestic servants, foreign workers, self-employed persons, and pensionable public-sector employees.

Exclusions: All persons falling within the first schedule of the 1991 law, including all nomadic aborigines and prisoners or other persons detained in rehabilitation centers or psychiatric hospitals.

Special system for public-sector employees.

### Source of Funds

**Insured person:** See source of funds (provident fund) under Old Age, Disability, and Survivors, above.

**Self-employed person:** See source of funds (provident fund) under Old Age, Disability, and Survivors, above.

**Employer:** See source of funds (provident fund) under Old Age, Disability, and Survivors, above.

**Government:** See source of funds (provident fund) under Old Age, Disability, and Survivors, above.

### Qualifying Conditions

**Cash sickness and maternity benefits:** No coverage is provided.

**Medical benefits:** Covered by the provident fund.

### Sickness and Maternity Benefits

**Cash sickness and maternity benefits:** No benefits are provided.

### Workers' Medical Benefits

Fund members can withdraw savings from Account 3 to pay for medical treatment for a critical illness and for certain prosthetic appliances, if the employer does not provide full coverage for such treatment. A list of designated critical illnesses is provided by the Employees' Provident Fund Board.

### Dependents' Medical Benefits

Fund members can withdraw savings from Account 3 to pay for medical treatment for the following dependents: spouse, children, parents, parents-in-law, and siblings. The covered critical illnesses and prosthetic appliances are the same as for the fund member.

### Administrative Organization

Ministry of Finance (<http://www.treasury.gov.my>) provides general supervision for the program.

Managed by a tripartite governing board, the Employees' Provident Fund (<http://www.kwsp.gov.my>) administers contributions and benefits and is responsible for investing members' funds.

## Work Injury

### Regulatory Framework

**First law:** 1929.

**Current law:** 1969 (employees' social security).

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

### Coverage

Employees earning M\$2,000 or less a month (or earning M\$2,000 or less a month when first employed) and casual workers.

Voluntary coverage for employees earning more than M\$2,000 a month, on agreement between the employer and the employee.

Exclusions: Domestic servants, domestic drivers and gardeners, members of the armed forces, government servants, persons in detention institutions, prisoners, spouses of business owners, and the self-employed.

Special workers' compensation system for foreign workers.

Special system for public-sector employees.

### Source of Funds

**Insured person:** None.

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

**Employer:** 1.25% of monthly payroll according to 24 wage classes.

There are no minimum monthly earnings for contribution purposes (for the lowest wage class of under M\$30, the contribution is based on M\$20).

The maximum monthly earnings for contribution purposes are M\$2,000.

The minimum and maximum earnings levels for contribution purposes are adjusted periodically.

**Government:** None.

### Qualifying Conditions

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

### Temporary Disability Benefits

The benefit is 80% of the insured's average daily wage in the 6 months before the onset of disability. The insured must be certified by a medical doctor to be unfit for work for a minimum of 4 days. The benefit is payable without limit with continuing medical certification.

The minimum daily benefit is M\$10.

The maximum daily benefit is M\$52.

### **Permanent Disability Benefits**

**Permanent disability pension:** 90% of the insured's average daily wage in the 6 months before the onset of disability if totally disabled (assessed disability of 100%).

The minimum daily benefit for a permanent disability is M\$10.

The maximum daily benefit for a permanent disability is M\$58.50.

Constant-attendance supplement (total permanent disability): 40% of the insured's pension (up to a maximum of M\$500 a month) if in need of the constant attendance of another person. The supplement is payable on the decision of the medical board of the Social Security Organization.

Partial disability: A percentage of the full pension in proportion to the assessed degree of disability.

The minimum daily benefit for permanent partial disability is M\$10.

If the disability is assessed as less than 20%, the insured can request to receive the benefit as a lump sum.

Partial lump sum: Up to one-fifth of the benefit may be paid as a lump sum when the assessed disability is greater than 20%.

The degree of disability is assessed by the medical board appointed by the Social Security Organization in consultation with the Ministry of Health.

Benefit adjustment: Benefits are adjusted according to changes in the cost of living and the financial health of the fund.

### **Workers' Medical Benefits**

Benefits include necessary medical treatment, hospitalization, medicines, artificial limbs and other prosthetic appliances, and physical and vocational rehabilitation.

Care is provided in government hospitals and by a panel of physicians under contract with the Social Security Organization.

### **Survivor Benefits**

**Survivor pension:** The full daily benefit is 90% of the insured's average daily wage in the 6 months before death and is split as follows: 60% of the full daily benefit is payable to the widow (the widower if previously the insured's dependent); 40% to unmarried children (60% to full orphans) younger than age 21 (until the completion of a first university degree, no limit if disabled).

**Other eligible survivors (in absence of the above):** 40% of the full daily benefit is payable to parents (grandparents if the parents are deceased) and 30% to unmarried dependent brothers and sisters younger than age 21.

The spouse pension ceases on remarriage.

The minimum daily survivor benefit is M\$10.

The maximum daily survivor benefit is M\$58.50.

Benefit adjustment: Benefits are adjusted according to changes in the cost of living and the financial health of the fund.

**Funeral grant:** Up to M\$1,500 is payable to the person who paid for the funeral.

Benefit adjustment: Benefits are adjusted according to changes in the cost of living and the financial health of the fund.

### **Administrative Organization**

Ministry of Human Resources (<http://www.mohr.gov.my>) provides general supervision.

Managed by a tripartite governing board, the Social Security Organization (Perkeso) (<http://www.perkeso.gov.my>) administers contributions and benefits and contracts with health service providers for the provision of 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), with amendment.

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

#### Coverage

Gainfully employed persons, including the self-employed.

Exclusions: Casual labor under certain circumstances.

#### Source of Funds

**Insured person:** 7% of earnings.

The maximum earnings for contribution and benefit purposes are US\$5,000 a quarter.

**Self-employed person:** 14% of 3/4 of gross income.

The maximum earnings for contribution and benefit purposes are US\$5,000 a quarter.

**Employer:** 7% of payroll; employers in small businesses contribute 14% of twice the salary of the highest-paid employee.

The maximum earnings for contribution and benefit purposes are US\$5,000 a quarter.

**Government:** None; except for the contributions as an employer.

#### Qualifying Conditions

**Old-age pension:** Age 60 with 1 quarter of coverage for each year after June 30, 1968 (or since age 21, if later), with at least 12 quarters of coverage.

Early pension: Age 55 with at least 80 quarters of coverage.

Deferred pension: A deferred pension is possible.

**Disability pension:** Incapacity for usual work. One quarter of coverage for each year after June 30, 1968 (or since age 21, if later), with at least 12 quarters of coverage and 6 quarters of coverage during the last 40 quarters.

**Survivor pension:** The deceased had 1 quarter of coverage for each year after June 30, 1968 (or since age 21, if later), or at least 6 quarters of coverage in the 40 quarters before death.

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.

Pensions are payable abroad to noncitizens for 6 months only, unless reciprocity exists.

Lump-sum survivor benefit: Payable when all eligible survivors no longer qualify for survivor benefits as a result of death, remarriage, or age conditions.

#### Old-Age Benefits

**Old-age pension:** 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 in excess of US\$11,000 up to a maximum of US\$44,000.

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.

The minimum old-age pension is US\$128.99 a month.

#### Permanent Disability Benefits

**Disability pension:** 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 in excess of US\$11,000 up to a maximum of US\$44,000.

The minimum disability pension is US\$128.99 a month.

#### Survivor Benefits

**Survivor pension:** 100% of the deceased's pension, payable to a widow(er) at any age.

**Orphan's pension:** 25% of the deceased's pension for each orphan younger than age 18 (age 22 if a student, no limit if disabled before age 22).

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 equal to 4% of cumulative covered earnings minus the total value of benefits already paid.

#### Administrative Organization

Marshall Islands Social Security Administration administers the program.

#### Sickness and Maternity

##### 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 the self-employed.

Exclusions: Casual labor under certain circumstances.

### **Source of Funds**

**Insured person:** 3.5% of earnings.

**Self-employed person:** 10% of 3/4 of gross income.

**Employer:** 3.5% of payroll; employers in small businesses contribute 10% of twice the salary of the highest-paid employee.

**Government:** None; except for the contributions as an employer.

The maximum earnings for contribution and benefit purposes are US\$5,000 a quarter.

### **Qualifying Conditions**

**Cash sickness and maternity benefits:** No information is available.

**Medical benefits:** An insured employee or insured citizen.

### **Sickness and Maternity Benefits**

No information is available.

### **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**

No information is available.

### **Administrative Organization**

Ministry of Health Services administers the Social Security Health Fund.

## Micronesia

Exchange rate: Currency is the US dollar (US\$).

### Old Age, Disability, and Survivors

#### Regulatory Framework

**First law:** 1967.

**Current law:** 1982 (social security), implemented in 1983, with 2003 amendment.

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

#### Coverage

Gainfully occupied persons, including the self-employed.

**Exclusions:** Those engaged in casual labor working less than 1 week in any calendar month, certain self-employed persons, and those engaged in family employment.

Some government agencies provide individual retirement plans for employees.

#### Source of Funds

**Insured person:** 6% of earnings.

The minimum earnings for contribution purposes are US\$50 a quarter.

The maximum earnings for contribution purposes are US\$5,000 a quarter.

**Self-employed person:** 2.5% of business annual gross revenue for the previous calendar year.

The maximum earnings for contribution purposes are US\$5,000 a quarter.

**Employer:** 6% of twice the salary of the highest-paid employee per quarter.

**Government:** None; contributes as an employer.

#### Qualifying Conditions

**Old-age pension:** Age 60 with 1 quarter of coverage for each year after June 1968 (or since age 21, if later) up to age 60, with at least 12 quarters of coverage.

**Earnings test:** The old-age pension is reduced by US\$1 for each US\$2 of earnings above US\$300 a quarter, if the pensioner is reemployed.

**Old-age lump-sum benefit:** Payable to insured persons who do not qualify for the old-age pension at retirement age.

**Disability pension:** Incapacity for substantial gainful activity because of a disability that will last for at least a year or result in death. One quarter of coverage for each year after June 1968 (or since age 21, if later), with at least 12 quarters of coverage or at least 8 quarters of coverage during the last 13 quarters.

Eligibility for the disability pension may cease if the insured's condition improves.

Periodic examinations to determine the degree of disability are carried out by the Micronesia Social Security Administration's certified disability examiner.

**Dependent disabled child benefit:** If a wage earner dies fully insured, the benefit is payable to a dependent child who was disabled before reaching age 22. The benefit may continue for as long as the disability exists.

**Survivor pension:** The deceased had 1 quarter of coverage for each year after June 1968 (or since age 21, if later) or had at least 8 quarters of coverage in the 13 quarters before death.

The pension is payable to the surviving spouse and dependent children of a fully insured person. The pension for a spouse ceases on remarriage.

**Earnings test:** The survivor pension is reduced by US\$1 for each US\$2 of earnings the survivor receives above US\$300 a quarter.

**Survivor lump-sum benefit:** Payable to survivors if the benefits they are entitled to are less than 4% of the deceased's cumulative covered earnings.

All of the above pensions are payable abroad if a reciprocal agreement exists.

#### Old-Age Benefits

**Old-age pension:** The monthly pension is based on 16.5% of the first US\$10,000 of cumulative covered earnings, plus 3% of the next US\$30,000 of cumulative earnings, plus 2% of cumulative earnings over US\$40,000.

The minimum old-age pension is US\$50 a month.

**Old-age lump-sum benefit:** The lump sum is equal to 4% of the insured's cumulative covered earnings.

#### Permanent Disability Benefits

**Disability pension:** The monthly pension is based on 16.5% of the first US\$10,000 of cumulative covered earnings, plus 3% of the next US\$30,000 of cumulative earnings, plus 2% of cumulative earnings over US\$40,000.

The minimum disability pension is US\$50 a month.

**Dependent disabled child benefit:** 15% of the monthly disability pension that would have been payable to the deceased insured.

#### Survivor Benefits

**Survivor pension:** 60% of the deceased's pension is payable to a widow(er) at any age.

**Orphan's pension:** 15% of the deceased's pension for each child younger than age 18 (age 22 if a student, no limit if the child was disabled before age 22).

The maximum 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 full-orphan's pension is 100% of the deceased's pension (if there are seven or more children).

The minimum survivor pension is US\$50 a month.

The maximum survivor pension is 100% of the insured worker's pension.

Benefit adjustment: Survivor benefits are adjusted according to changes to the earnings test.

**Survivor lump-sum benefit:** 4% of the deceased's total cumulative covered earnings (reduced by the amount of any benefits paid to the insured and his or her eligible dependents).

### ***Administrative Organization***

U.S. Social Security Administration (<http://www.socialsecurity.gov>) administers the program.

Micronesia Social Security Administration (<http://www.fm/fmss>) administers the program at the local level.

## Nepal

Exchange rate: US\$1.00 equals 73.45 rupees.

### Old Age, Disability, and Survivors

#### Regulatory Framework

**First and current laws:** 1962 (provident fund); and 1994 (old-age allowance program), with 1995, 1996 (widow's allowance and disability pension), and 2002 (eliminating drawdown payment) amendments.

**Type of program:** Provident fund system and social assistance system.

#### Coverage

**Provident fund:** Compulsory coverage for government employees.

Voluntary coverage for any organization with 10 or more employees.

Exclusions: Self-employed persons, temporary workers, part-time workers, and domestic servants.

**Social assistance:** Nepalese citizens aged 75 or older, aged 60 or older and a widow, or aged 16 or older and assessed as disabled.

#### Source of Funds

##### Provident fund

*Insured person:* 10% of monthly earnings.

*Self-employed person:* Not applicable.

*Employer:* 10% of monthly payroll. (Additional voluntary contributions may be made by employers on behalf of employees.)

There are no maximum earnings for additional voluntary contributions.

*Government:* None.

##### Social assistance

*Insured person:* None.

*Self-employed person:* None.

*Employer:* None.

*Government:* Total cost.

#### Qualifying Conditions

**Old-age benefit (provident fund):** Retirement or termination of employment. The legal retirement age is 55 years; retirement may be deferred in certain instances until age 60.

Additional benefit scheme: Paid at retirement age.

Loan scheme (provident fund): Loans are provided from the fund member's own 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):** Nepalese citizens aged 75 or older.

**Personal accident insurance (provident fund):** In case of the permanent disability or accidental death of the fund member.

**Disability pension (social assistance):** Disabled Nepalese citizens aged 16 or older. The person must be assessed as blind or having lost the use of feet or hands.

**Survivor benefit (provident fund):** Payable for the death of the fund member.

**Funeral grant (provident fund):** Payable for the death of the fund member.

**Survivor allowance (social assistance):** Nepalese widows aged 60 or older who satisfy a means test (no personal income, not receiving family support, and not receiving a pension on behalf of a deceased husband).

#### Old-Age Benefits

**Old-age benefit (provident fund):** A lump sum equal to employer and employee contributions, plus 5.5% interest a year.

Additional benefit scheme: A lump sum calculated on the basis of the value of the old-age lump-sum benefit times 0.75% times the number of years of contributions, up to a maximum.

Loan scheme (provident fund): The maximum amount that may be borrowed and the maximum borrowing period vary according to the nature of the loan.

Government employees also receive a monthly pension, up to a maximum of 100% of basic salary.

Interest rate adjustment: Board of Directors of the Provident Fund decides the rate of interest on the basis of the fund's annual income.

**Old-age allowance (social assistance):** 150 rupees a month.

#### Permanent Disability Benefits

**Personal accident insurance (provident fund):** A lump sum of 55,000 rupees.

**Disability pension (social assistance):** 150 rupees a month.

#### Survivor Benefits

**Survivor benefit (provident fund):** 100% of the deceased fund member's lump-sum benefit. The benefit is payable to a named survivor or to the deceased's heirs. In the case of more than one named survivor, the amount is split equally.

The surviving spouse of a deceased government employee also receives a pension for up to 7 years, up to a maximum of 100% of basic salary.

Interest rate adjustment: Board of Directors of the Provident Fund decides the rate of interest on the basis of the fund's annual income.

**Funeral grant (provident fund):** 5,000 rupees on the death of the covered fund member.

**Personal accident insurance (provident fund):** A lump sum of 55,000 rupees.

**Survivor allowance (social assistance):** 150 rupees a month.

### **Administrative Organization**

**Provident fund:** The Employees' Provident Fund is an autonomous body operating under the general supervision of the Ministry of Finance.

Managed by a board of directors, the Employees Provident Fund (<http://www.epfnepal.com>) 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**

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#### **Regulatory Framework**

No statutory cash benefits are provided.

The 1993 Labor Code requires private-sector employers to pay 50% of wages for sick leave for up to 15 days each year, provided the employee has been continuously employed by the same employer for at least a year.

The 1983 Employment Act requires employers to pay 100% of wages for maternity leave of up to 52 days before or after childbirth. Maternity leave may be paid for up to two births. If both children subsequently die, the woman may take maternity leave for the birth of two more children.

Free medical treatment is provided to the elderly through government hospitals.

The 1974 Bonus Act requires private-sector enterprises to provide employees and their dependents with basic medical benefits.

#### **Work Injury**

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#### **Regulatory Framework**

**First law:** 1959.

**Current law:** 1992 (work injury), with 1993 amendment.

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

#### **Coverage**

Employees of establishments with 10 or more workers.

Exclusions: Self-employed persons and domestic servants.

Special system for miners.

#### **Source of Funds**

**Insured person:** None.

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

**Employer:** Total cost met through the direct provision of benefits or the payment of insurance premiums.

**Government:** None.

#### **Qualifying Conditions**

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

#### **Temporary Disability Benefits**

50% of earnings; 100% of earnings if hospitalized. The benefit is payable from the first day of incapacity for up to a year.

The nature of required treatment and degree of disability are based on the assessment of a recognized doctor, according to the schedule in law.

#### **Permanent Disability Benefits**

**Permanent disability benefit:** A lump sum equal to 5 years' wages if 100% disabled.

Partial disability: A lump sum in proportion to the assessed degree of disability.

#### **Workers' Medical Benefits**

The total cost of necessary treatment.

#### **Survivor Benefits**

A lump sum equal to 3 years of the deceased's wages is payable to a dependent survivor.

#### **Administrative Organization**

Labor and Employment Promotion Department 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 equal to 1 month's wages for each year of service in all establishments employing 10 or more workers.

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The 1993 Labor Rules require employers in establishments with 10 or more workers to pay a cash benefit to workers with at least 3 years' employment when they retire or resign, as follows: 50% of monthly wages for each of the first 7 years of service, 66% of monthly wages for each year between 7 and 15 years, and 100% of monthly wages for each year of service exceeding 15 years.

The employee may choose to receive the cash benefit or the severance lump sum.

## New Zealand

Exchange rate: US\$1.00 equals  
1.58 New Zealand dollars (NZ\$).

### Old Age, Disability, and Survivors

#### Regulatory Framework

**First laws:** 1898 (old-age pension), 1911 (widows' pension), 1924 (blind person's pension), and 1936 (disability pension).

**Current law:** 2001 (New Zealand superannuation).

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

Note: All net benefits reflect the primary tax rate applied.

#### Coverage

All residents.

#### Source of Funds

**Insured person:** None.

**Self-employed person:** None.

**Employer:** None.

**Government:** Total cost is financed from general revenues.

#### Qualifying Conditions

**Old-age pension (New Zealand superannuation):** Age 65 with 10 years' residence after age 20, including 5 years after age 50; no income or retirement test (except for a married pensioner with an unqualified spouse).

The pension is payable for up to 26 weeks if going abroad for no more than 30 weeks. A reciprocity agreement is required for the full payment of the pension if going abroad for longer; in other instances, partial payment up to 50%.

**Disability pension (invalids' benefit):** Permanent and severe restriction in working capacity or total blindness and at least 10 years' residence. The benefit is income-tested. If totally blind, personal earnings are exempt. The beneficiary must be older than age 16.

The disability pension may be paid for a limited period when going abroad temporarily, depending on individual circumstances.

**Survivor pension (widows' benefit, orphan's benefit, unsupported child's benefit):** Payable to a widow (or common-law wife) with dependent children, an orphan, or an unsupported child. The survivor must be a resident. The pension is income-tested.

The survivor pension may be paid for a limited period when going abroad temporarily, depending on individual circumstances.

#### Old-Age Benefits

**Old-age pension (New Zealand superannuation):** NZ\$249.09 (net) a week for a single person living alone, NZ\$229.93 (net) if sharing accommodation, or NZ\$383.22 (net) a week for an aged married couple.

The pension is not income-tested but may be reduced if receiving a benefit or pension from an overseas government.

A married pensioner with an unqualified spouse may receive half the married rate (NZ\$191.61 net) with no income test or the full married rate (NZ\$365.40 net) with an income test.

**Benefit adjustment:** Annual review of income-tested benefits according to change in the consumer price index for the previous calendar year.

**Assistance benefits:** Other assistance benefits available to old-age pensioners (some needs-tested) include an accommodation supplement, a disability allowance, and special needs grants.

#### Permanent Disability Benefits

**Disability pension (invalids' benefit):** Up to NZ\$205.18 (net) a week for a single person or NZ\$341.98 (net) a week for a couple.

**Youth rate:** If aged 16 or 17, NZ\$166.04 (net).

**Income test:** The benefit is reduced for income exceeding NZ\$4,160 a year. The personal earnings of totally blind persons are exempt.

**Dependent supplement:** Additional payments are provided for dependent children.

**Benefit adjustment:** Annual review of income-tested benefits according to change in the consumer price index for the previous calendar year.

**Assistance benefits:** Other assistance available to pensioners (some needs-tested) includes an accommodation supplement, family support payment, an advance payment of benefit, a training incentive allowance, transition-to-work assistance, a disability allowance, a special benefit, and special needs grants.

#### Survivor Benefits

##### Survivor pension

**Widows' benefit:** Up to NZ\$256.52 (net) a week. The pension is reduced for income exceeding NZ\$4,160 a year and is subject to taxation.

**Orphan's benefit:** Up to NZ\$113.97 (net) a week, subject to age, for each full orphan under age 18 (not taxable). The benefit is not income-tested.

**Unsupported child's benefit:** Up to NZ\$113.97 (net) a week, subject to age, for each full orphan under age 18 (not taxable). The benefit is not income-tested.

**Funeral grant:** Up to NZ\$1,569.28 for funeral costs (income-tested).

Income test: Net benefits are reduced by 30 cents for every gross dollar earned above NZ\$4,160 a year and by 70 cents for every gross dollar earned above NZ\$9,360.

Benefit adjustment: Annual review of income-tested benefits according to change in the consumer price index for the previous calendar year.

Assistance benefits: Other assistance benefits available to pensioners (some needs-tested) include an accommodation supplement, an advance payment of benefit, a training incentive allowance, transition-to-work assistance, a disability allowance, and special needs grants.

### Administrative Organization

Ministry of Social Development (Work and Income) (<http://www.msd.govt.nz>) administers pensions through its local offices.

### Sickness and Maternity

#### Regulatory Framework

**First law:** 1938.

**Current laws:** 1964 (social security), implemented in 1965, with 2001 amendment; and 1987 (parental leave and employment protection), with 2002 amendment.

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

#### Coverage

**Cash sickness benefits (sickness benefit):** Temporarily incapacitated for full-time work.

**Maternity benefits (sickness benefit):** Single women.

**Paid parental leave:** All residents, subject to employment history.

**Medical benefits:** All residents.

#### Source of Funds

**Insured person:** None.

**Self-employed person:** None.

**Employer:** None.

**Government:** Total cost is financed from general revenues.

#### Qualifying Conditions

**Cash sickness and maternity benefits (sickness benefit):** Aged 18 or older (age 16 if married with a dependent child) with 24 months of continuous residence. Must be resident. Benefits are income-tested.

For persons with less than 24 months of residence, an income- and asset-tested benefit is possible in cases of hardship.

**Paid parental leave:** Paid leave is payable for up to 12 weeks to one parent or shared between both parents. The paid leave replaces 100% of previous earnings, up to NZ\$334.75 gross a week (increasing to NZ\$346.63 gross a week from July 1, 2004). The recipient must have been employed by the same employer for more than 12 months before the expected date of childbirth or the adoption of a child under age 5 and have worked a minimum of 10 hours a week, including at least 1 hour a week or 40 hours a month.

**Medical benefits:** Resident or a stated intent to remain in the country for 2 years. There is no income test.

### Sickness and Maternity Benefits

**Sickness benefit:** Up to NZ\$164.16 (net) a week if aged 25 or older, single, and with no children; NZ\$136.79 (net) if between ages 20 and 24, or if aged 18 or 19 and living away from home; NZ\$109.43 (net) if aged 18 or 19 and living with a parent.

Up to NZ\$235.12 (net) for a single beneficiary with one child; NZ\$256.52 (net) if single with two or more children. Up to NZ\$273.58 (net) for a married couple without children; NZ\$290.72 (net) for a married couple with one or more children. All benefit amounts are weekly rates.

The benefit is payable after a waiting period of between 1 and 10 weeks, depending on previous income and family circumstances.

There is no limit on the period of eligibility for sickness benefit (unless paid because of pregnancy or a pregnancy-related medical complication, see below).

Income test: The sickness benefit is reduced if the beneficiary's and his or her partner's combined gross income exceeds NZ\$80 a week.

Benefit adjustment: Annual review of income-tested benefits according to change in the consumer price index for the previous calendar year.

**Maternity benefit (sickness benefit):** The benefit is normally payable to a single pregnant woman at the sickness benefit rate (see above) after the 27th week of pregnancy. Payment can continue for up to 13 weeks after childbirth.

Income test: Maternity benefit is reduced if the beneficiary's and her partner's combined gross income exceeds NZ\$80 a week.

Benefit adjustment: Annual review of income-tested benefits according to change in the consumer price index for the previous calendar year.

**Paid parental leave:** Paid leave is provided for up to 12 weeks to one parent or shared between both parents. The paid leave replaces 100% of previous earnings, up to NZ\$346.63 gross a week. The recipient must have been employed by the same employer for more than 12 months before the expected date of childbirth (or the adoption of a child under age 5) and have worked a minimum of 10 hours a week, including at least one hour a week or 40 hours a month.



**Benefit adjustment:** Annual review of benefits according to any percentage movement upward in average ordinary-time weekly earnings. Average ordinary-time weekly earnings (employees) are determined by the quarterly employment survey published by Statistics New Zealand.

### Workers' Medical Benefits

Subsidies are provided for those using health care. Free services include inpatient care in public hospitals, general practitioner care for children up to age 6, maternity services, and most laboratory services. Costs for care in a private hospital are not subsidized.

**Cost sharing:** Approved prescribed medicines are subsidized at various levels, depending on income.

Families with low income have access to a Community Services Card (CSC) that reduces prescription charges from a maximum of NZ\$15 per item to a minimum of NZ\$3 per item. If a family has paid for 20 items in a year, the charge falls to zero for CSC holders and NZ\$2 per item for other persons. There is no reimbursement for CSC holders for dental treatment, physiotherapy, work-injury related treatment, or for expenses for eyeglasses for children under age 6.

A government prescription charge applies for prescription items that are subsidized by the government. In certain cases, a premium must be paid if the cost of manufacture is more than the government subsidy. There is no government prescription charge on items for children under age 6. Some items have an unsubsidized manufacturer's charge.

### Dependents' Medical Benefits

Same as for the family head, with special subsidies for low-income families (defined according to predetermined annual gross family income levels and the number of family members) 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 branch and district offices.

Ministry of Social Development (Community Services Card Service Centre) administers Community Services Cards.

Ministry of Health (HealthPac) (<http://www.moh.govt.nz/moh.nsf>) administers medical benefits.

The Inland Revenue Department (<http://www.ird.govt.nz>) administers statutory paid parental leave benefits.

### Work Injury

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#### Regulatory Framework

**First law:** 1908.

**Current law:** 2001 (injury prevention, rehabilitation, and compensation), implemented in 2002, with 2002 (employer levies; ancillary services) amendments.

**Type of program:** Universal and employer-liability (with a public carrier) system. Employers may self-manage claims.

#### Coverage

The accident compensation scheme provides coverage for work injury and occupational disease for all New Zealand citizens and residents.

**Note:** The scheme also provides coverage for medical malpractice and certain criminal injuries for all New Zealand citizens and residents and temporary visitors to New Zealand including children and nonworking adults. In return, people do not have the right to sue for a personal injury covered by the scheme, other than for exemplary damages.

#### Source of Funds

##### Insured person

**Work injury:** None.

**Nonwork injury:** The cost of insurance premiums for nonwork-related injuries.

##### Self-employed person

**Work injury:** The cost of insurance premiums.

**Nonwork injury:** The cost of insurance premiums for nonwork-related injuries.

**Employer:** The cost of insurance premiums for employee work injuries.

##### Government

**Work injury:** Special earmarked taxes, including gas and motor vehicle licensing fees. Contributes as an employer for employees.

**Nonwork injury:** General revenues fund the program for nonearners.

**Note:** All of the above contributions are assigned to one of seven accounts. The type of injury claim determines from which account the compensation will be funded.

#### Qualifying Conditions

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

**Nonwork-related injury benefits:** There is a 1-week waiting period.

#### Survivor benefits

**Spouse:** Payments continue until the latest of the following: the end of 5 consecutive years from the date on which the entitlement first became payable, the date the deceased's youngest child reaches age 18, the date the spouse no longer provides care for the deceased's children younger than age 18,

or the date the spouse no longer provides care for any other qualifying dependent. (The spouse can choose between survivor benefits under superannuation or work injury.)

**Orphan:** Payments continue until the end of the calendar year in which he or she reaches age 18; the end of full-time study or age 21, whichever is earliest. A disabled orphan who was dependent on the deceased is eligible for weekly compensation after the end of the calendar year in which they reach age 18 if his or her average earnings are less than or equal to the minimum full-time earner rate.

**Other dependents:** Average weekly earnings over a 12-month period must not be greater than the minimum full-time earner rate, regardless of age.

### Temporary Disability Benefits

**Temporary disability benefit (weekly compensation):** 80% of the worker's average weekly earnings is payable until he or she is able to return to work. Weekly earnings are calculated under prescribed rules according to the worker's earnings in the period before the incapacity began. For work-related personal injuries, the employer pays for the first week of incapacity. (For nonwork-related personal injuries, there is a 1-week waiting period.) The benefit is payable for as long as a certified incapacity lasts or until age 65 (at which point New Zealand superannuation is payable).

Must be substantially unable to perform the usual job as a result of the injury. A registered medical practitioner must provide a medical certificate. Medical certificates are normally valid for 13 weeks. If incapacitated after 13 weeks, the worker must be reassessed by a registered medical practitioner and be issued with another medical certificate.

The minimum weekly benefit for incapacitated full-time earners is NZ\$288 (gross) a week if aged 18 or older; NZ\$230.40 (gross) if younger than age 18.

The maximum weekly benefit is NZ\$1,449.63 (gross).

**Earnings test:** If a worker receives income from work during a period of incapacity, weekly compensation is reduced proportionately. No deduction is made for the first NZ\$61.56 of earnings; 24 cents is deducted for every dollar of earnings in excess of NZ\$61.56 per week but less than NZ\$98.44 per week; 56 cents is deducted for every dollar of earnings in excess of NZ\$98.44 per week. Thresholds are adjusted annually through indexation. A further reduction is applied if total weekly earnings plus the adjusted weekly benefit is greater than the pre-incapacity weekly earnings. The total earnings that a worker can receive from work and benefits are equal to the level of pre-incapacity 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:** A single nontaxable payment to compensate for a permanent impairment resulting from an injury. Assessment for entitlement begins 2 years after the onset of injury, or once the injury stabilizes, whichever is earlier.

The worker must be assessed as having a permanent impairment of 10% or more. The lump sum ranges from NZ\$2602.73 for an assessed impairment of 10% to NZ\$104,109.06 for an assessed impairment of 80% or more.

**Independence allowance:** Payable for any long-term impairment resulting from an injury suffered before April 1, 2002. The allowance is paid on a quarterly basis, for as long as the worker remains eligible. The allowance is payable in addition to other cash assistance.

The worker must be assessed as having a permanent impairment of 10% or more. The allowance per quarter ranges from NZ\$139.49 for an assessed impairment of 10% to NZ\$837.07 for an assessed impairment of 80% or more. The allowance is nontaxable.

**Attendant care:** Provided to assist the worker achieve a maximum level of independence and rehabilitation. An assessor recommends the level of individual care required and the duration of the level of care. The cash benefit can be up to NZ\$3,000 a week, subject to individual needs.

Medical practitioners assess the degree of impairment.

**Benefit adjustment:** Benefit may increase if the initial assessed level of impairment increases.

### Workers' Medical Benefits

#### Medical care

A minimum contribution must be made for entitlement to medical care and physical rehabilitation, as specified in legislation. In some cases, the minimum contribution may be the full cost. The cost of benefits that are not specified are paid in full. The full cost of elective surgery is generally fully funded.

#### Social rehabilitation

Provided without limit and includes attendant care, household help, child care, aids and appliances, modification of motor vehicles or residential premises, and travel-related costs.

#### Vocational rehabilitation

Provided for up to 3 years to those entitled to compensation for loss of earnings and potential earnings, or to those who could be entitled if they did not receive vocational rehabilitation.

## Survivor Benefits

**Survivor pension:** If the deceased was an earner at the time of death, the weekly benefit is based on a percentage of the deceased's earnings. The benefit is payable to a surviving spouse, child, or other dependent.

**Spouse benefit:** 60% of the weekly compensation rate that would have been payable to the deceased.

**Orphan's benefit (under age 18):** 20% of the weekly compensation rate that would have been payable to the deceased; 40% for a full orphan.

**Other dependents:** 20% of the weekly compensation rate for a total incapacity that would have been payable to the deceased.

The maximum total weekly compensation payable to survivors is 80% of the deceased's weekly earnings, subject to the maximum.

**Survivor's grant:** NZ\$5,022.84 to a spouse; NZ\$2,511.42 to each child under age 18 or other dependent.

**Child care (weekly compensation):** NZ\$106.81 a week for one child; a total of NZ\$149.53 a week for three or more children. The benefit is nontaxable.

**Funeral grant:** A grant of up to NZ\$4,684.91 is payable to the deceased's personal representative.

## Administrative Organization

The Department of Labor (<http://www.dol.govt.nz>) provides a purchasing and monitoring function and administers the legislation.

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

All persons under the qualifying age for superannuation who are unemployed and actively seeking employment.

Independent youth benefit is paid to single persons aged 16 or 17 who are not living with their parents and who cannot be supported by their parents.

Exclusions: Pensioners, full-time students, and striking workers.

### Source of Funds

**Insured person:** None.

**Self-employed person:** None.

**Employer:** None.

**Government:** Total cost is financed from general revenues.

## Qualifying Conditions

**Unemployment benefit:** Aged 18 or older (age 16 if married with a dependent child) with 24 months of residence. The benefit is income-tested. If resident for less than 24 months, an income- and asset-tested hardship or emergency benefit is possible at an equivalent rate to the unemployment benefit. The person must be registered at a labor office and actively seeking work.

The benefit is not payable if unemployment was voluntary or due to dismissal for serious misconduct or involvement in an industrial dispute. The beneficiary must comply with the work test, which includes acceptance of any offer of suitable employment. The benefit may be withheld for up to 13 weeks in cases of voluntary unemployment or the failure to meet employment-related obligations.

**Independent youth benefit:** Aged 16 or 17 and not living with, and cannot be supported by, parents. Beneficiaries must have no dependent children; have lived continuously in New Zealand for 2 years or more; be available for and actively seeking full-time work; be in training; be sick, injured, or disabled; or be at school.

Unmarried beneficiaries must not be living with parents or financially supported by them and it is not reasonable to expect this support.

## Unemployment Benefits

Up to NZ\$164.16 a week if aged 25 or older, single, and with no children; NZ\$136.79 if between ages 20 and 24 or if aged 18 or 19 and living away from home; NZ\$109.43 if aged 18 or 19 and living with a parent.

Up to NZ\$235.12 for a single beneficiary with one child; NZ\$256.52 if single with two or more children. Up to NZ\$273.58 for a married couple without children; NZ\$290.72 for a married couple with one or more children.

All benefits are weekly rates, net of tax.

**Income test:** The benefit is reduced if the worker's and his or her partner's combined gross income exceeds NZ\$80 a week. Income (including any income of a partner) is charged weekly, with 70 cents taken from the benefit for each NZ\$1.00 of income over NZ\$80.00 (before tax) a week. For a married worker (with or without dependent children) whose partner is granted a benefit in his or her own right (other than a veteran's pension) or is not entitled to receive benefit because of voluntary unemployment, misconduct, or strike action, 35 cents is taken from the benefit for each NZ\$1.00 of their combined income over NZ\$80.00 (before tax) a week.

The benefit is payable after a waiting period of between 1 and 10 weeks, depending on previous income and family circumstances.

There is no maximum period for which the unemployment benefit can be paid.

Benefit adjustment: Annual review of benefits according to change in the consumer price index for the previous calendar year.

**Independent youth benefit:** Up to NZ\$136.79 (net) a week.

Income test: For a single worker, 70 cents is taken from the benefit for each NZ\$1.00 of income over NZ\$80.00 (before tax) a week. For a married worker (if worker and spouse can both receive an independent youth benefit), 35 cents is taken from each of their benefits for each NZ\$1.00 of their combined income over NZ\$80.00 (before tax) a week. For a married worker whose partner is not receiving an independent youth benefit, 70 cents is taken from the benefit for each NZ\$1.00 of their combined income over NZ\$80.00 (before tax) a week.

### Administrative Organization

Ministry of Social Development (Work and Income) (<http://www.msd.govt.nz>) administers benefits through its branch and district offices.

### Family Allowances

#### Regulatory Framework

**Current laws:** 1973 (social security), 1978 (social security), and 1999 (taxation).

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

#### Coverage

**Domestic purposes benefit:** Single parents caring for a dependent child under age 18 or a person caring for someone (other than a spouse) who would otherwise be hospitalized. A domestic purposes benefit (woman alone) is payable to a woman who has no dependent children and has one of the following events take place after she has reached age 50: her last dependent child is no longer dependent and she has been married or had the care of a dependent child for at least 15 years in total; she has lost the support of her partner and was married for at least 5 years (loss of support can be due to the imprisonment of the partner); or she has stopped providing full-time care for an incapacitated relative and has provided this care for at least 5 years.

**Emergency maintenance allowance:** Payable to single parents who do not qualify for domestic purposes benefit on the grounds of residency or age or who are experiencing hardship. The allowance is payable at the same rate as the domestic purposes benefit.

**Child disability allowance:** Persons caring for children with physical or mental disabilities at home.

**Family support:** Low-income working and beneficiary families with dependent children.

**Child tax credit:** Low-income working families with dependent children.

**Family tax credit:** Low-income nonbeneficiary working families with dependent children.

**Parental tax credit:** Low-income working families.

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:** Total cost is financed from general revenues.

### Qualifying Conditions

#### Family allowances

**Domestic purposes benefit:** Payable to unsupported single parents aged 18 or older who have resided in New Zealand during the last 10 years and have dependent children under age 18; no residence requirement if the child is born in New Zealand.

**Emergency maintenance allowance:** As a substitute for the domestic purposes benefit, payable to single parents experiencing hardship where: the beneficiary has children born outside New Zealand who do not meet the 5 years' residence criterion for domestic purposes benefit (single parent) or widows' benefit; workers who are unpaid during a break in employment; beneficiaries experiencing domestic violence and still living with their partner; or single parents aged 16 or 17 (never legally married) who cannot be supported by their parents.

**Child disability allowance:** The allowance is payable if the child was born in New Zealand or has resided there during the last 12 months, or if there is a stated intent to reside in the country permanently. The allowance is paid to a parent or guardian of a child under age 18 with serious disabilities living at home.

**Family support:** Payable to families with low or moderate income with children aged 17 or younger (age 18 if a student) living at home. Qualifying income depends on the number of children in the family.

**Child tax credit:** Low- to middle-income families with children aged 17 or younger (age 18 if a student) and not receiving other benefits. Qualifying income depends on the number of children in the family.

**Family tax credit:** Families receiving family support with children aged 17 or younger (age 18 if a student). Family annual income is under NZ\$18,368. A couple must be working jointly more than 30 hours a week; 20 hours or more a week for single-parent families. Eligibility also requires that at least one parent is working and neither are receiving superannuation or income-tested benefits.

*Parental tax credit:* Families with income under a certain level (depends on the number of children) on the birth of a child and not receiving superannuation or income-tested benefits.

## **Family Allowance Benefits**

### **Family allowances**

*Domestic purposes benefit:* NZ\$235.12 a week if a single parent with one child; NZ\$256.52 if single with two or more children. The benefit is payable after a waiting period of between 1 and 10 weeks, depending on previous income and family circumstances.

*Emergency maintenance allowance:* NZ\$235.12 a week if a single parent with one child; NZ\$256.52 if single with two or more children. The benefit is payable after a waiting period of between 1 and 10 weeks, depending on previous income and family circumstances.

*Income test:* The benefit is reduced if gross weekly income exceeds NZ\$80 (NZ\$4,160 a year). For gross weekly income between NZ\$80 and NZ\$180, the benefit is reduced by 30% and then 70%. The benefit may be reduced, suspended, or canceled if the recipient fails to meet the requirements of the personal development and employment planning process. This planning process may include attending interviews, developing and signing a personal development and employment plan, taking part in an annual review of the plan, and showing commitment to the goals included in the plan.

*Child disability allowance:* NZ\$36.30 a week; no income test.

*Family support:* Up to NZ\$47 a week for the first child; NZ\$40 for subsequent child over age 12; NZ\$32 for subsequent children between ages 0 and 12; and NZ\$60 for all children aged 16 to 18.

*Income test:* The tax credit is reduced by 18 cents for each NZ\$1 of income exceeding NZ\$20,356 (gross) a year and reduced by 30 cents for each NZ\$1 of income over NZ\$27,481 (gross) a year.

*Child tax credit:* Up to NZ\$15 per child a week.

*Income test:* The tax credit is reduced by 30 cents for each NZ\$1 of income once family support is fully abated.

*Family tax credit:* A guaranteed net income for working families of NZ\$286 a week (NZ\$18,368 a year).

*Parental tax credit:* The credit is paid to working families for the first 8 weeks after the birth or adoption of a child. The parental tax credit is available to families who qualify for family support, the child tax credit, or both. The parental tax credit is NZ\$150 (net) a week per qualifying child, and the maximum parental tax credit is NZ\$1,200 per child per year.

*Benefit adjustment:* Benefits are subject to periodic review and 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 branch and district offices. It also administers family support payments to people whose total gross income is below NZ\$20,356 and receive a core benefit or a related emergency benefit.

Inland Revenue Department (<http://www.ird.govt.nz>) administers the child tax credit, family tax credit, parental tax credit, and family support (for people whose income is greater than NZ\$20,356 or who do not receive a core or related emergency benefit paid by the district and branch offices of Work and Income, Ministry of Social Development).

## Oman

Exchange rate: US\$1.00 equals 0.38 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 between ages 15 and 59 employed in the private sector under a permanent work contract.

Exclusions: Foreign workers, domestic servants, and artisans.

#### Source of Funds

**Insured person:** 5% of monthly basic salary.

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

**Employer:** 8% of monthly basic salary.

**Government:** 2% of monthly basic salary.

The minimum earnings for contribution purposes are 100 rials for citizens working in Oman; 200 rials for citizens working abroad.

There are no maximum earnings for contribution purposes for citizens working in Oman; 800 rials for citizens working abroad.

#### 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:** A reduced pension is paid before retirement age with 240 months (men) or 180 months (women) of contributions.

**Deferred pension:** The insured has 180 months of contributions including at least 36 months during the 5 years before retirement. There is no maximum age for deferral.

**Disability pension:** The insured has 6 months of contributions before the onset of disability or 12 months of contributions including the 3 months immediately before the onset of disability.

**Survivor pension:** The deceased had at least 6 months of contributions or 12 months of contributions including the 3 months immediately before death.

**Marriage grant:** Payable to an orphaned daughter when she marries. The daughter's orphan pension ceases on marriage.

**Funeral grant:** A lump sum is payable toward the cost of the insured's funeral to the widow(s) or widower or to the oldest son or, in their absence, the authorized person.

**Death grant:** A lump sum is payable on the death of the insured to the widow(s) or widower or to the oldest son or, in their absence, the authorized person.

#### Old-Age Benefits

**Old-age pension:** 1/40th of the insured's average wage during the last 2 years of employment times the number of full years of contributions.

**Early pension:** The pension is reduced by 20% if younger than age 45; by 15% if aged 45 to 49; by 10% if aged 50 to 54.

**Deferred pension:** 1/40th of the insured's average wage during the last 2 years of employment times the number of full years of contributions.

#### Permanent Disability Benefits

**Disability pension:** 1/40th of the insured's last wage times the number of full years of contributions.

The minimum pension is 40% of the insured's earnings at the onset of disability.

#### Survivor Benefits

**Survivor pension:** 25% of the deceased's pension is payable to a widow(er). The widow's pension ceases on remarriage. If there is more than one widow, the pension is divided equally among the widows.

**Orphan's pension:** 50% of the deceased's pension is payable to sons up to age 22 (age 26 if a student, no limit if disabled) and unmarried daughters.

**Other eligible survivors:** 25% of the deceased's pension is divided equally among other dependents, including the father, mother, brothers (up to age 22), and unmarried sisters.

In the absence of any of the above groups of eligible survivors, that portion of the survivor pension is divided among the other groups, up to a maximum of 100%.

**Marriage grant:** A lump sum equal to 15 times the orphan's pension.

**Funeral grant:** A lump sum equal to 3 months of the deceased's earnings or pension, up to a maximum of 1,000 rials.

**Death grant:** A lump sum equal to 3 months of the deceased's earnings or pension.

#### Administrative Organization

Minister of Manpower provides general supervision.

Managed by a nine-member board of directors chaired by the Minister of Manpower, the Public Authority for Social Insurance (<http://www.taminat.com>) 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 between ages 15 and 59 employed in the private sector under a permanent work contract.

Exclusions: Foreign workers, domestic servants, 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 for benefits for a work injury or an occupational disease.

### **Temporary Disability Benefits**

Daily allowances equal to 75% of the insured's current monthly earnings divided by 30 are payable for as long as the insured is unable to work.

### **Permanent Disability Benefits**

**Permanent disability pension:** 75% of the insured's monthly basic earnings if totally disabled.

Partial disability: If 30% or more disabled, the pension is proportional to the assessed degree of disability; if less than 30% disabled, a lump sum equal to 36 times the monthly pension based on the assessed degree of disability.

### **Workers' Medical Benefits**

Hospitalization, general and specialist care, medicines, rehabilitation, and transportation.

### **Survivor Benefits**

**Survivor pension:** 25% of the deceased's pension is payable to a widow(er). The widow's pension ceases on remarriage. If there is more than one widow, the pension is divided equally among the widows.

**Orphan's pension:** 50% of the deceased's pension is payable to sons up to age 22 (age 26 if a student, no limit if disabled) and unmarried daughters.

**Other eligible survivors:** 25% of the deceased's pension is divided equally among other dependents, including the father, mother, brothers (up to age 22), and unmarried sisters.

In the absence of any of the above groups of eligible survivors, that portion of the survivor pension is divided among the other groups, up to a maximum of 100%.

### **Administrative Organization**

Minister of Manpower provides general supervision.

Managed by a nine-member board of directors chaired by the Minister of Manpower, the Public Authority for Social Insurance (<http://www.taminat.com>) administers the program.

## Pakistan

Exchange rate: US\$1.00 equals 57.69 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 in firms with 10 workers or more.

Voluntary coverage for employees of firms with fewer than 10 workers.

Exclusions: Family labor and the self-employed.

Special systems for public-sector employees; members of the armed forces; police officers; and employees of statutory bodies, local authorities, banks, and railways.

Commercial and industrial establishments with 50 employees or more must provide group insurance for temporary and permanent disability and death benefits for employees earning less than 3,000 rupees a month.

#### Source of Funds

**Insured person:** 20 rupees a month.

The maximum earnings for contribution and benefit purposes are 3,000 rupees a month.

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

**Employer:** 5% of payroll.

The maximum earnings for contribution and benefit purposes are 3,000 rupees a month.

**Government:** Subsidies as needed.

#### Qualifying Conditions

**Old-age pension:** Age 60 (men) or age 55 (women and miners) with 15 years of contributions. Retirement from covered employment is not necessary.

Early pension: A reduced pension is payable from ages 55 to 59 (men) or ages 50 to 54 (women).

**Old-age grant:** If ineligible for the old-age pension, age 60 (men) or age 55 (women) with 2 to 14 years of covered employment.

**Disability pension:** The loss of 2/3 of earning capacity with 15 years of contributions or 5 years of contributions including 3 out of the last 5 years.

**Survivor pension:** The deceased had at least 36 months of covered employment or was a pensioner at the time of death.

#### Old-Age Benefits

**Old-age pension:** 2% of the average monthly wage (based on the last 12 months' earnings) times the number of years of covered employment.

The minimum old-age pension is 700 rupees (November 2001).

Early pension: The full old-age pension is reduced by 0.5% for each month that the pension is taken before age 60 (men) or age 55 (women). The minimum pension is reduced similarly.

**Old-age grant:** A lump sum equal to 1 month's wage for each year of covered employment.

#### Permanent Disability Benefits

**Disability pension:** 2% of the average monthly wage (based on the last 12 months' earnings) times the number of years of covered employment.

The minimum disability pension is 700 rupees (November 2001).

#### Survivor Benefits

**Survivor pension:** 100% of the deceased's minimum pension is divided equally if there is more than one widow. The surviving widow must have been married to the deceased before the deceased reached the minimum pensionable age for the old-age pension.

The minimum pension is 700 rupees (November 2001).

If a surviving spouse dies within 5 years of first receiving the survivor pension, the remaining balance of the 5 years' survivor pension is paid to the deceased's surviving parents.

#### Administrative Organization

Ministry of Labor, Manpower, and Overseas Pakistanis (<http://www.pakistan.gov.pk>) provides general supervision.

Employees' Old-Age Benefits Institution (<http://www.eobi.gov.pk>) administers the old-age pension.

#### 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 in industrial, commercial, and other establishments (including domestic servants) earning 3,000 rupees a month or less whose employer has opted into the self-assessment scheme for the calculation of contributions due and employees earning 5,000 rupees a month whose employer has not opted



into the self-assessment scheme for the calculation of contributions due.

**Exclusions:** Family labor; the self-employed; employees earning more than 3,000 rupees a month whose employer has opted into the self-assessment scheme for the calculation of contributions due and employees earning 5,000 rupees a month whose employer has not opted into the self-assessment scheme for the calculation of contributions due.

Eligibility does not cease on leaving covered employment. Once covered, a person remains eligible for benefits.

Special systems for public-sector employees, members of the armed forces, police officers, local authority employees, and railway employees.

### Source of Funds

**Insured person:** 20 rupees a month.

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

**Employer:** 7% of payroll.

The above employer contributions also finance work injury benefits.

The maximum earnings for contribution and benefit purposes are 3,000 rupees a month or 120 rupees a day for employers opting into the self-assessment scheme for the calculation of contributions due and 5,000 rupees a month or 200 rupees a day for employers not opting into the self-assessment scheme for the calculation of contributions due.

**Government:** None.

### Qualifying Conditions

**Cash sickness benefits:** 90 days of contributions in the last 6 months.

**Cash maternity benefits:** 180 days of contributions in the last 12 months.

**Medical benefits:** Currently covered.

### Sickness and Maternity Benefits

**Sickness benefit:** 75% of the insured's earnings; 100% in cases of tuberculosis and cancer (50% in the North-West Frontier Province and Baluchistan). The benefit is payable after a 2-day waiting period for up to 121 days (365 days for tuberculosis and cancer) in a 1-year period.

**Death grant:** 1,500 rupees.

**Maternity benefit:** 100% of earnings is payable for 12 weeks, including no more than 6 weeks before the expected date of childbirth.

### Workers' Medical Benefits

Medical services are provided mainly through social security facilities. Benefits include general medical care, specialist care, medicines, hospitalization, maternity care, and transportation.

Benefits are awarded for as long as it is considered necessary or for 6 months after the patient has exhausted entitlement to sickness benefit, whichever period is shorter.

### Dependents' Medical Benefits

Same as for the insured worker, except that hospitalization for dependents is provided only in cases of maternity, surgery, and cancer.

### Administrative Organization

Provincial Labor Department provides general supervision.

Provincial Employees' Social Security Institutions in Punjab, Sindh, North-West Frontier Province, and Baluchistan 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 for provision of medical services.

### Work Injury

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#### Regulatory Framework

**First law:** 1923 (workmen's compensation; remains in force for employees not covered by the current law), implemented in 1924.

**Current law:** 1965 (provincial social security).

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

#### Coverage

**Social security:** Employees of industrial, commercial, and other establishments earning 3,000 rupees a month or less whose employer has opted for self-assessment and employees earning 5,000 rupees a month or less if the employer has not opted for self-assessment.

**Exclusions:** Family labor, the self-employed, and persons earning above 3,000 rupees a month.

**Workmen's compensation:** Employees of industrial establishments with 10 workers or more earning 3,000 rupees a month or less.

**Exclusions:** Family labor, the self-employed, and persons earning more than 3,000 rupees a month.

Special systems for public-sector employees, members of the armed forces, police officers, local authority employees, and railway employees.

#### 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, above.

*Workmen's compensation:* 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; 100% in Punjab and Sindh. The benefit is payable after a 3-day waiting period for up to 180 days (the waiting period is waived in Punjab).

**Workmen's compensation:** Insured persons with earnings of less than 3,000 rupees a month receive 50% of monthly earnings for up to a year; for a lung disease, 33% of monthly earnings for up to 5 years.

**Permanent Disability Benefits****Permanent disability pension**

*Social security:* 75% of earnings (100% in Punjab) for a loss of earning capacity of 67% or more.

Partial disability: Up to 66% of the benefit for full disability based on a formula.

*Workmen's compensation:* For permanent total disability, a lump sum of 200,000 rupees. The cost of any medical examination is paid by the employer.

**Workers' Medical Benefits**

Medical services are provided mainly through social security facilities. Benefits include general medical care, specialist care, medicines, hospitalization, maternity care, dental care, and transportation.

There is no limit to duration.

**Survivor Benefits**

**Survivor pension (social security):** 60% of the deceased's total disability pension. The pension is payable to a widow or a needy disabled widower.

**Orphan's pension (social security):** 20% of the deceased's pension for each orphan younger than age 16; 40% for a full orphan.

**Dependent parent pension (social security):** In the absence of a widow(er) and orphans, 20% of the deceased's pension.

The maximum survivor pension is 100% of the deceased's pension.

**Death grant (social security):** 1,500 rupees.

**Survivor grant (workmen's compensation):** A lump sum of 100,000 rupees.

**Administrative Organization**

**Social security:** Provincial Labor Department provides general supervision.

Provincial Employees' Social Security Institution administers contributions and benefits.

**Workmen's compensation:** Workmen's compensation commissioners in provinces provide general supervision.

**Unemployment****Regulatory Framework**

No statutory unemployment benefits are provided.

The labor code requires employers with 20 employees or more to pay a severance payment equal to the last 30 days' wages for each year of employment.

## Palau

Exchange rate: 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 occupied persons, including some categories of self-employed persons.

Voluntary coverage for self-employed persons with no employees and gross earnings under US\$10,000 a year but more than US\$300 per quarter.

Exclusions: Casual labor and self-employed persons with no employees and annual gross income of less than US\$300 per quarter.

#### Source of Funds

**Insured person:** 6% of earnings.

The maximum earnings for contribution and benefit purposes are US\$3,000 per quarter.

**Self-employed person:** 12% of twice the salary of their highest paid employee (if no employees, 12% of 1/4 of gross revenue).

The maximum earnings for contribution and benefit purposes are US\$3,000 per quarter.

**Employer:** 6% of payroll.

The maximum earnings for contribution and benefit purposes are US\$3,000 per quarter.

**Government:** None; contributes as an employer.

#### Qualifying Conditions

**Old-age pension:** Age 60 with 1 quarter of coverage for each year after June 1968 (or since age 21, if later) up to age 60.

**Disability pension:** Incapacity for substantial gainful activity due to a disability that is likely to last a year or result in death. One quarter of coverage for each year after June 1968 (or since age 21, if later) with at least 12 quarters of coverage or at least 8 quarters of coverage during the last 13 quarters.

**Survivor pension:** The deceased had 1 quarter of coverage for each year after June 1968 (or since age 21, if later) or had at least 8 quarters of coverage in the 13 quarters preceding death.

The survivor pension is payable abroad if reciprocity exists.

#### Old-Age Benefits

**Old-age pension:** 16.5% of the first US\$11,000 of the insured's cumulative covered earnings, plus 2.7% of earnings between US\$11,000 and US\$44,000, plus 1.35% of earnings over US\$44,000.

The minimum old-age pension is US\$47.50 a month.

#### Permanent Disability Benefits

**Disability pension:** 16.5% of the first US\$11,000 of the insured's cumulative covered earnings, plus 2.7% of earnings between US\$11,000 and US\$44,000, plus 1.35% of earnings over US\$44,000.

The minimum disability pension is US\$47.50 a month.

#### Survivor Benefits

**Survivor pension:** 60% of the deceased's pension is payable to a widow(er) at any age.

**Orphan's pension:** 15% of the deceased's pension for 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\$500 a quarter if aged 50 or younger.

The minimum survivor pension is US\$47.50 a month.

The maximum survivor pension is 100% of the insured's pension.

#### Administrative Organization

U.S. Social Security Administration (<http://www.socialsecurity.gov>) administers the program.

Social Security System administers the program at the local level.

## Papua New Guinea

Exchange rate: US\$1.00 equals 3.08 kina (K).

### Old Age, Disability, and Survivors

#### Regulatory Framework

**First law:** 1980 (provident fund).

**Current law:** 2000 (superannuation), with 2002 amendment; implemented in 2002.

**Type of program:** Mandatory occupational retirement system.

#### Coverage

Employed persons in firms with 20 or more workers.

Exclusions: Casual workers with employment contracts of less than 3 months, domestic servants, and self-employed persons.

Voluntary coverage for noncitizens.

#### Source of Funds

**Insured person:** 5% of earnings.

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

**Employer:** 7% of payroll.

**Government:** None.

To equalize contributions rates with those of the public sector, private-sector employee and employer contributions are to be increased to 5.5% and 7.7%, respectively, in 2005 and to 6% and 8.4%, respectively, in 2008.

#### Qualifying Conditions

**Old-age benefit:** Age 55 and retired from covered employment; unemployed for 12 months.

A lump sum is payable at any age after a 1-year waiting period if emigrating permanently.

**Drawdown payment:** Permitted for the purpose of providing housing. Limited periodic drawdown payments are also permitted after 3 months of unemployment.

**Disability benefit:** Total permanent incapacity.

**Survivor benefit:** Payable for the death of the insured before retirement.

#### Old-Age Benefits

A lump sum equal to total employee and employer contributions plus accumulated interest.

**Drawdown payment:** Up to 60% of the member's accumulated contributions may be used for housing. The payment is treated as an advance on benefits. Members must make an additional 2% contribution until the full value of the advance is

repaid. If an unemployed fund member has less than K1,000 in the account, the total amount can be withdrawn after 3 months.

#### Permanent Disability Benefits

A lump sum equal to total employee and employer contributions plus accumulated interest.

#### Survivor Benefits

A lump sum equal to total employee and employer contributions plus accumulated interest. The benefit is payable to a named survivor.

#### Administrative Organization

Public Employees Association Superannuation Fund Board manages the program.

Bank of Papua New Guinea (<http://www.bankpng.gov.pg>) regulates the superannuation funds and sets prudential standards.

Trustees of authorized superannuation funds appoint licensed investment managers and administrators.

Directors, investment managers, and fund administrators are responsible for ensuring that the routine management, investment, and administration of superannuation funds comply with the law.

#### Sickness and Maternity

##### Regulatory Framework

Limited medical services are available free of charge or at nominal cost in government clinics and hospitals.

The 1978 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 domestic servants. (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:** Total cost, met through the direct provision of benefits or 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:** 80% of average weekly earnings.

The minimum and maximum annual earnings for benefit calculation purposes are K625 and K1,875.

The minimum pension is K18 a week.

The maximum pension is K75, plus K10 for each dependent child, if the insured has a fully or partially dependent spouse; K65 a week for a single person. The maximum pension is 100% of the insured's earnings.

The maximum employer liability for total disability is K22,000.

Partial disability: The pension is reduced in proportion to lost earnings.

The maximum employer liability for partial disability is K25,000.

### **Workers' Medical Benefits**

Medical benefits include the reasonable cost of treatment, medicines, hospitalization, surgery, transportation, appliances, and specialist treatment, up to a maximum.

### **Survivor Benefits**

**Survivor grant:** A lump sum equal to eight times the annual earnings of the deceased at the time of the injury plus K4.60 a week for each dependent child.

The minimum grant is K8,750, plus K10 a week for each dependent child.

The maximum grant is K 25,000, plus K10 a week for each dependent child.

Eligible survivors include all family members (children younger than age 16) 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 tribunal may decide eligibility and the amount payable to each other survivor.

**Funeral grant:** The cost of funeral expenses up to K750.

### **Administrative Organization**

Department of Labor and Industry administers the program.

## Philippines

Exchange rate: US\$1.00 equals 55.86 pesos.

### Old Age, Disability, and Survivors

#### Regulatory Framework

**First and current law:** 1954 (old age, disability, and survivors), with 1997 amendment.

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

#### Coverage

Private-sector employees up to age 60 earning at least 1,000 pesos a month; domestic employees up to age 60 earning at least 1,000 pesos a month; and all self-employed persons up to age 60 with 1,000 pesos or more in monthly income.

Voluntary coverage for Filipinos recruited by a foreign-based employer for employment 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 monthly gross insured earnings. The insured monthly earnings are set according to 29 income classes.

Voluntarily insured persons pay the combined insured person and employer contributions of 9.4% of monthly gross insured earnings, according to 29 income classes. Voluntarily insured nonworking spouse's contributions are based on 50% of the monthly gross insured earnings of the working spouse. Voluntary contributions may be paid in advance for a period of up to 5 years, in which case the payable amount is adjusted by a discount factor.

The minimum insured monthly earnings for contribution and benefit purposes are 1,000 pesos (5,000 pesos for voluntarily insured overseas workers).

The maximum insured monthly earnings for contribution and benefit purposes are 15,000 pesos.

The above contributions also finance cash sickness and maternity benefits and funeral benefits.

**Self-employed person:** Pays the combined insured person and employer contributions of 9.4% of monthly gross insured earnings, according to 29 income classes. Contributions may be paid in advance for a period of up to 5 years, in which case the payable amount is adjusted by a discount factor.

The minimum insured monthly earnings for contribution and benefit purposes are 1,000 pesos.

The maximum insured monthly earnings for contribution and benefit purposes are 15,000 pesos.

The above contributions also finance cash sickness and maternity benefits and funeral benefits.

**Employer:** 6.07% of the employee's monthly insured earnings.

The minimum insured monthly earnings for contribution and benefit purposes are 1,000 pesos.

The maximum insured monthly earnings for contribution and benefit purposes are 15,000 pesos.

The above contributions also finance cash sickness and maternity benefits and funeral benefits.

**Government:** Any deficit.

The minimum and maximum insured monthly earnings for contribution purposes 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 120 months of contributions before the 6-month period prior to retirement. Employment or self-employment must cease. Age 65, regardless of employment, with 120 months of contributions.

Age 55 (underground mineworkers) if involuntarily unemployed or ceased self-employment and worked underground for at least 5 years.

The pension is suspended if an old-age pensioner resumes employment or self-employment before age 65. There is no employment test after age 65.

**Old-age settlement:** Age 60 with less than 120 months of contributions.

**Disability pension:** Permanent total or partial disability with 36 months of contributions before the 6-month period prior to the onset of disability. The insured must have an assessed degree of disability of at least 20%. 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 total disability), or fails to report for the annual physical examination.

**Disability grant:** Permanent total or partial disability with less than 36 months of contributions.

**Survivor pension:** Payable for the death of the insured. The insured had 36 months of contributions prior to the 6-month period before death; the death of an old-age pensioner or disability pensioner.

Eligible survivors are the surviving spouse and up to five dependent children younger than age 21 (no limit if disabled), unless married or earning 300 pesos or more a month from employment. The spouse's benefit ceases on remarriage, with the spouse's part transferred to the eligible surviving children.

**Survivor grant:** A lump sum is payable if the deceased had less than 36 months of contributions.

Eligible survivors are the surviving spouse and up to five dependent children younger than age 21 (no limit if disabled), unless married or earning 300 pesos or more a month from employment. In the absence of spouse and dependent children, the benefit is payable to dependent parents or to the person named by the deceased.

**Funeral grant:** Payable to the person who organizes the funeral.

### **Old-Age Benefits**

**Old-age pension:** The monthly pension is equal to 300 pesos, plus 20% of the insured's average monthly insured earnings, plus 2% of the insured's average monthly insured earnings for each year of service in excess of 10 years or 40% of the insured's average monthly insured earnings, whichever is greater.

Average monthly insured earnings are equal to the sum of the last 60 months' insured earnings immediately before the 6-month period prior to the claim divided by 60, or the sum of all monthly insured earnings paid immediately before the 6-month period prior to the claim, divided by the number of monthly contributions paid in the same period, whichever is greater.

The minimum pension is 1,200 pesos a month if the insured contributed for at least 10 years but for less than 20 years; 2,400 pesos with at least 20 years of contributions.

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) in a lump sum.

**Dependent supplement:** 10% of the old-age pension or 250 pesos, whichever is greater, is provided to each of the five youngest children younger than age 21 conceived on or before the insured's retirement (no limit if disabled). The supplement ceases before age 21 if a child marries or earns 300 pesos or more a month from employment.

**Schedule of payments:** Thirteen payments a year. (Newly retired pensioners may choose to receive the first 18 monthly pension payments as a lump sum, discounted at a preferable rate of interest. In such cases, the periodic pension is payable from the 19th month.)

**Benefit adjustment:** Periodic ad hoc adjustment of benefits based on price and wage changes and on the financial health of the fund, subject to approval by the Social Security Commission.

**Old-age settlement:** Employee and employer contributions plus 6% interest.

### **Permanent Disability Benefits**

**Disability pension:** The monthly pension is equal to 300 pesos plus 20% of the insured's average monthly insured earnings, plus 2% of the insured's average monthly insured earnings for each year of service in excess of 10 years or 40%

of the insured's average monthly insured earnings, whichever is greater.

Average monthly insured earnings are equal to the sum of the last 60 months' insured earnings immediately before the 6-month period prior to the claim divided by 60, or the sum of all monthly insured earnings paid immediately before the 6-month period prior to the claim divided by the number of monthly contributions paid in the same period, whichever is greater.

The minimum pension is 1,000 pesos a month if the insured has less than 10 years of contributions; 1,200 pesos with at least 10 years but less than 20 years; or 2,400 pesos with at least 20 years of contributions.

There is no maximum disability pension.

**Dependent supplement (permanent total disability):** 10% of the disability pension or 250 pesos, whichever is greater, is provided to each of the five youngest children younger than age 21 conceived on or before the onset of disability (no limit if disabled). The supplement ceases before age 21 if a child marries or earns 300 pesos or more a month from employment.

**Partial disability:** The pension is reduced in proportion to the assessed degree of disability. The total pension benefit is paid in a lump sum if the payment period is less than 12 months.

**Supplementary allowance (permanent total and partial disability):** 500 pesos a month.

**Schedule of payments:** Thirteen payments a year.

**Benefit adjustment:** Periodic ad hoc adjustment of benefits based on price and wage changes and on the financial health of the fund, subject to approval by the Social Security Commission.

**Disability grant:** For permanent total disability, a lump sum equal to the insured's monthly pension times the number of monthly contributions or 12 times the monthly pension, whichever is greater.

**Partial disability:** The grant for a permanent partial disability is a lump sum equal to the insured's monthly pension times the number of monthly contributions times the assessed total degree of disability, or 12 monthly pension's times the assessed degree of disability, whichever is greater.

**Benefit adjustment:** Periodic ad hoc adjustment of benefits based on price and wage changes and on the financial health of the fund, subject to approval by the Social Security Commission.

### **Survivor Benefits**

**Survivor pension:** 100% of the monthly old-age pension that would have been payable to the deceased.

The minimum monthly pension is 1,000 pesos if the deceased contributed for at least 10 years; 1,200 pesos with at least 10 but less than 20 years; 2,400 pesos with at least 20 years of contributions.

There is no maximum survivor pension.

Dependent supplement: 10% of the deceased's pension or 250 pesos, whichever is greater, is paid to each of the five youngest children younger than age 21 conceived on or before the date of death (no limit if disabled). The supplement ceases before age 21 if a child marries or earns 300 pesos or more a month from employment.

Survivors of an old-age or a permanent total disability pensioner: 100% of the deceased's pension plus dependent supplements. In the absence of a surviving spouse and dependent children and if the insured died within 60 months after first receiving a pension, a lump sum equal to 60 months' pension less the value of the pension already paid is payable to dependent parents. In the absence of dependent parents, the benefit is payable to the person named by the deceased.

Schedule of payments: Thirteen payments a year.

Benefit adjustment: Periodic ad hoc adjustment of benefits based on price and wage changes and on the financial health of the fund, subject to approval by the Social Security Commission.

**Survivor grant:** The lump sum is equal to the deceased's monthly old-age pension times the number of monthly contributions, or 12 monthly pensions, whichever is greater.

Benefit adjustment: Periodic ad hoc adjustment of benefits based on price and wage changes and on the financial health of the fund, subject to approval by the Social Security Commission.

**Funeral grant:** 20,000 pesos to the person who pays for the funeral expenses. (A 20,000 pesos memorial service assistance program package may be provided by accredited life insurance companies.)

Benefit adjustment: Periodic ad hoc adjustment of benefits based on price and wage changes and on the financial health of the fund, subject to approval by the Social Security Commission.

### Administrative Organization

A tripartite Social Security Commission is responsible for the general management, supervision, and regulation of the program.

Social Security System collects contributions and pays benefits under the direction and control of the Social Security Commission.

### Sickness and Maternity

#### Regulatory Framework

**First and current laws:** 1954 (sickness), with 1997 amendment; 1969 (medical benefits), with 1995 amendment; and 1977 (maternity), with 1997 amendment.

**Type of program:** Social insurance system. Cash and medical benefits.

### Coverage

**Cash sickness and maternity benefits:** Private-sector employees up to age 60; domestic employees earning at least 1,000 pesos a month; and all self-employed persons with 1,000 pesos or more in monthly income.

Voluntary coverage for Filipinos recruited by a foreign-based employer for employment abroad, insured persons who are no longer eligible for compulsory coverage, and nonworking spouses of insured persons.

Special system for government employees except for maternity benefits.

**Medical benefits:** Private- and public-sector employees up to age 60; domestic employees earning at least 1,000 pesos a month; and all self-employed persons with 1,000 pesos or more in monthly income.

Full coverage is provided to pensioners and retired persons, and limited coverage is provided to certain categories of people with low or no income.

Voluntary coverage for Filipinos recruited by a foreign-based employer for employment abroad and certain other groups of people.

### Source of Funds

#### Insured person

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

**Medical benefits:** Employed persons, 1.25% of gross monthly insured earnings (earnings are fixed according to 12 income classes); none for pensioners and their dependents or for certain categories of people with low or no income; voluntary contributors pay 100 pesos a month.

The minimum monthly earnings for contribution purposes for medical benefits are 4,000 pesos.

The maximum monthly earnings for contribution purposes for medical benefits are 15,000 pesos.

#### Self-employed person

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

**Medical benefits:** 100 pesos a month.

The minimum monthly earnings for contribution purposes for medical benefits are 4,000 pesos.

The maximum monthly earnings for contribution purposes for medical benefits are 15,000 pesos.

#### Employer

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

**Medical benefits:** 1.25% of the employee's monthly insured earnings.



The minimum monthly earnings for contribution purposes for medical benefits are 4,000 pesos.

The maximum monthly earnings for contribution purposes for medical benefits are 15,000 pesos.

**Government:** Pays the cost of medical benefits for certain categories of people with low or no income; any deficits.

The contribution is payable monthly except for the self-employed and voluntary members, who may pay contributions monthly, quarterly, semiannually, or annually.

The minimum and maximum insured monthly earnings for contribution purposes are adjusted periodically by the Social Security Commission, subject to the approval of the President of the Philippines.

### **Qualifying Conditions**

**Cash sickness benefits:** Three months of contributions in the last 12 months immediately before the 6-month period prior to the onset of sickness. The insured must be hospitalized or incapacitated at home for at least 4 days. Medical certification must be provided.

**Cash maternity benefits:** Three months of contributions in the last 12 months immediately before the 6-month period prior to the childbirth or miscarriage. The insured is covered for four deliveries, including miscarriages. Medical certification of the pregnancy and a birth certificate are necessary.

**Medical benefits:** Three months of contributions in the last 12 months before the first day of incapacity; contribution conditions are waived for pensioners, retired persons, and certain categories of people with low or no income.

### **Sickness and Maternity Benefits**

**Sickness benefit:** A daily allowance equal to 90% of the insured's average daily insured earnings. Daily insured earnings are equal to the sum of the 6 highest months' insured earnings in the 12 months before the 6-month period prior to the onset of sickness divided by 180. The benefit is payable after a 3-day waiting period (unless for an injury or an acute disease) for up to 120 days in a calendar year. The payment of benefit must not exceed 240 days for the same illness.

**Maternity benefit:** 100% of the insured's average daily insured earnings. Daily insured earnings are equal to the sum of the 6 highest months' insured earnings in the 12 months before the 6-month period prior to the delivery or miscarriage divided by 180. The benefit is payable for 60 days for a miscarriage or a noncaesarian childbirth; 78 days for a caesarian childbirth.

### **Workers' Medical Benefits**

Services are delivered by accredited health care providers and are paid directly by the health fund according to a fixed schedule.

Cost sharing: There is some cost sharing for general and specialist care, hospital care, laboratory and X-ray fees, surgery, and medicines.

Inpatient treatment is limited to 45 days a year.

### **Dependents' Medical Benefits**

Same as for the insured person, except the limit on inpatient treatment of 45 days is shared among all eligible dependents (in addition to the 45 days for the insured person).

Eligible dependents are the spouse; unmarried and nonemployed legitimate, acknowledged, and illegitimate children and legally adopted or stepchildren younger than age 21 (no limit if disabled); and parents aged 60 or older with income below a specified amount who are not covered through other means.

### **Administrative Organization**

**Cash sickness and maternity benefits:** A tripartite Social Security Commission is responsible for the general management, supervision, and regulation of the program.

Employers pay sickness and maternity benefits directly to their employees and are reimbursed by the Social Security System. The Social Security System pays benefits to self-employed and voluntary members.

Social Security System collects contributions and administers benefits under the direction and control of the Social Security Commission.

**Medical benefits:** The 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 administers the provision of benefits. Medical care is provided by accredited providers.

### **Work Injury**

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#### **Regulatory Framework**

**First and current law:** 1974 (work injury), implemented in 1975, with 1996 amendment.

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

#### **Coverage**

Employers and employed persons, including domestic employees and Filipinos recruited by a foreign-based employer for employment abroad, not older than age 60.

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:** 1% of insured's monthly insured earnings up to 1,000 pesos a month. The contribution does not vary according to the assessed risk level of the employer or accident rate.

**Government:** Any deficit.

The maximum insured monthly earnings for contribution purposes are adjusted periodically by the Social Security Commission, subject to the approval of the President of the Philippines.

## Qualifying Conditions

**Work injury benefits:** One month of contributions.

## Temporary Disability Benefits

90% of the insured's average daily insured earnings. Daily insured earnings are equal to the sum of the 6 highest months' insured earnings during the last 12 months divided by 180. The benefit is payable from the first day of disability for a work-related injury or sickness for up to 120 days; may be extended up to 240 days if further treatment is required.

Average monthly insured earnings are equal to the sum of the last 60 months' insured earnings immediately before the 6-month period prior to the claim divided by 60, or the sum of all monthly insured earnings paid immediately before the 6-month period prior to the claim, divided by the number of monthly contributions paid in the same period, whichever is greater.

The minimum daily benefit is 10 pesos.

The maximum daily benefit 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 equals 115% of the insured's old-age pension (115% of the sum of 300 pesos, plus 20% of the insured's average monthly insured earnings, plus 2% of the insured's average monthly insured earnings for each year of service in excess of 10 years or 115% of 40% of the insured's average monthly insured earnings, whichever is greater).

The minimum monthly pension is 2,000 pesos.

There is no maximum monthly pension.

Dependent supplement (permanent total disability): 10% of the disability pension or 250 pesos, whichever is greater, for each of the five youngest children younger age 21 (no limit if disabled). The supplement ceases before age 21 if a child marries or earns 300 pesos or more a month from employment.

Partial disability: The pension is equal to the permanent total disability pension but is paid for a limited period according to

the schedule in law for each particular 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.

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 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

Medical, surgical, and hospital services; appliances; and rehabilitation.

## Survivor Benefits

**Survivor pension:** 100% of the monthly permanent total disability pension to which the deceased would have been entitled.

Dependent supplement: 10% of the deceased's monthly pension for each of the five youngest children younger than age 21 (no limit if disabled). The supplement ceases before age 21 if a child marries or earns 300 pesos or more a month from employment.

In the absence of an eligible spouse or dependent children, the pension (excluding dependent supplements) is payable to dependent parents for up to 60 months.

The minimum monthly pension is 2,000 pesos.

There is no maximum monthly pension.

Survivors of a permanent total disability pensioner: 100% of the insured's monthly permanent disability pension plus dependent supplements.

The pension is shared between the spouse and dependent children younger than age 21 (no limit if disabled) who are not married or earning 300 pesos or more a month from employment.

In the absence of an eligible spouse or dependent children, the insured's monthly pension (excluding dependent supplements) is payable to dependent parents for 60 months minus the number of months the pension was paid to the deceased before his or her death.

**Funeral grant:** 10,000 pesos payable to the person who paid for the funeral.

## Administrative Organization

Department of Labor and Employment provides general supervision.

Employees' Compensation Commission, part of the Department of Labor, initiates and coordinates program policies and determines contribution rates.

Social Security System collects contributions and pays permanent disability benefits. Employers pay temporary disability benefits directly to their employees and are reimbursed by the Social Security System.

## Saudi Arabia

Exchange rate: US\$1.00 equals 3.75 riyals.

### Old Age, Disability, and Survivors

#### Regulatory Framework

**First law:** 1962.

**Current law:** 2000 (social insurance), implemented in 2001.

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

#### Coverage

Employees of all firms and self-employed persons.

Exclusions: Agricultural workers, seamen, domestic servants, family labor, casual workers with less than 3 months of service, and foreign workers.

Special system for public-sector employees.

#### Source of Funds

**Insured person:** 9% of earnings.

**Self-employed person:** 9% of earnings.

**Employer:** 9% of payroll.

**Government:** Cost of administration during the initial phase, an annual subsidy, and any operating deficit.

The minimum monthly earnings for contribution and benefit purposes are 400 riyals.

The maximum monthly earnings for contribution and benefit purposes are 45,000 riyals.

#### Qualifying Conditions

**Old-age pension:** Age 60 (men) or age 55 (women) with 120 months of contributions.

Age 55 (men) with 120 months of contributions for those in arduous or unhealthy work.

The pension is also payable on reaching the statutory retirement age with at least 60 months of paid contributions plus credited contributions not exceeding 60 months.

Early pension: Before age 60 with 300 months of contributions.

Retirement from covered employment is necessary.

Old-age pensions are not payable abroad.

**Old-age settlement:** Payable if the insured does not satisfy the qualifying conditions for an old-age pension.

**Disability pension:** Incapacity for any work before age 60 with 12 consecutive months of contributions or 18 nonconsecutive months of contributions. The disability must begin while in insured employment.

The pension is also payable with 120 months of contributions (including at least 60 months of paid contributions plus credited contributions not exceeding 60 months) if no longer in covered employment at the onset of disability.

The disability pension may be paid abroad if the insured undergoes necessary medical treatment in another country.

**Disability settlement:** Payable if the insured does not satisfy the qualifying conditions for a disability pension.

**Survivor pension:** The deceased was in insured employment at the time of death and had either 3 consecutive months of contributions or 6 nonconsecutive months of contributions.

The pension is also payable with 120 months of contributions (including at least 60 months of paid contributions plus credited contributions not exceeding 60 months) if the deceased was not in covered employment at the time of death.

Eligible survivors include the deceased's widow(er); a dependent son younger than age 20 (age 25 if a full-time student); a dependent unmarried daughter; and brothers, sisters, parents, grandparents, and grandchildren in certain circumstances.

The survivor pension is not payable abroad.

**Survivor settlement:** Payable to the eligible survivors if the deceased did not satisfy the qualifying conditions for a pension.

The survivor settlement is payable abroad.

#### Old-Age Benefits

**Old-age pension:** 2.5% of the insured's average monthly wage during the last 2 years times the number of years of contributions.

The minimum pension is 1,500 riyals.

**Old-age settlement:** A lump sum equal to 10% of the insured's average monthly wage for the first 60 months of contributions and 12% for any additional months, if the insured is aged 60.

#### Permanent Disability Benefits

**Disability pension:** 2.5% of the insured's average monthly wage during the last 2 years times the number of years of contributions, if in insured employment at the onset of disability and the assessed degree of disability is 50% or more; a lump sum is paid for an assessed degree of disability of less than 50%.

The minimum pension is 50% of the insured's average monthly wage or 1,500 riyals, whichever is greater.

Constant-attendance supplement: 50% of the disability pension.

If the disability is assessed as temporary, a daily allowance is paid.

**Disability settlement:** A lump sum equal to 10% of the insured's average monthly wage for the first 60 months of contributions and 12% for any additional months.

### Survivor Benefits

**Survivor pension:** 2.5% of the deceased's average monthly wage during the last 2 years times the number of years of contributions.

The minimum individual survivor pension is 300 riyals.

The minimum combined survivor pension is 50% of the deceased's average monthly wage or 1,500 riyals, whichever is greater.

The maximum pension is 100% of the deceased's pension when split equally among three or more dependents; 75% for two dependents; and 50% for one dependent.

**Orphan's pension:** 20% of the deceased's pension is payable to each dependent son younger than age 20 (age 25 if a full-time student) or a dependent unmarried daughter; 40% for full orphans.

Other eligible survivors: 20% of the deceased's pension is payable to each dependent unmarried female relative, dependent parents, and brothers, grandparents, and grandchildren in certain circumstances.

For the death of a recipient of a nonoccupational disability pension, the pension is split among eligible survivors.

**Survivor settlement:** A lump sum equal to 10% of the deceased's average monthly wage for the first 60 months of contributions and 12% for any additional months.

**Marriage grant:** If the widow or a dependent daughter, sister, or granddaughter of the deceased marries, she receives a grant equal to 18 times her monthly survivor pension. Entitlement to the survivor pension ceases on marriage but may be reinstated if she is subsequently divorced or widowed.

**Death grant:** A lump sum equal to 3 months' pension is divided equally among the dependent survivors.

The maximum death grant is 10,000 riyals.

### Administrative Organization

Ministry of Labor and Social Affairs (<http://www.mol.gov.sa>) provides general supervision.

Managed by a tripartite board, the General Organization for Social Insurance (<http://www.gosi.com.sa>) administers the program through district offices.

### Sickness and Maternity

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#### Regulatory Framework

No statutory social security benefits are provided for sickness and maternity.

The 1969 Social Insurance Law requires employers with more than 20 employees to pay 100% of wages for the first 30 days of sick leave and 75% of wages for the next 60 days.

### Work Injury

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#### Regulatory Framework

**First law:** 1947.

**Current law:** 2000 (social insurance), implemented in 2001.

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

#### Coverage

Saudi and non-Saudi employees of all firms.

#### Source of Funds

**Insured person:** None.

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

**Employer:** 2% of payroll.

**Government:** Annual subsidy and any operating deficit.

The minimum monthly earnings for contribution and benefit purposes are 400 riyals.

The maximum monthly earnings for contribution and benefit purposes are 45,000 riyals.

#### Qualifying Conditions

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

#### Temporary Disability Benefits

100% of the insured's daily wage (75% if under treatment in a medical center at the expense of the General Organization for Social Insurance). The benefit is payable for each day until the insured is able to resume work.

#### Permanent Disability Benefits

**Permanent disability pension:** Saudi insured persons receive 100% of their average monthly wage for the 3-month period immediately before the onset of disability, if totally disabled.

The minimum pension is 1,500 riyals a month.

Non-Saudi insured persons receive a benefit for permanent disability in the form of a lump sum equal to 84 times the permanent disability pension, up to a maximum of 330,000 riyals.

Constant-attendance supplement: 50% of the pension, up to a maximum of 3,500 riyals.

Partial disability: Saudi insured persons receive a percentage of the full pension in proportion to the assessed degree of disability. For a loss of capacity of less than 50%, a lump sum is awarded equal to 60 times the monthly permanent disability pension multiplied by the assessed percentage of disability.

Non-Saudi insured persons receive a lump-sum partial disability benefit equal to 60 times the partial disability pension, up to a maximum of 165,000 riyals.

### **Workers' Medical Benefits**

Necessary medical, dental, and diagnostic treatment; hospitalization; medicines; appliances; transportation; and rehabilitation.

### **Survivor Benefits**

**Survivor pension:** 100% of the deceased's average monthly wage for the 3-month period immediately before the date of death.

The minimum survivor pension is 1,500 riyals a month.

The maximum pension is 100% of the deceased's pension when shared equally among three or more dependents; 75% for two dependents; 50% for one dependent.

Eligible survivors include dependent sons, brothers, and grandsons of the deceased younger than age 21 (age 26 if a full-time student); a widow, unmarried daughters, sisters, and granddaughters; parents; and grandparents.

**Marriage grant:** If the widow or a dependent daughter, sister, or granddaughter of the deceased marries, she receives a grant equal to 18 times the monthly survivor pension. Entitlement to the survivor pension ceases on marriage but may be reinstated if she is subsequently divorced or widowed.

**Death grant:** A lump sum equal to 3 months' pension is divided equally among dependent survivors.

The maximum death grant is 10,000 riyals.

### **Administrative Organization**

Ministry of Labor and Social Affairs (<http://www.mol.gov.sa>) provides general supervision.

General Organization for Social Insurance (<http://www.gosi.com.sa>) administers the program through the Occupational Hazards Branch.

## Singapore

Exchange rate: US\$1.00 equals  
1.69 Singapore dollars (S\$).

### Old Age, Disability, and Survivors

#### Regulatory Framework

**First law:** 1953 (provident fund), implemented in 1955.

**Current law:** 2001 (provident fund), with 2002, 2003, and 2004 amendments.

**Type of program:** Provident fund system.

Note: Central Provident Fund (CPF) operates four types of individual account: an ordinary account, to finance the purchase of a home, approved investments, CPF insurance, and education; a special account, principally for old-age provisions; a medisave account, to pay for hospital treatment, medical benefits, and approved medical insurance; and, from age 55, a retirement account, to finance periodic payments from age 62.

#### Coverage

Employed persons, including most categories of public-sector employee, earning more than S\$50 a month.

Self-employed persons earning an annual net trade income greater than S\$6,000 are covered for hospitalization expenses and approved medical insurance.

Special system for certain categories of public-sector employees, including administrative service staff.

#### Source of Funds

**Insured person:** None if monthly earnings are less than S\$500; 60% of the amount over S\$500 if monthly earnings are between S\$500 and S\$750; 20% of monthly earnings if monthly earnings are over S\$750.

Depending on the fund member's age, between zero and 22% of the total insured person and employer contributions are placed in the ordinary account, between zero and 7% are placed in the special account, and between 6% and 8.5% are placed in the medisave account. The medisave account covers the cost of hospitalization and medical expenses (see *Sickness and Maternity*, below). The maximum monthly contributions to the medisave account (depending on age) are between S\$330 and S\$467.50.

Fund members aged 55 or older contribute at lower rates.

The maximum earnings for contribution purposes are S\$5,500 a month.

Insured persons may pay additional voluntary contributions. The total employer and insured person voluntary and mandatory contributions must not exceed S\$23,760 a year.

Contributions are tax deductible.

**Self-employed person:** Between 6% and 8% (depending on age) of annual income to the medisave account only. Additional voluntary contributions are possible, up to a maximum.

The maximum monthly contribution to the medisave account (depending on age) is between S\$330 and S\$467.50.

Contributions are tax deductible.

**Employer:** None for employees with monthly earnings less than S\$50; 13% of monthly wages for employees with earnings greater than S\$50 but no more than S\$500; 13% of monthly wages for an employee's first S\$500 of earnings, plus 60% of earnings between S\$500 and S\$750; 13% of monthly wages up to S\$1,815 (plus 13% of wages above S\$1,815) for employees with monthly earnings greater than S\$750.

Contributions on behalf of all employed fund members aged 55 or older are paid at lower rates.

The maximum earnings for contribution purposes are S\$5,500 a month.

Employers may pay additional voluntary contributions on behalf of employees. The total employer and insured person voluntary and mandatory contributions must not exceed S\$23,760 a year.

**Government:** None.

#### Qualifying Conditions

**Old-age benefit:** Contributions are allocated to three separate accounts, and individual savings can be accessed under different specified conditions.

**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 operated by the Central Provident Fund), invest in approved instruments, 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 can be drawn down before age 55 to make investments in approved instruments.

**Medisave account:** Funds in excess of S\$25,500 (the medisave minimum sum) can first be withdrawn at age 55. The cessation of employment is not necessary.

**Drawdown payment:** Funds can be drawn down before age 55 to purchase medical insurance for the member and dependents from the Central Provident Fund or approved private providers.

All funds may be withdrawn at any age if a member permanently emigrates from Singapore.

**Disability benefit:** 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.

**Survivor benefit:** Payable to the survivor(s) named by the fund member.

## Old-Age Benefits

### Old-age benefit

*Ordinary and special accounts:* A lump sum equal to total employee and employer contributions, plus at least 2.5% (ordinary account) and 4% (special account) compound interest, minus drawdown payments and the cash proportion of the retirement account.

*Retirement account:* At age 55, a retirement account is established in which fund members must place a maximum of S\$84,500 (50% of which must be pledged property). The cash proportion ensures monthly income of S\$668 from age 62 (age 60 for certain occupations), until the account is empty. The account earns compound interest of at least 4%. Funds can be deposited with a bank, left in the Central Provident Fund retirement account, or used to buy a life annuity from an insurance company. Annuities are first payable at age 62 or older.

*Medisave account:* At age 55, fund members must leave at least S\$25,500 in the medisave account to meet the cost of future hospitalization. Savings in excess of S\$25,500 (the medisave minimum sum) can be withdrawn. The account earns compound interest of at least 4%.

**Drawdown payment:** Up to S\$660 a year from the medisave account can be used to purchase medical insurance.

**Interest rate:** Members receive a market-related interest rate (based on the 12-month fixed deposit and month-end savings rates of the major local banks) on their savings. Savings in the medisave, special, and retirement accounts earn additional interest of 1.5 percentage points above the annually credited interest rate. The Central Provident Fund Board guarantees a minimum rate of interest of 2.5% per year. Interest is computed monthly and compounded and credited annually.

## Permanent Disability Benefits

### Disability benefit

*Ordinary and special accounts:* A lump sum equal to total employee and employer contributions, plus at least 2.5% (ordinary account) and 4% (special account) compound interest, minus drawdown payments.

*Medisave account:* Disabled fund members must leave at least S\$25,500 (the medisave minimum sum) in the medisave account to meet the cost of future hospitalization. The account earns a compound interest of at least 4%.

**Drawdown payment:** Up to S\$660 a year from the medisave account can be used to purchase medical insurance.

**Interest rate:** Members receive a market-related interest rate (based on the 12-month fixed deposit and month-end savings rates of the major local banks) on their savings. Savings in the medisave, special, and retirement accounts earn additional interest of 1.5 percentage points above the annually credited interest rate. The Central Provident Fund Board guarantees a

minimum rate of interest of 2.5% per year. Interest is computed monthly and compounded and credited annually.

## Survivor Benefits

**Survivor benefit (all accounts):** The benefit is equal to the remaining balances in the deceased's accounts and term-life insurance payout, if covered.

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 and Policy Division.

Managed by a tripartite board and a chairman, the Central Provident Fund (<http://www.cpf.gov.sg>) is responsible for the administration of the program, including custody of the fund, collection of contributions, and payment of benefits.

Members' funds are invested in Singapore Government Bonds and placed in Advance Deposits with the Monetary Authority of Singapore pending the issue of such bonds. The insurance fund is managed by institutional fund members and the Central Provident Fund Board.

## Sickness and Maternity

### Regulatory Framework

**First laws:** 1953 (provident fund), implemented in 1955; and 1968 (employment).

**Current laws:** 1996 (employment); and 2001 (provident fund), with 2002, 2003, and 2004 amendments.

**Type of program:** Employer-liability (cash sickness and maternity benefits), provident fund (medical benefits), and social assistance (medical benefits) systems.

### Coverage

**Cash benefits (employer liability):** All employed persons.

**Medical benefits (provident fund):** Employed and self-employed persons with an annual net income of more than S\$6,000.

Special system for certain categories of public-sector employees, including administrative service staff.

**Medical benefits (social assistance):** Singapore citizens unable to pay for medical treatment in approved hospitals and medical institutions can apply for financial aid from the medifund program. 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 be given free medical treatment at government hospitals and clinics.



## Source of Funds

### Insured person

*Cash benefits (employer liability):* None.

*Medical benefits (provident fund):* See source of funds under Old Age, Disability, and Survivors, above.

Contributions are tax deductible. The maximum tax deduction is 33% of assessable income or S\$21,780, whichever is less.

*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, above.

Contributions are tax deductible. The maximum tax deduction is 33% of assessable income or S\$21,780, whichever is less.

*Medical benefits (social assistance):* None.

### Employer

*Cash benefits (employer liability):* Total cost.

*Medical benefits (provident fund):* See source of funds under Old Age, Disability, and Survivors, above.

*Medical benefits (social assistance):* None.

### Government

*Cash benefits (employer liability):* None.

*Medical benefits (provident fund):* The contribution varies each year; fund members are subsidized when using certain classes of hospital wards.

*Medical benefits (social assistance):* Total cost.

## Qualifying Conditions

**Cash sickness benefit (employer liability):** At least 6 months' employment. Medical certification is necessary.

**Cash maternity benefit (employer liability):** At least 180 days' employment immediately before childbirth. The benefit is limited to the births of the first two children (from October 1, 2004, the first four children).

**Medical benefits (provident fund):** Members of the medisave program. (Members can access savings in their medisave account.)

**Medical benefits (social assistance):** Citizens satisfying tests of means and income.

## Sickness and Maternity Benefits

**Cash sickness benefit (employer liability):** Fourteen days of paid sick leave a year (up to 60 days if hospitalized).

**Cash maternity benefit (employer liability):** 100% of the female employee's gross wages for up to 4 weeks before and 4 weeks after childbirth. (from October 1, 2004, working mothers have a right to up to 12 weeks of paid maternity leave. Employers pay for 8 weeks for the first two births. Government

reimburses employers for the additional 4-week period for the first two childbirths and pays for the entire 12-week leave period for the third and fourth births.)

## Workers' Medical Benefits

Outpatient treatment and inpatient hospital care in government hospitals and approved private hospitals and medical institutions, including day-surgery treatment and prescribed medicines. The cost of medical treatment is deducted from the fund member's balance in the medisave account for approved treatments.

Hospital expenses related to child delivery can be deducted from the fund member's balance in the medisave account for the first three children. (From August 1, 2004, the medisave account can be used to pay for the delivery and prenatal expenses incurred for the first four live childbirths.)

Patients in hospital wards receive subsidies ranging from 20% to 80% of costs.

Maximum limits on costs deducted from the medisave account for different types of interventions apply (such as a maximum of S\$300 for daily hospital charges, including a maximum of S\$50 for doctor's daily attendance fees).

## Dependents' Medical Benefits

Members can use savings in their medisave account to help pay for the medical expenses of their spouse, children, parents, and grandparents. Grandparents must be Singapore citizens or permanent residents.

The medical benefits, subsidies, and maximum limits on cost are the same as 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 general supervision and enforces the law through its Income Security and Policy Division.

Managed by a tripartite board and a chairman, the Central Provident Fund (<http://www.cpf.gov.sg>) 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>) provides medical services through government hospitals and private providers.

## Work Injury

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### Regulatory Framework

**First law:** 1933 (workmen's compensation).

**Current law:** 1975 (workmen's compensation), with 1980 and 1990 amendments.

**Type of program:** Employer liability with compulsory insurance with a private carrier (unless exempted).

### Coverage

All manual labor; nonmanual labor earning S\$1,600 a month or less.

Exclusions: Self-employed persons, nonmanual labor with earnings exceeding S\$1,600 a month, domestic and casual workers, home workers, and family labor.

Special system for the police.

### Source of Funds

**Insured person:** None.

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

**Employer:** Total cost, through direct provision of benefits or insurance premiums.

**Government:** None.

### Qualifying Conditions

**Work injury benefits:** There is no minimum qualifying period, but claims must be made within 1 year of the date of the accident.

### Temporary Disability Benefits

100% of the insured's average monthly earnings in the 12 months before the onset of disability for 14 days if not hospitalized (up to 60 days if hospitalized); thereafter, 2/3 of the insured's average monthly earnings in the 12 months before the onset of disability. The benefit is payable from the first day of incapacity for a maximum of 1 year.

### Permanent Disability Benefits

If assessed with a degree of disability of 100% (totally disabled), a lump sum equal to 6 years (for workers aged 66 or older) to 12 years (for workers aged 40 or younger) of the insured's average monthly earnings in the 12 months before the onset of disability, according to age.

The minimum lump-sum benefit is S\$49,000.

The maximum lump-sum benefit is S\$147,000.

Constant-attendance supplement: With a total permanent disability, an additional grant equal to 25% of the lump-sum payment is payable if requiring the constant attendance of another person. Medical certification must be provided by a registered doctor.

Partial disability: A lump sum equal to the lesser of the assessed degree of disability times S\$147,000 or the assessed degree of disability times the insured's average monthly earnings in the 12 months before the onset of disability times a multiplying factor according to the schedule in law.

### Workers' Medical Benefits

Necessary medical treatment, hospitalization, appliances, and medicines. Medical care must be provided by a registered doctor or, upon referral by a registered doctor, in a government or approved private hospital.

If hospitalized, certain maximum limits on costs apply.

### Survivor Benefits

A lump sum equal to 4 years (if the deceased was aged 66 or older) to 9 years (if the deceased was aged 40 or younger) of the deceased's average monthly earnings in the 12 months before death, according to the deceased's age at the date of death.

Eligible survivors are spouses, parents, grandparents, stepparents, children, grandchildren, stepchildren, brothers, and sisters. Survivors need not have been dependent. The Commissioner for Labor distributes benefits among several eligible survivors.

The minimum lump sum is S\$37,000.

The maximum lump sum is S\$111,000.

### Administrative Organization

Ministry of Manpower (<http://www.mom.gov.sg>) provides general supervision through its Work Injury Compensation Department.

Commissioner for Labor, part of the Ministry of Manpower, enforces the law, approves agreements between employers and claimants, and distributes survivor benefits.

Employers must insure liability with private insurance companies. The Ministry of Manpower may exempt any employer or class of employers from compulsory insurance. Exempted classes of employers include the government, statutory boards, financial companies, retail shops, and hotels.

## Solomon Islands

Exchange rate: US\$1.00 equals  
5.04 Solomon Islands dollars (SI\$).

### Old Age, Disability, and Survivors

#### Regulatory Framework

**First and current law:** 1973 (provident fund), with amendments, implemented in 1976.

**Type of program:** Provident fund system.

#### Coverage

All employed workers aged 14 or older, including domestic servants and cooperative members, and casual workers earning at least SI\$20 a month and working regularly at least 6 days a month.

Exclusions: Prisoners and persons detained in a mental hospital or leper asylum.

Employees covered by equivalent private plans may contract out.

Voluntary coverage for unemployed and self-employed persons aged 16 to 25 as well as former employees who have previously contributed for at least 12 consecutive months, regardless of age.

Special system for public-sector employees.

#### Source of Funds

**Insured person:** 5% of wages.

Voluntary additional contributions by insured persons are permitted up to a combined monthly maximum of SI\$100.

SI\$5 is deducted annually from the member's provident fund account to finance death benefits.

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

**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.

Contributions must be paid after age 50 if the member continues to be an employee or starts a new job after retirement that is covered by the provident fund. If the member has withdrawn any of the amount in his or her account at age 50 and makes further contributions from employment, no further withdrawal can be made for 5 years.

Early withdrawal: Age 40 if permanently retired from covered employment.

Drawdown payment: Unemployed fund members may withdraw funds from their individual account after 3 months of continuous unemployment.

**Disability benefit:** Permanent physical or mental incapacity to work.

**Survivor benefit:** The death of the fund member before retirement. The benefit is paid to the next-of-kin or to one or more named survivor.

#### Old-Age Benefits

A lump sum equal to total employee and employer contributions plus accumulated interest.

Drawdown payment: The value of drawdown payments depends on the value of employee and employer contributions, plus accumulated interest, in the individual account and at the discretion of the individual fund member. (See also Unemployment, below.)

Interest rate adjustment: The rate of interest is set by the National Provident Fund Board at the end of each fiscal year.

#### Permanent Disability Benefits

A lump sum equal to total employee and employer contributions plus accumulated interest.

Interest rate adjustment: The rate of interest is set by the National Provident Fund Board at the end of each fiscal year.

#### Survivor Benefits

**Survivor benefit:** A lump sum equal to total employee and employer contributions plus accumulated interest.

Interest rate adjustment: The rate of interest is set by the National Provident Fund Board at the end of each fiscal year.

**Death benefit:** The maximum special death benefit is SI\$2,500.

#### Administrative Organization

National Provident Fund Board administers the program.

An independent tripartite body appointed by the Minister of Finance, the National Provident Fund Board, comprises two representatives each of government, employers, and employees.

#### Sickness and Maternity

##### Regulatory Framework

No statutory sickness and maternity benefits are provided.

The Labor Act requires employers to provide up to 12 weeks' maternity leave to women employees (including up to at least 6 weeks after childbirth).

## Work Injury

### Regulatory Framework

**First and current laws:** 1952 (workmen's compensation), amended in 1969, 1979, and 1982; and 1981 (employment).

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

### Coverage

Employed persons, including public employees, earning SI\$4,000 a year or less; casual workers are covered under certain circumstances.

### Source of Funds

**Insured person:** None.

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

**Employer:** Total cost.

**Government:** None.

### Qualifying Conditions

**Work injury benefits:** There is no minimum qualifying period. All 3-day absences 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 has ceased to be employed.

### Temporary Disability Benefits

50% to 100% of earnings, according to the insured's monthly wage and the assessed degree of disability. The benefit is payable from the first day if the incapacity lasts for more than 3 days, until recovery, certification of permanent disability, or death.

The maximum benefit is SI\$160 a month.

Workers with a temporary disability may undergo periodic medical examination by a doctor named and paid for by the employer.

### Permanent Disability Benefits

A lump sum of 48 months' earnings.

The maximum lump sum is SI\$9,000.

**Partial disability:** A lump sum in proportion to the assessed degree of disability, based on 48 months' earnings. In cases of multiple injuries, individual benefit awards may be aggregated but must not exceed the permanent disability benefit.

## Workers' Medical Benefits

Medical benefits include care, medicines, and appliances.

Appliances, including artificial limbs, dental appliances, and artificial eyes, that benefit the earning capacity of an injured worker are provided at the employer's expense. In such cases, the benefit will be subject to an earnings test.

### Survivor Benefits

**Survivor benefit:** A lump sum of 36 months' earnings, minus any permanent disability benefits paid to the deceased.

The maximum lump sum in cases in which disability benefit has been paid is SI\$9,000.

The maximum lump sum for a fatal work injury is SI\$80,000.

Eligible survivors include members of the family living with the deceased at the time of his or her death who were totally or mainly dependent upon 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. Each case is treated separately, and receipts must be provided.

The maximum funeral grant is SI\$30.

### Administrative Organization

Labor Division administers the program.

## Unemployment

### Regulatory Framework

A statutory office assists the unemployed in seeking alternative employment by providing individual counseling and identifying suitable job vacancies.

Under the 1973 National Provident Fund Act, unemployed fund members may drawdown up to 1/3 of savings in case of unfair dismissal or redundancy, provided the member's savings in the fund are greater than SI\$10,000 and he or she is not reemployed within 3 months after dismissal. The amount left in the account can also be withdrawn later under certain provisions.

Employers are required to pay a dismissal benefit of 2 weeks' wages for each year of employment, provided the employee has been in continuous employment with the same employer for 26 weeks or more and is younger than age 50.

## Sri Lanka

Exchange rate: US\$1.00 equals 99.08 rupees.

### Old Age, Disability, and Survivors

#### Regulatory Framework

**First and current law:** 1958 (provident fund), with 1971 and 1985 amendments.

**Type of program:** Provident fund system.

Note: This information is from 1999.

#### Coverage

All employed persons up to age 55 (men) or age 50 (women).

Voluntary coverage for employees older than age 55 (men) or age 50 (women).

Exclusions: Family labor, civil servants, self-employed persons, farmers, and fishermen.

Employees covered by equivalent schemes may contract out.

Special systems for public-sector and local government employees, self-employed persons, farmers, and fishermen.

#### Source of Funds

**Insured person:** 8% of monthly earnings; additional voluntary contributions.

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

**Employer:** 12% of monthly payroll.

**Government:** None. (If the investment income of the fund is inadequate to pay any part of the interest payable on contributions, the deficit is met by Parliament but repaid by the fund.)

#### 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.

Drawdown payment: Drawdown payments are possible.

**Disability benefit:** Permanent and total incapacity for work.

**Survivor benefit:** Paid if the fund member dies before retirement. The grant is payable to legal heirs or named beneficiaries.

#### Old-Age Benefits

A lump sum equal to total employee and employer contributions, plus interest.

Drawdown payment: Fund members may withdraw funds from their individual account once every 5 years.

Interest rate adjustment: Set periodically by the Monetary Board of the Employees' Provident Fund, the annual interest rate must not be less than 2.5%.

#### Permanent Disability Benefits

A lump sum equal to total employee and employer contributions, plus interest.

Interest rate adjustment: Set periodically by the Monetary Board of the Employees' Provident Fund, the annual interest rate must not be less than 2.5%.

#### Survivor Benefits

A lump sum equal to total employee and employer contributions, plus interest. The grant is payable to one or more legal heirs or named beneficiaries.

Interest rate adjustment: Set periodically by the Monetary Board of the Employees' Provident Fund, the annual interest rate must not be less than 2.5%.

#### Administrative Organization

Ministry of Employment and Labor provides general supervision.

Employees' Provident Fund Secretariat under the Ministry of Employment and Labor administers the program through district offices.

Central Bank of Sri Lanka (<http://www.centralbanklanka.org>) is responsible for the custody and investment of the financial assets of the Employees' Provident Fund and for the payment of grants certified by the Commissioner of Labor.

### Sickness and Maternity

#### Regulatory Framework

Medical care is available free of charge in government health centers and hospitals.

No statutory sickness and maternity benefits are provided.

Plantations have their own dispensaries and maternity wards and must provide medical care for their employees.

Employees in the plantation sector and certain wage and salary earners are entitled to 84 days of maternity leave before or after childbirth for the first two childbirths and 42 days for subsequent childbirths. The 1939 Maternity Benefits Ordinance requires employers to pay maternity benefits at the prescribed rate for 12 weeks for the first two childbirths (6 weeks for subsequent childbirths), comprising 2 weeks before childbirth and 10 weeks after (2 weeks before and 4 weeks after for subsequent childbirths). Employed women covered under the Shop and Office Act get 84 days' paid maternity leave for the first two childbirths and 42 days' paid leave for subsequent childbirths.

## Work Injury

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### Regulatory Framework

**First and current law:** 1934 (workmen's compensation), with 1946 and 1990 amendments.

**Type of program:** Employer-liability system. (Voluntary supplementary insurance is possible.)

### Coverage

All workers, including contract workers.

Exclusions: Members of the police and armed forces.

### Source of Funds

**Insured person:** None.

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

**Employer:** Total cost, met through the direct provision of benefits or insurance premiums. Premiums range from 1% to 7.5% of payroll, according to the assessed degree of risk.

**Government:** The cost of medical care.

### Qualifying Conditions

**Work injury benefits:** A minimum 3-day qualifying period for temporary disability; a continuous employment period of 6 months for an occupational disease.

In cases in which employer voluntarily provides work injury insurance or compensation to workers, the amount of any such benefits paid are deducted from benefits payable under the work injury program.

### Temporary Disability Benefits

50% of wages after a 3-day waiting period, for up to 5 years. After 6 months' entitlement, benefits may be paid as a lump sum. The benefit is payable abroad under certain conditions if emigrating permanently.

A worker entitled to a temporary disability benefit may be required to be examined by a registered doctor once a month.

The maximum monthly benefit is 5,000 rupees.

### Permanent Disability Benefits

A lump sum that varies according to wage class.

The minimum benefit is 21,168 rupees.

The maximum benefit is 250,000 rupees.

Partial disability: A lump sum ranging between 30% and 100% of compensation.

## Workers' Medical Benefits

Provided in government hospitals free of charge.

### Survivor Benefits

**Survivor benefit:** A lump sum of between 2 and 5 years of the insured's wages, according to wage class, is payable for the death of the insured.

Eligible survivors are the wife, legitimate dependent children, unmarried daughters, and 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 19,404 rupees.

The maximum survivor benefit is 250,000 rupees.

**Funeral grant:** The actual cost of the funeral, deducted from the survivor benefit, subject to a maximum in proportion to the value of the survivor grant (up to 10,000 rupees if survivor grant exceeds 40,000 rupees). The grant is payable to the person who met the cost of the funeral.

### Administrative Organization

Ministry of Employment and Labor provides general supervision.

Department of Workmen's Compensation administers the program.

## Family Allowances

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### 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 per month per family member.

**Self-employed person:** 25 rupees per month per family member.

**Employer:** None.

**Government:** The majority of the cost of the program.

### Qualifying Conditions

**Family allowances:** Family earnings are below 1,000 rupees a month.

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

**Family allowances:** A monthly lump sum between 100 rupees and 1,000 rupees, depending upon family income and size.

### ***Administrative Organization***

Ministry of Agriculture, Livestock, and Samurdhi  
(Commissioner of Poor Relief) administers the program.

## Syria

Exchange rate: US\$1.00 equals 51.65 pounds.

### Old Age, Disability, and Survivors

#### Regulatory Framework

**First and current law:** 1959 (social insurance), with 1976 and 2001 amendments.

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

#### Coverage

Employees in industry, commerce, and agriculture; domestic workers; freelance workers; the self-employed; and employers.

Voluntary coverage for Syrians working abroad.

Exclusions: Family labor.

Special system for civil servants.

#### 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); at any age for men and women in physically demanding or dangerous work, with 180 months of contributions.

Age 55 (men) or age 50 (women) with 240 months of contributions. At any age (men and women) with 360 months of contributions.

Early pension: At any age with 300 months of contributions.

Payments abroad are made at the discretion of the Institution of Social Insurance.

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

**Disability pension:** Payable with the loss of at least 80% of working capacity. The disability began during employment or within 6 months after leaving employment but is not due only to an occupational injury. Must have made contributions throughout the last 12 months or for a total of 24 months including the last 3 months.

**Disability benefit (voluntary insurance):** The assessed degree of disability must exceed 35%. The disability may be due to an occupational injury.

**Survivor pension:** The deceased met the contribution conditions 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 at any age or a disabled widower, orphans younger than age 21 (age 24 if disabled), and dependent parents.

**Death benefit (voluntary insurance):** Payable to eligible survivors. The benefit may be paid if the death was the result of an occupational injury.

**Funeral grant:** Paid to help meet the cost of the funeral.

#### Old-Age Benefits

**Old-age pension:** 2.5% of the insured's basis earnings times the number of years of contributions, up to a maximum of 75% of the basis earnings. The basis earnings are equal to the previous year's average monthly earnings.

Early pension: 2.5% of the insured's basis earnings times the number of years of contributions, up to a maximum of 75% of the basis earnings. The basis earnings are equal to last year's average monthly earnings.

The minimum pension is equal to the legal minimum wage.

The maximum pension is 3,450 pounds a month or 75% of basis earnings if less.

Old-age increment: A lump sum equal to 1 month's pension for every complete covered year beyond 30 years of coverage, up to a maximum of 5 month's pension.

**Old-age settlement:** A lump sum of between 11% and 15% of total covered earnings.

#### Permanent Disability Benefits

**Disability pension:** 40% of the insured's basis earnings plus 2% for each year of covered employment. The basis earnings are equal to last year's average monthly earnings.

The minimum pension is equal to the legal minimum wage.

The maximum pension is 80% of basis earnings.

Temporary disability pension: The minimum pension is 343 pounds a month, plus 25 pounds for each dependent.

**Disability benefit (voluntary insurance):** A lump sum equal to 50% of the insured's insurable earnings in the previous year. The benefit is increased by an additional 50% if the insured is totally disabled as a result of an accident at work.

#### Survivor Benefits

**Survivor pension:** The pension is equal to 37.5% of the deceased's disability pension.

**Orphan's pension:** The pension is equal to 25% of the deceased's disability pension for the first orphan (37.5% for a full orphan); 12.5% for the second orphan.

**Dependent parents:** The pension is equal to 12.5% of the deceased's disability pension for each parent.



The minimum survivor pension is 400 pounds a month for a widow; 96 pounds each for other survivors.

The maximum total survivor pension is equal to 75% of the deceased's disability pension.

Death benefit (voluntary insurance): A lump sum equal to 100% of the insured's wages in the previous year is payable to a survivor. The lump sum is increased by 50% if the insured's death was caused by an accident at work.

**Funeral grant:** A lump sum of 1 month's earnings.

The maximum funeral grant is 100 pounds.

### **Administrative Organization**

Ministry of Social Affairs and Labor provides general supervision.

Institution of Social Insurance, managed by a tripartite board of directors and a director general, administers the program through regional and district offices.

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### **Work Injury**

#### **Regulatory Framework**

**Current law:** 1959 (social insurance), with 1976 and 2001 amendments.

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

#### **Coverage**

Employees in industry, commerce, and agriculture; municipal workers; and public employees.

Exclusion: Domestic servants.

#### **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 earnings during the first month; thereafter, 100%.

The minimum benefit is 2,000 pounds a month, payable from the day after the injury occurred for up to 12 months.

Work injury benefits can be combined with other pension entitlements.

### **Permanent Disability Benefits**

**Permanent disability pension:** 75% of the insured's average monthly wage in the previous year with an assessed disability of 80% or more.

The minimum pension is 458 pounds a month.

Work injury benefits can be combined with other pension entitlements.

Partial disability: For an assessed degree of disability of 35% to 79%, a percentage of the full pension is paid in proportion to the assessed degree of disability. For an assessed degree of disability of less than 35%, a lump sum of 1 year's partial pension is paid.

### **Workers' Medical Benefits**

General and specialist care, surgery, hospitalization, drugs, X-rays, appliances, and rehabilitation.

### **Survivor Benefits**

**Survivor pension:** 75% of the deceased's monthly wage in the previous year is divided among eligible survivors as follows: 50% for the widow and 50% for orphans; if there is a dependent parent, 20% to the parent, 40% to the widow, and 40% to orphans.

The minimum pension is 400 pounds a month for a widow; 96 pounds each for other survivors.

**Funeral grant:** A lump sum equal to 1 month's earnings.

The minimum funeral grant is 80 pounds.

### **Administrative Organization**

Ministry of Social Affairs and Labor provides general supervision.

Institution of Social Insurance, 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 equals  
33.29 Taiwan dollars (NT\$).

### Old Age, Disability, and Survivors

#### Regulatory Framework

**First law:** 1950.

**Current law:** 1958 (labor insurance), implemented in 1960, with 1988, 1994, 2000, and 2001 amendments.

**Type of program:** Social insurance system. Lump-sum benefits only.

#### Coverage

Employees between ages 15 and 60 in firms in industry and commerce, mines, and plantations with 5 or more workers; wage-earning public employees; public utility employees; fishermen; and some self-employed persons in service occupations.

Voluntary coverage for employees in firms with fewer than 5 workers, the self-employed (except for those in service occupations with compulsory coverage), employees older than age 60 working in covered employment, and persons involuntarily unemployed with 15 years of coverage.

Special systems for civil servants, farmers, salaried public employees, and the staff of private schools.

#### Source of Funds

**Insured person:** 1.1% of gross monthly earnings.

**Self-employed person:** 3.3% of gross monthly income.

**Employer:** 3.85% of monthly payroll.

**Government:** 0.55% of employee wages (self-employed, 2.2% of income) and the cost of administration.

The maximum monthly earnings for contribution and benefit purposes are NT\$42,000.

The monthly earnings for contribution purposes are adjusted according to changes in the minimum wage.

All of the above contributions also finance cash sickness and maternity benefits.

#### Qualifying Conditions

**Old-age grant:** Age 60 (men) or age 55 (women) with at least 1 year of coverage.

Age 55 for miners with at least 5 years of coverage.

Early old-age grant: Age 55 (men) with 15 years of coverage; age 50 with 25 years of coverage (men and women); at any age with 25 years of coverage working for one company (men and women).

Deferred old-age grant: May be deferred until age 65.

Retirement from covered employment or self-employment is necessary.

**Disability grant:** Permanent total or partial incapacity and the payment of any contributions. The insured must be assessed as permanently disabled by a hospital designated by the Bureau of National Health Insurance.

**Survivor grant:** The payment of any contributions.

Eligible survivors (in order of priority) are the spouse and children, parents, grandparents, dependent grandchildren, and brothers and sisters.

**Funeral grant:** Payable to survivors eligible for the survivor grant. If there are no eligible survivors, the grant is payable to the person who organizes the funeral.

#### Old-Age Benefits

**Old-age grant:** A lump sum equal to 1 month of the insured's average covered earnings in the 36 months before retirement per year of contributions for the first 15 years, plus 2 months of the insured's average covered earnings in the 36 months before retirement per year of contributions beyond 15 years.

The maximum grant is 45 months of the insured's average covered earnings in the 36 months before retirement.

Early old-age grant: A lump sum equal to 1 month of the insured's average covered earnings in the 36 months before retirement per year of contributions for the first 15 years, plus 2 months of the insured's average covered earnings in the 36 months before retirement per year of contributions beyond 15 years.

Deferred old-age grant: An increment of 1 month of the insured's average covered earnings in the 36 months before retirement is paid for each year of continued work and contributions after age 60, up to a maximum of 5 months' earnings.

#### Permanent Disability Benefits

**Disability grant:** If totally disabled, a lump sum equal to 40 months of the insured's average covered earnings in the 6 months before the onset of disability.

Partial disability: A lump sum varying from 1 to 33.3 months of the insured's average covered earnings in the 6 months before the onset of disability, according to the assessed degree of disability.

#### Survivor Benefits

**Survivor grant:** A lump sum equal to 30 months of the deceased's average covered earnings in the 6 months before death; 20 months' earnings if less than 2 years but more than 1 year of contributions; 10 months' earnings if less than 1 year of contributions.

**Funeral grant:** A lump sum equal to 5 months of the deceased's average covered earnings in the 6 months before death.

## Administrative Organization

Labor Insurance Department of the Council of Labor Affairs (<http://www.cla.gov.tw>) provides general supervision.

Under the direction of the tripartite Labor Insurance Commission and its director general, the Bureau of Labor Insurance (<http://www.bli.gov.tw>) collects contributions and pays benefits.

## Sickness and Maternity

### Regulatory Framework

**First law:** 1950.

**Current laws:** 1958 (labor insurance), implemented in 1960, with 1988 amendment; and 1994 (national health insurance), implemented in 1995.

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

### Coverage

**Cash benefits for sickness and maternity:** Employees between ages 15 and 60 in firms in industry and commerce, mines, and plantations with 5 or more workers; wage-earning public employees; public utility employees; fishermen; and some self-employed persons in service occupations.

Voluntary coverage for employees in firms with fewer than 5 workers, the self-employed (except for those in service occupations with compulsory coverage), employees older than age 60 in covered employment, and persons made unemployed after 15 years of coverage.

Special systems for cash benefits for civil servants, farmers, salaried public employees, and the staff of private schools.

**Medical benefits:** Resident for at least 4 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, above.

**Medical benefits:** Contribution rates vary according to 38 wage classes. Employees of public or private companies contribute 1.365% of gross monthly earnings, plus an additional 1.365% of gross monthly earnings for each dependent up to 4.095% of monthly earnings for three or more dependents.

#### Self-employed person

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

**Medical benefits:** Contribution rates vary according to 38 wage classes: 4.55% of gross monthly income for higher earners or 2.73% of income for lower earners, plus an additional 2.73% of gross monthly income for each dependent up to a

maximum of 8.19% of monthly income for three or more dependents.

#### Employer

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

**Medical benefits:** Contribution rates vary according to 38 wage classes: 3.185% of monthly payroll for employees of public or private firms, plus an additional 2.482% of monthly payroll for dependents, regardless of number.

#### Government

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

**Medical benefits:** Contribution rates vary according to 38 wage classes: 0.455% of employee wages for employees of public and private firms, none for higher-earning self-employed, 1.82% of income for lower-earning self-employed. The average contribution of all insured persons for the dependents of military personnel and the heads of low-income families, plus any deficit. Contributes for the dependents of insured persons. Pays for the cost of administration.

The minimum monthly earnings for contribution purposes for medical benefits are NT\$15,840 (equal to the minimum monthly wage).

The maximum monthly earnings for contribution purposes for medical benefits are NT\$87,600.

The monthly earnings for contribution purposes are adjusted according to changes in the minimum wage.

### Qualifying Conditions

**Cash sickness benefit:** The incapacity must be due to a nonoccupational injury or illness. There is no specified minimum qualifying period. The insured must provide medical certification.

**Cash maternity grant:** 280 days of contributions before childbirth (181 days of contributions for a premature childbirth; 84 days of contributions in the case of a miscarriage).

**Lump-sum supplement:** A cash supplement to help meet costs associated with childbirth may be payable to an insured woman or an insured man for his spouse.

**Medical benefits:** Provided for a nonoccupational injury or illness.

### Sickness and Maternity Benefits

**Sickness benefit:** 50% of the insured's average covered earnings in the 6 months before the onset of sickness. The benefit is payable after a 3-day waiting period for up to 12 months; 6 months with less than 1 year of contributions.

**Maternity grant:** A lump sum equal to 1 month of the insured's average covered earnings in the last 6 months before maternity leave for a normal or premature childbirth.

Lump-sum supplement: Equal to 1 month of the insured's average covered earnings in the last 6 months for a normal or premature childbirth; 50% of this amount in the case of a miscarriage.

Benefits are increased for multiple births.

### **Workers' Medical Benefits**

Medical care is provided by private and public clinics and hospitals under contract with, and paid directly by, the Bureau of National Health Insurance. Benefits include preventive and prenatal care, inpatient and outpatient hospital treatment, surgery, and medicines.

There is no limit to duration.

The government provides free maternity medical care.

**Cost sharing:** For ambulatory and emergency care at clinics, 20% of scheduled fees; between 30% and 50% for hospital visits (according to the type of hospital and if without a doctor's referral); for inpatient care for short-term illnesses, from 10% of the cost for the first 30 days up to 30% from the 61st day and thereafter, depending on the duration of hospitalization; for inpatient care for chronic long-term illnesses, from 5% for the first 30 days up to 30% from the 181st day.

**Exemption from cost sharing:** Preventive health care, certain specific catastrophic illnesses, ambulatory services in mountainous areas and remote islands, and for all care for veteran or low-income household.

### **Dependents' Medical Benefits**

Same as for the insured.

Eligible dependents include the 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.

Under the direction of the tripartite Labor Insurance Commission and its director general, the Bureau of Labor Insurance (<http://www.bli.gov.tw>) collects contributions and pays benefits.

**Medical benefits:** Under the direction of a Supervisory Board, the Bureau of National Health Insurance (<http://www.nhi.gov.tw>) 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, with 1988, 1994, 2000, and 2001 amendments; and 2001 (occupational accident labor protection), implemented in 2002.

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

### **Coverage**

Employees between ages 15 and 60 in firms in industry and commerce, mines, and plantations with 5 or more workers; wage-earning public employees; public utility employees; fishermen; and some self-employed persons in service occupations.

Special systems for civil servants, salaried public employees, and the staff of private schools.

### **Source of Funds**

**Insured person:** None.

**Self-employed person:** None.

### **Employer**

**Cash benefits:** 0.07% to 3.0% of monthly payroll, according to the assessed risk of the industry. The average rate is 0.33%. The contribution rate for employers with more than 70 employees is adjusted on a yearly basis according to the claims rate of the company.

**Medical benefits:** See source of funds under Sickness and Maternity, above.

### **Government**

**Cash benefits:** The cost of administration.

**Medical benefits:** See source of funds under Sickness and Maternity, above.

### **Qualifying Conditions**

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

### **Temporary Disability Benefits**

70% of the insured's average covered earnings in the last 6 months before the onset of disability is payable for the first 12 months; thereafter, 50% of earnings. The benefit is payable after a 3-day waiting period for up to 24 months.

### **Permanent Disability Benefits**

The worker must be assessed as permanently disabled by a hospital designated by the Bureau of National Health Insurance.

If totally disabled (Group 1), a lump sum equal to 60 months of the insured's average covered earnings in the last 6 months before the onset of disability.

**Constant-attendance allowance:** A monthly allowance of NT\$8,000 is paid if totally disabled and in need of constant medical care, supervision, or help for daily living.

**Partial disability:** A lump sum equal to 1.5 to 50 months of the insured's average covered earnings in the last 6 months before the onset of disability, according to the assessed degree of disability (Groups 2 to 15).

**Living allowance:** After receiving the lump-sum benefit, a monthly allowance of between NT\$1,000 and NT\$6,000 is paid to insured persons with a partial or total permanent disability, according to the assessed degree of disability (Groups 1 to 15).

### **Workers' Medical Benefits**

Medical care is provided by private and public clinics and hospitals under contract with, and paid directly by, the National Health Insurance Bureau. Benefits include inpatient and outpatient hospital treatment, surgery, and medicines.

There is no limit to duration.

### **Survivor Benefits**

**Survivor benefit:** A lump sum equal to 40 months of the deceased's average covered earnings in the 6 months before death.

Eligible survivors (in order of priority) are the spouse and children, parents, grandparents, dependent grandchildren, and brothers and sisters.

**Survivor grant (income-tested):** A lump sum of NT\$10,000 may also be paid to the dependent spouse, children, and parents.

**Funeral grant:** A lump sum equal to 5 months of the deceased's average covered earnings in the 6 months before death is payable to eligible survivors. If there are no eligible survivors, the grant is payable to the person who organizes the funeral.

### **Administrative Organization**

Labor Insurance Department of the Council of Labor Affairs (<http://www.cla.gov.tw>) provides general supervision.

Under the direction of the tripartite Labor Insurance Commission and its director general, the Bureau of Labor Insurance (<http://www.bli.gov.tw>) collects contributions and pays cash benefits.

Under the direction of a Supervisory Board, Bureau of National Health Insurance (<http://www.nhi.gov.tw>) contracts with private and public clinics and hospitals to provide medical care.

## **Unemployment**

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### **Regulatory Framework**

**First law:** 1968, implemented in 1999, with 2000 and 2001 amendments.

**Current law:** 2002 (employment insurance), implemented in 2003.

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

### **Coverage**

Private- and public-sector employees between ages 15 and 60.

Exclusions: Self-employed persons, civil servants, teachers, and military personnel.

### **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 wages and the cost of administration.

### **Qualifying Conditions**

**Unemployment benefit:** The insured must have at least 1 year of coverage; unemployment must be involuntary; must be currently registered at a public employment office as being capable of, and willing to, work; must not have declined a suitable job offer; and must not be in occupational 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 award:** Payable if the unemployed person starts work before the maximum unemployment benefit payment period has expired.

### **Unemployment Benefits**

**Unemployment benefit:** 60% of average monthly earnings during the 6 months before unemployment. The benefit is payable after a 14-day waiting period for up to 6 months; for up to 3 months for a new claim within 2 years of last receiving unemployment benefits for 6 months.

**Early reemployment award:** A lump sum equal to 50% of the total unpaid benefit that would have been payable for the maximum duration of the benefit.

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### ***Administrative Organization***

Labor Insurance Department of the Council of Labor Affairs (<http://www.cla.gov.tw>) provides general supervision.

Under the direction of the tripartite Labor Insurance Commission and its director general, the Bureau of Labor Insurance (<http://www.bli.gov.tw>) collects contributions and pays benefits.

## Thailand

Exchange rate: US\$1.00 equals 40.56 baht.

### Old Age, Disability, and Survivors

#### Regulatory Framework

**First and current law:** 1990 (social security), implemented in 1991 and 1998, with 1994 and 1999 amendments.

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

#### Coverage

Employees aged 15 to 60.

Voluntary coverage for the self-employed and persons who cease covered employment after having been covered for at least 12 months.

Exclusions: Judges; employees of foreign governments or international organizations; employees of state enterprises; agricultural, forestry, and fishery employees; temporary and seasonal workers; and Thais working abroad.

Special systems for judges, civil servants, employees of state enterprises, and employees of private schools.

#### Source of Funds

**Insured person:** 3% of gross monthly wages. (Voluntary contributors pay contributions on the first 4,800 baht of earnings. Voluntary contributions cover old-age, disability, and survivor benefits; sickness and maternity benefits; and family benefits.)

The minimum monthly earnings for contribution and benefit purposes are 1,650 baht.

The maximum monthly earnings for contribution and benefit purposes are 15,000 baht.

**Self-employed person:** A voluntary flat-rate annual contribution of 3,360 baht. (The contribution finances disability, survivor, and maternity benefits.)

**Employer:** 3% of monthly payroll.

The minimum monthly earnings for contribution and benefit purposes are 1,650 baht.

The maximum monthly earnings for contribution and benefit purposes are 15,000 baht.

**Government:** 1% of monthly wages.

The minimum monthly earnings for contribution and benefit purposes are 1,650 baht.

The maximum monthly earnings for contribution and benefit purposes are 15,000 baht.

Unless otherwise indicated, all of the above contributions finance old-age benefits and family benefits only.

For contributions for disability and survivor benefits, see Sickness and Maternity, below.

#### Qualifying Conditions

**Old-age pension:** Age 55 with 180 months of contributions. Employment must cease. If a pensioner starts a new job, the pension is suspended until the end of employment.

Deferred pension: A deferred pension is possible.

**Old-age settlement:** Age 55 with at least 1 but less than 180 months of contributions. Employment must cease.

**Disability pension:** Three months of contributions in the 15 months before the onset of total disability. The insured must be unable to work as the result of a physical or mental disability. The benefit is payable after the exhaustion of entitlement to cash sickness benefits.

Medical officers assigned by the Social Security Office assess the degree of disability annually. The benefit may be suspended if the medical committee of the Social Security Office determines that the disability pensioner is rehabilitated.

**Survivor benefit:** A lump-sum benefit is payable if a pensioner dies within 60 months after entitlement to the old-age pension.

The lump sum is split among the surviving spouse, legitimate children, and a surviving father or mother according to the number and category of survivor.

**Death benefit and funeral grant:** The benefit and grant are payable if the deceased had 1 month of contributions in the 6 months before death or was a disability pensioner. The death must be the result of a nonoccupational injury or illness.

The death benefit is payable to the deceased's named beneficiary; in the absence of a named beneficiary, the benefit is shared equally among the surviving spouse, children, and parents.

The funeral grant is payable to the person who pays for the funeral.

#### Old-Age Benefits

**Old-age pension:** 15% of the insured's average monthly wage in the last 60 months before retirement.

Old-age pension increment: At the pensionable age, if the insured has paid contributions for more than 180 months, the benefit is increased by 1% of the insured's average monthly wage in the last 60 months for each 12-month period of contributions over 180 months.

There is no minimum pension.

Deferred pension: When the pension is first received, if the insured has paid contributions for over 180 months, the benefit is increased by 1% of the insured's average monthly wage in the last 60 months for each 12-month period of contributions over 180 months.

Benefit adjustment: Benefits are adjusted on an ad hoc basis according to changes in the cost of living.

**Old-age settlement:** A lump sum equal to the insured's contributions is paid if the insured has less than 12 months of contributions. If the insured has more than 12 months but less than 180 months of contributions, the lump sum is equal to the employer's and the insured's contributions plus interest. The interest rate is defined by the Social Security Office.

### Permanent Disability Benefits

**Disability pension:** 50% of the insured's average daily wage in the best 3 months during the 9 months before the onset of disability is payable until death.

There is no minimum pension.

**Benefit adjustment:** Benefits are adjusted on an ad hoc basis according to changes in the cost of living.

### Survivor Benefits

**Survivor benefit:** A lump sum equal to 10 times the deceased's monthly old-age pension.

**Death benefit:** If the deceased paid contributions for more than 36 months but less than 10 years, a lump sum equal to 50% of the insured's average monthly wage in the best 3 months during the 9 months before death multiplied by 3. If the deceased paid contributions for 10 years or more, a lump sum equal to 50% of the insured's average monthly wage in the best 3 months during the 9 months before death multiplied by 10.

**Funeral grant:** 30,000 baht.

### Administrative Organization

Ministry of Labor (<http://www.mol.go.th>) provides general supervision.

Social Security Office collects contributions and pays benefits.

### Sickness and Maternity

#### Regulatory Framework

**First and current law:** 1990 (social security), implemented in 1991, with 1994 and 1999 amendments.

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

#### Coverage

Employees aged 15 to 60.

Voluntary coverage for the self-employed and persons who cease covered employment after having been covered for at least 12 months.

**Exclusions:** Judges; employees of foreign governments or international organizations; employees of state enterprises; agricultural, forestry, and fishery employees; temporary and seasonal workers; and Thais working abroad.

Special systems for judges, civil servants, employees of state enterprises, and employees of private schools.

### Source of Funds

**Insured person:** 1.5% of gross monthly wage (0.44% of the 1.5% contribution finances disability and survivor benefits). For voluntary contributors, see source of funds under Old Age, Disability, and Survivors, above.

The minimum monthly earnings for contribution and benefit purposes are 1,650 baht.

The maximum monthly earnings for contribution and benefit purposes are 15,000 baht.

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

**Employer:** 1.5% of monthly payroll (0.44% of the 1.5% contribution finances disability and survivor benefits).

The minimum monthly earnings for contribution and benefit purposes are 1,650 baht.

The maximum monthly earnings for contribution and benefit purposes are 15,000 baht.

**Government:** 1.5% of monthly wages (0.44% of the 1.5% contribution finances disability and survivor benefits).

The minimum monthly earnings for contribution and benefit purposes are 1,650 baht.

The maximum monthly earnings for contribution and benefit purposes are 15,000 baht.

### Qualifying Conditions

**Cash sickness and medical benefits:** Three months of contributions in the 15 months before the onset of incapacity or the date of treatment.

The insured must provide medical certification.

**Cash maternity, childbirth grant, and medical benefits:** Seven months of contributions in the 15 months before the expected date of childbirth.

Cash maternity benefits are payable to an insured woman. The childbirth grant is payable to an insured woman or to the wife of, or a woman who cohabits with, an insured man. The childbirth grant is paid to cover the cost of medical expenses related to childbirth.

Maternity benefits are paid for two childbirths only.

### Sickness and Maternity Benefits

**Sickness benefit:** 50% of the insured's average daily wage in the best 3 months during the 9 months before sickness. The benefit is payable from the first day of certified absence from work (after the end of entitlement to statutory sick pay of usually 30 days under the labor law) but not longer than 90 days for each illness and for not more than a total of 180 days in any calendar year; may be extended up to 365 days for a chronic condition.



There is no minimum benefit.

**Maternity benefit:** 50% of the insured's average daily wage in the best 3 months during the 9 months before maternity leave is payable for up to 90 days for each childbirth.

There is no minimum benefit.

**Childbirth grant:** A lump sum of 6,000 baht.

### **Workers' Medical Benefits**

Medical examination and treatment, hospitalization, medicines, ambulance fees, rehabilitation, and other necessary expenses under the capitation system.

The insured must register with a contracted hospital, and benefits are delivered by the hospital with which the insured is registered. Medical care outside this hospital can be sought in case of emergency and accident only, and costs are reimbursed according to fixed rates in this case.

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 collects contributions and pays cash benefits.

Medical benefits are delivered by hospitals contracted by the Social Security Office.

## **Work Injury**

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### **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, and fishery employees; employees of state enterprises; employees of private schools; and government employees.

Special systems for government employees, employees of state enterprises, and employees of private schools.

### **Source of Funds**

**Insured person:** None.

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

**Employer:** 0.2% to 1% of payroll, according to the accident rate.

The contribution is made annually. Beginning with the fifth year of contributions, the company's accident rate is considered when assessing the degree of risk.

There are no minimum earnings for contribution and benefit purposes.

The maximum annual earnings for contribution and benefit purposes are 240,000 baht.

**Government:** None.

### **Qualifying Conditions**

**Work injury benefits:** There is no minimum qualifying period. The degree of disability is assessed annually by medical officers assigned by the Social Security Office.

### **Temporary Disability Benefits**

60% of the insured's monthly wage before the onset of disability. The benefit is payable after a 3-day waiting period for a maximum of 1 year; the benefit is paid retroactively if the incapacity lasts more than 3 days. Temporary disability benefits are paid according to the schedule in law. The insured must be unable to work.

The minimum monthly benefit is 2,000 baht.

The maximum monthly benefit is 9,000 baht.

### **Permanent Disability Benefits**

60% of the insured's monthly wage before the onset of disability is payable for a maximum of 15 years if the insured is assessed as totally disabled. Permanent disability benefits are paid according to the schedule in law.

The minimum monthly benefit is 2,000 baht.

The maximum monthly benefit is 9,000 baht.

Permanent partial disability benefit: 60% of the insured's monthly wage before the onset of disability. The benefit is payable for a minimum of 3 months up to a maximum of 10 years, according to the schedule in law. In certain cases, the benefit may be paid as a lump sum.

The minimum monthly benefit is 2,000 baht.

The maximum monthly benefit is 9,000 baht.

Benefit adjustment: Benefits are adjusted on an ad hoc basis.

## Workers' Medical Benefits

All necessary medical, surgical, and hospital services.

A maximum limit on the cost of medical benefits is set at 35,000 baht for each incident of work injury or occupational disease; up to 50,000 baht in certain specified cases, depending on the decision of the medical committee of the Office of Workmen's Compensation Fund.

Rehabilitation services are provided up to a maximum cost of 20,000 baht.

## Survivor Benefits

**Survivor benefit:** 60% of the insured's last monthly wage. The benefit is payable for up to 8 years. (A reduced benefit may be paid as a lump sum.)

The minimum monthly benefit is 2,000 baht.

The maximum monthly benefit is 9,000 baht.

Benefit adjustment: Benefits are adjusted on an ad hoc basis.

Eligible survivors include the spouse, children under age 18 (no limit if a student or disabled), and parents. Each survivor receives an equal amount. In the absence of eligible survivors, any other dependent persons may be entitled.

**Funeral grant:** A lump sum equal to 100 times the highest minimum daily wage. The benefit is payable to the person who arranges the funeral.

## Administrative Organization

Ministry of Labor (<http://www.mol.go.th>) provides general supervision.

Social Security Office administers the program through the Office of Workmen's Compensation Fund, which collects contributions and pays cash benefits.

Medical benefits are provided by contracted hospitals meeting the standards of the Office of Workmen's Compensation Fund.

## Unemployment

### Regulatory Framework

**First and current law:** 1990 (social security), implemented in 2004.

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

### Coverage

Employees aged 15 to 60.

There is no voluntary coverage.

Exclusions: Judges; employees of foreign governments or international organizations; employees of state enterprises; agricultural, forestry, and fishery employees; temporary and seasonal workers; and Thais working abroad.

## Source of Funds

**Insured person:** 0.5% of monthly gross wages.

The minimum monthly earnings for contribution and benefit purposes are 1,650 baht.

The maximum monthly earnings for contribution and benefit purposes are 15,000 baht.

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

**Employer:** 0.5% of monthly payroll.

The minimum monthly earnings for contribution and benefit purposes are 1,650 baht.

The maximum monthly earnings for contribution and benefit purposes are 15,000 baht.

**Government:** 0.25% of monthly wages.

The minimum monthly earnings for contribution and benefit purposes are 1,650 baht.

The maximum monthly earnings for contribution and benefit purposes are 15,000 baht.

## Qualifying Conditions

**Unemployment benefit:** Six months of contributions in the 15 months before unemployment.

Must be registered with the Government Employment Service Office, be ready and able to accept any suitable job offer, and report not less than once a month to the 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 7 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 for failure to comply with conditions.

## Unemployment Benefits

If involuntarily unemployed, the benefit is 50% of the insured's average daily wage in the best 3 months during the 9 months before unemployment for up to 180 days during 1 year; if voluntarily unemployed, the benefit is 30% of the insured's average daily wage for up to 90 days during 1 year.

The benefit is payable 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 collects contributions and pays benefits.

Department of Employment (<http://www.doe.go.th>), subordinate to the Ministry of Labor, registers the unemployed

insured person for job placement and training through the Government Employment Service Office.

## **Family Allowances**

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### **Regulatory Framework**

**First and current law:** 1990 (social security) implemented in 1998, with 1994 and 1999 amendments.

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

### **Coverage**

Employees aged 15 to 60.

Voluntary coverage for persons who cease covered employment after having been covered for at least 12 months.

Exclusions: Judges; employees of foreign governments or international organizations; employees of state enterprises; agricultural, forestry, and fishery employees; temporary and seasonal workers; and Thais working abroad.

Special systems for judges, civil servants, employees of state enterprises, and employees of private schools.

### **Source of Funds**

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

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

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

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

### **Qualifying Conditions**

**Child allowance:** Twelve months of contributions in the 36 months before the month of entitlement.

The benefit is payable 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 7.

### **Family Allowance Benefits**

**Child allowance:** A monthly allowance of 200 baht for each child.

### **Administrative Organization**

Ministry of Labor (<http://www.mol.go.th>) provides general supervision.

Social Security Office collects contributions and pays benefits.

## Turkey

Exchange rate: US\$1.00 equals 1,499,000 liras.

### Old Age, Disability, and Survivors

#### Regulatory Framework

**First laws:** 1949 (old age) and 1957 (old age, disability, and survivors).

**Current laws:** 1964 (social insurance), implemented in 1965, with 1999 amendment; and 1983 (agricultural employee social insurance), implemented in 1984, with 1999 amendment.

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

#### Coverage

Employees (including foreign nationals) aged 18 or older working under a service contract in the public or private sector.

Special systems for civil servants; the self-employed; farmers; some categories of agricultural worker; and bank, insurance company, and stock exchange employees.

#### Source of Funds

**Insured person:** 9% of monthly earnings.

The minimum monthly earnings for contribution and benefit purposes are 444,150,000 liras.

The maximum monthly earnings for contribution and benefit purposes are 2,886,975,000 liras (6.5 times minimum earnings).

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

**Employer:** 11% of monthly payroll; 13% on behalf of employees in arduous employment.

**Government:** None.

#### Qualifying Conditions

**Old-age pension:** If first insured on or after September 8, 1999, age 60 (men) or age 58 (women) with 7,000 days of contributions or 25 years of insurance coverage with 4,500 days of contributions.

If first insured before September 8, 1999, special conditions apply.

Miners younger than age 50 who have worked underground permanently for at least 20 years and who have at least 5,000 days of paid contributions (worked alternately underground for at least 25 years and have at least 4,000 days of contributions) can ask to receive the old-age pension; miners aged 50 or older who have a minimum of 1,800 days of insured employment are subject to other conditions.

Aged 50 or older and prematurely aged (and therefore unable to work until the full pensionable age), subject to other conditions.

An insured person, of any age, whose disability began before starting insured employment and who has at least 15 years of insurance coverage including at least 3,600 days of paid contributions, subject to the assessed degree of disability.

Gainful employment must cease on retirement. (In certain cases, employment may be permitted while receiving the old-age pension. In such cases, a social security support contribution of 30% of earnings must be paid.)

Deferred pension: There is no age limit for deferral.

**Old-age settlement:** Age 60 (men) or age 58 (women); age 50 (men and women), prematurely aged, and not eligible for a pension.

The old-age pension and the old-age settlement are partially payable abroad under bilateral agreement.

**Disability pension:** The loss of 2/3 of working capacity with at least 1,800 days of contributions or insured for at least 5 years with an average of 180 days of paid contributions for each year of insurance.

The disability pension is partially payable abroad under bilateral agreement.

**Survivor pension:** The deceased met the contribution requirements for a disability pension or an old-age pension or was a pensioner at the time of death; was insured for at least 5 years and had paid contributions for an average of at least 180 days each year or for a total of 1,800 days.

Eligible dependents include a spouse (the spouse's pension ceases on remarriage); children under age 18 (age 20 if in pre-university education, age 25 if in university); a son aged 18 or older who is disabled and unemployed; an unmarried, widowed, or divorced daughter of any age who is without insured employment and is not receiving any social security benefits in her own right; and dependent parents.

**Survivor settlement:** The insured person was not eligible for a pension. A lump sum equal to total employee and employer contributions is split among survivors according to prescribed ratios.

The survivor pension and survivor settlement are partially payable abroad under bilateral agreement.

**Funeral grant:** Paid to the family on the death of an old-age pensioner or disability pensioner.

#### Old-Age Benefits

**Old-age pension:** If first insured on or after January 1, 2000, the pension is calculated using the insured's average annual indexed earnings, on the basis of 3.5% for each 360-day period of contributions up to 3,600 days, 2% for each 360-day period of the next 5,400 days, and 1.5% for each additional 360-day period.

If first insured before January 1, 2000, special conditions apply.

The minimum monthly pension is at least 35% of the lower limit of monthly earnings, or 400,797,450 liras.

The maximum monthly pension is 878,682,251 liras.

Deferred pension: There are no additional payments for deferral beyond the standard retirement age.

**Old-age settlement:** If the insured is not eligible for a pension, a lump sum is payable equal to total employee and employer contributions.

Benefit adjustment: Pensions are adjusted periodically according to changes in the monthly consumer price index. (An exception was made in 2004: a flat-rate increase of 10% was applied in January and July.)

### **Permanent Disability Benefits**

**Disability pension:** If first insured on or after January 1, 2000, the pension is calculated as 60% of the insured's average indexed earnings during the years before the onset of disability.

If first insured before January 1, 2000, special conditions apply.

Constant-attendance allowance: The pension is increased to 70% of average indexed earnings.

Benefit adjustment: Pensions are adjusted periodically according to changes in the monthly consumer price index. (An exception was made in 2004: a flat-rate increase of 10% was applied in January and July.)

### **Survivor Benefits**

**Survivor pension:** If the deceased was first insured on or after January 1, 2000, the pension is calculated as 60% of the insured's average monthly earnings, plus 2% for each 360-day period of contributions beyond 8,100 days but not more than 9,000 days, plus 1.5% for each 360-day period of contributions beyond 9,000 days.

If the deceased was first insured before January 1, 2000, special conditions apply.

Eligible survivors include the spouse, orphans, and the deceased's parents.

The minimum pension for one survivor is 335,035,956 liras; 365,571,678 liras for two survivors.

**Survivor settlement:** If the deceased was not eligible for a pension, a lump sum equal to total employee and employer contributions is split among survivors according to prescribed ratios.

Eligible survivors include the spouse, orphans, and the deceased's parents.

**Funeral grant:** A lump sum of 182,100,000 liras.

Benefit adjustment: Pensions are adjusted periodically according to changes in the monthly consumer price index. (An exception was made in 2004: a flat-rate increase of 10% was applied in January and July.)

### **Administrative Organization**

Ministry of Labor and Social Security (<http://www.calisma.gov.tr>) provides general supervision.

Managed by a general assembly, board of directors, and president, the Social Insurance Institution (<http://www.ssk.gov.tr>) administers the program.

## **Sickness and Maternity**

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### **Regulatory Framework**

**First laws:** 1945 (maternity) and 1950 (sickness).

**Current laws:** 1964 (social insurance), implemented in 1965, with 1999 amendment; and 1983 (agricultural employee social insurance), implemented in 1984, with 1999 amendment.

**Type of program:** Social insurance system. Cash and medical benefits.

### **Coverage**

**Cash and medical benefits:** Employees working under a service contract in the public and private sectors and their dependent family members. (Cash maternity benefits are provided only to an insured woman.)

**Medical benefits only:** Pensioners and their dependents are covered for medical benefits.

Special systems for civil servants, the self-employed, and some categories of agricultural worker.

### **Source of Funds**

**Insured person:** 5% of monthly earnings (sickness).

The minimum monthly earnings for contribution and benefit purposes are 444,150,000 liras.

The maximum monthly earnings for contribution and benefit purposes are 2,886,975,000 liras (6.5 times minimum earnings).

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

**Employer:** 1% of payroll (maternity).

**Government:** None; except contributions for sickness benefits for applicants for apprenticeships, apprentices, and students in technical schools.

### **Qualifying Conditions**

**Cash sickness benefits:** 120 days of contributions during the year preceding the diagnosis of illness.

**Cash maternity benefits:** 120 days of contributions.

**Medical benefits:** For the insured person, 90 days of contributions in the year before the date of the first diagnosis of illness. For the insured's dependents, the insured must have 120 days of contributions in the year before the date of the first diagnosis of illness.

Eligible dependents include a spouse who does not work or receive any social security benefits; children under age 18 (age 20 if in pre-university education, age 25 if in university); a son aged 18 or older who is disabled and unemployed; an unmarried, widowed, or divorced daughter of any age who is

without insured employment and is not receiving any social security benefits in her own right; and dependent parents.

### **Sickness and Maternity Benefits**

**Sickness benefit:** The benefit for inpatient treatment is 1/2 of daily earnings. The benefit for outpatient treatment is 2/3 of daily earnings. The benefit is payable after a 2-day waiting period.

**Benefit adjustment:** The minimum and maximum daily insurable earnings for sickness benefit calculation purposes are adjusted according to changes to the minimum wage.

#### **Maternity benefits**

**Incapacity for work:** Two-thirds of earnings, payable for up to 8 weeks before and 8 weeks after the expected date of childbirth.

**Pregnancy benefit:** A lump sum of 50,000,000 liras (subject to the certification of pregnancy before the date of childbirth).

**Childbirth benefit:** A lump sum of 56,000,000 liras for a birth without complications, 116,000,000 liras for a birth by forceps, or 220,000,000 liras for a birth by caesarian section. In all cases, the Social Insurance Institution must receive certification of the birth within 3 months after the birth.

In cases in which medical services for pregnancy and childbirth cannot be provided directly through health facilities contracted by the Social Insurance Institution or government hospital, a fixed amount of monetary aid is provided according to the schedule in law. The fixed amount is increased for multiple births.

**Nursing grant:** A lump sum of 50,000,000 liras for a live birth.

**Benefit adjustment:** The minimum and maximum daily insurable earnings for maternity benefit calculation purposes are adjusted according to changes in to the minimum wage. The Ministry of Labor and Social Security may make ad hoc adjustments to the pregnancy benefit, childbirth benefit, and nursing grant.

### **Workers' Medical Benefits**

Medical services are usually provided directly to patients through the facilities of the Social Insurance Institution. Benefits include general and specialist care, hospitalization, laboratory services, medicines, maternity care, appliances, and transportation. Benefits are usually limited to 6 months; may be extended in special cases.

**Cost sharing:** The insured person pays 20% (10% for pensioners) of the cost of medicines and prostheses in outpatient treatment.

### **Dependents' Medical Benefits**

Medical services are usually provided directly to patients through the facilities of the Social Insurance Institution. Benefits include general and specialist care, hospitalization, laboratory services, medicines, maternity care, appliances, and

transportation. Benefits are usually limited to 6 months; may be extended in special cases.

**Cost sharing:** 20% (10% for a pensioner or the dependent of a pensioner) of the cost of medicines and prostheses in outpatient treatment.

### **Administrative Organization**

Ministry of Labor and Social Security (<http://www.calisma.gov.tr>) provides general supervision.

Social Insurance Institution (<http://www.ssk.gov.tr>) administers the program through its branch offices. It operates its own dispensaries, hospitals, sanatoria, and pharmacies and contracts with private-sector service providers in localities where it has no facilities.

### **Work Injury**

#### **Regulatory Framework**

**First law:** 1945 (industrial accidents).

**Current laws:** 1964 (social insurance), implemented in 1965, with 1999 amendment; and 1983 (agricultural employee social insurance), implemented in 1984, with 1999 amendment.

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

**Note:** Work accidents and occupational illnesses are separately provided for, but benefits are paid under the general system.

#### **Coverage**

Employees working under a service contract in the public or private sector; applicants for apprenticeships, apprentices, and students; and convicted persons working in prison workshops.

**Exclusions:** Part-time domestic employees.

Special systems for civil servants, the self-employed, and some categories of agricultural worker.

#### **Source of Funds**

**Insured person:** None.

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

**Employer:** Between 1.5% and 7% of payroll, according to the assessed degree of risk. The average contribution rate is 2.5% of payroll.

The minimum monthly earnings for contribution and benefit purposes are 444,150,000 liras.

The maximum monthly earnings for contribution and benefit purposes are 2,886,975,000 liras (6.5 times minimum earnings).

**Government:** None; except the cost of applicants for apprenticeships, apprentices, and students in technical schools.

## Qualifying Conditions

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

## Temporary Disability Benefits

The benefit is 2/3 of daily earnings; 1/2 of daily earnings if hospitalized. The benefit is payable from the first day of incapacity.

Benefit adjustment: The minimum and maximum daily insurable earnings for benefit calculation purposes are adjusted according to changes in the minimum wage.

## Permanent Disability Benefits

**Permanent disability pension:** The pension is calculated on the basis of the insured's annual insurable earnings.

Total disability is assessed as the loss of earning capacity as a result of a work accident or an occupational disease.

Partial disability: For an assessed degree of disability of at least 10%, the pension is in proportion to the assessed degree of disability. For an assessed degree of disability of at least 10% but less than 25%, the pension may be paid as a lump sum.

The minimum pension is at least 70% of the lower limit of monthly earnings for contribution and benefit purposes, with an assessed degree of disability of at least 25%.

There is no maximum pension.

Constant-attendance allowance: Equal to 50% of the pension.

Benefit adjustment: Benefits are adjusted according to changes in the monthly consumer price index. (An exception was made in 2004: a flat-rate increase of 10% was applied in January and July.)

## Workers' Medical Benefits

Medical treatment, surgery, hospitalization, medicines, appliances, and transportation. There is no limit to duration.

## Survivor Benefits

**Survivor pension:** The minimum monthly pension for one survivor is at least 80% (90% for two survivors) of 35% of the lower limit of monthly earnings for contribution and benefit purposes.

There is no maximum pension.

Eligible dependents include a spouse (the spouse pension ceases on remarriage); children under age 18 (age 20 if in pre-university education, age 25 if in university); a son aged 18 or older who is disabled and unemployed; an unmarried, widowed, or divorced daughter of any age who is without insured employment and is not receiving any social security benefits in her own right; and dependent parents.

Dependent parents: If the total survivor pension awarded to the spouse and children is less than 70% of the insured's

annual earnings, the difference is paid to a dependent father and mother; if the total survivor pension awarded to the spouse and children is 70% or more of the insured's annual earnings, no pension is paid for a dependent father and mother.

**Funeral grant:** A lump sum of 182,100,000 liras is paid to the family on the death of the insured worker.

Benefit adjustment: Survivor benefits are adjusted according to changes in the monthly consumer price index. (An exception was made in 2004: a flat-rate increase of 10% was applied in January and July.)

## Administrative Organization

Ministry of Labor and Social Security (<http://www.calisma.gov.tr>) provides general supervision.

Social Insurance Institution (<http://www.ssk.gov.tr>) administers the program through its branch offices and health facilities.

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## Unemployment

### Regulatory Framework

**First and current law:** 1999 (unemployment insurance), implemented in 2000.

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

### Coverage

Employees (including foreign nationals) aged 18 or older working under a service contract in the public or private sector and certain other specified groups.

Exclusions: Civil servants, workers in agriculture and forestry, domestic workers, military personnel, students, and the self-employed.

### Source of Funds

**Insured person:** 1% of monthly earnings.

The minimum monthly earnings for contribution and benefit purposes are 444,150,000 liras.

The maximum monthly earnings for contribution and benefit purposes are 2,886,975,000 liras (6.5 times minimum earnings).

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

**Employer:** 2% of monthly payroll.

**Government:** 1% of monthly earnings.

The minimum monthly earnings for contribution and benefit purposes are 444,150,000 liras.

The maximum monthly earnings for contribution and benefit purposes are 2,886,975,000 liras (6.5 times minimum earnings).

### Qualifying Conditions

**Unemployment benefit:** Six hundred days of contributions in the 3 years before unemployment, including the last 120 days of employment.

### **Unemployment Benefits**

The minimum daily benefit is 50% of average daily earnings, based on the last 4 months' earnings. The benefit is paid for 180 days to an insured worker with 600 days of contributions; for 240 days with 900 days of contributions; and 300 days with 1,080 days of contributions.

The monthly benefit must not be higher than the minimum wage for the industry in which the insured worked.

The maximum monthly benefit is 318,223,475 liras.

Unemployment benefits can be received in full at the same time as sickness and maternity benefits.

Benefit adjustment: Benefits are not adjusted but are calculated according to the insured's monthly earnings.

### **Administrative Organization**

Ministry of Labor and Social Security (<http://www.calisma.gov.tr>) provides general supervision.

Social Insurance Institution (<http://www.ssk.gov.tr>) is responsible for collecting contributions.

Employment Agency (<http://www.iskur.gov.tr>) is responsible for any further services and procedures.



## Turkmenistan

Exchange rate: US\$1.00 equals 5,200 manat (TM).

### Old Age, Disability, and Survivors

#### Regulatory Framework

**First law:** 1956.

**Current laws:** 1998 (pensions) and 1998 (state allowances).

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

Local governments and employers may provide supplementary benefits out of their own budgets.

#### Coverage

**Social insurance:** All employed and self-employed persons.

**Social pension:** Persons not eligible for benefits under the 1998 pension law.

#### Source of Funds

**Insured person:** 1% of all earnings (plus a voluntary contribution of at least 4% of earnings made to a special personal bank account to supplement income in old age).

The insured's contributions also finance cash sickness, maternity, work injury benefits, and family allowances.

**Self-employed person:** 1% of all earnings (plus a voluntary contribution of at least 4% of earnings to a special personal bank account to supplement income in old age).

**Employer:** 30% of payroll for urban employers; 20% of payroll for agricultural employers. For certain employers, the contribution varies according to sector.

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

**Government:** Subsidies as needed and the total cost of social allowances.

The government also subsidizes cash benefits for sickness, maternity, and work injury.

#### Qualifying Conditions

**Old-age pension:** Age 62 with 25 years of covered employment (men) or age 57 with 20 years of covered employment (women); the qualifying conditions are reduced for mothers with three or more children or disabled children.

Age 58 (men) or age 55 (women) for military personnel; age 50 (men) or age 48 (women) for pilots and flight crew; age 52 (men) or age 47 (women) for contracted military personnel.

**Disability pension:** The allowance is awarded according to three groups of assessed disability: totally disabled, incapable

of any work, and requiring care provided by another person at all times (Group I); disabled persons with reduced working capacity and requiring care provided by another person sometimes (Group II); disabled persons with reduced working capacity (Group III).

Eligible persons include persons disabled while in military service, disabled children younger than age 16, or persons disabled since childhood.

A territorial or state medical commission under the Ministry of Social Security assesses the degree of disability.

**Survivor pension:** The allowance is payable to surviving dependent family members regardless of whether the deceased was insured.

**Social pension:** Age 67 or older (men) or age 62 or older (women); persons not eligible for the old-age pension or the disability pension.

#### Old-Age Benefits

**Old-age pension:** The monthly pension is calculated on the basis of a state-set percentage amount (2.5%) for each year of covered employment multiplied by monthly national average earnings in the last quarter before retirement multiplied by a personal pension coefficient multiplied by the number of years of covered employment.

The personal pension coefficient is the ratio of assessed earnings to gross national average earnings. Assessed earnings are equal to the insured's gross average earnings based on the best 5 consecutive years in all the years of covered employment. Gross national average earnings are calculated on the basis of the years of covered employment used to calculate assessed earnings.

The minimum pension is 40% of the national minimum wage.

**Benefit adjustment:** Periodic benefit adjustments according to changes in the national average wage.

**Social pension:** 100% of the minimum old-age pension a month.

#### Permanent Disability Benefits

**Disability pension:** For a Group I disability (totally disabled, incapable of any work, and requiring care provided by another person at all times), 60% of the personal coefficient multiplied by gross national average earnings; for a Group II disability (disabled with reduced working capacity and requiring care provided by another person sometimes), 50% of the personal coefficient multiplied by gross national average earnings; for a Group III disability (disabled with reduced working capacity), 40% of the personal coefficient multiplied by gross national average earnings. The pension is payable monthly.

The personal coefficient is the ratio of assessed earnings to gross national average earnings. Assessed earnings are equal to the insured's gross average earnings based on the best 5 consecutive years in all the years of covered employment.

Gross national average earnings are calculated on the basis of the years of covered employment used to calculate assessed earnings.

The minimum pension is 40% of the national minimum wage.

The maximum pension is 75% of the national minimum wage.

Eligibility for one benefit (sickness benefit, maternity benefit, child care allowance, survivor pension, or social pension) does not prevent eligibility for another benefit, but eligible persons must opt to receive one benefit only.

Constant-attendance allowance: 30% of the minimum old-age pension a month (Groups I and II); 50% for a disabled war veteran or blind person (Group I) or a single disabled person (Group II).

Dependent supplement (Groups I and II): 50% of the minimum old-age pension a month for each nonworking dependent.

Benefit adjustment: Periodic benefit adjustments according to changes in the national average wage.

**Social pension:** 150% of the minimum old-age pension a month if the onset of disability was after childhood (Groups I and II) or for disabled children younger than age 16; 120% of the minimum benefit a month if the disabled person (Groups I and II) does not satisfy the conditions for covered employment; 100% of the minimum benefit a month for a person with a Group III disability.

### Survivor Benefits

**Survivor pension:** 100% of the minimum pension for one dependent; if more than one dependent survivor, 30% of the deceased's personal coefficient (40% for military personnel) multiplied by gross national average earnings each receives.

The minimum pension is 40% of the national minimum wage.

The personal coefficient is the ratio of assessed earnings to gross national average earnings. Assessed earnings are equal to the deceased's gross average earnings based on the best 5 consecutive years in all the years of covered employment.

Gross national average earnings are calculated on the basis of the years of covered employment used to calculate assessed earnings.

The maximum pension is 100% of the national minimum wage.

Benefit adjustment: Periodic benefit adjustments according to changes in the national average wage.

### Administrative Organization

Ministry of Social Security provides general coordination and supervision.

Regional and local departments of social security administer the program.

## Sickness and Maternity

### Regulatory Framework

**First law:** 1955.

**Current laws:** 1994 and 1998 (state allowances).

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

### Coverage

**Cash benefits:** Employed and nonworking citizens.

**Medical benefits:** All residents.

### Source of Funds

#### Insured person

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

**Medical benefits:** Voluntary supplementary contributions for medical benefits.

#### Self-employed person

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

**Medical benefits:** Voluntary supplementary contributions for medical benefits.

#### Employer

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

**Medical benefits:** None.

#### Government

**Cash benefits:** Total cost for nonworking citizens.

**Medical benefits:** Total cost.

### Qualifying Conditions

**Cash and medical benefits:** There is no minimum qualifying period.

### Sickness and Maternity Benefits

**Sickness benefit:** With less than 5 years of uninterrupted work, 60% of earnings; with between 5 and 8 years, 80%; or if more than 8 years (or if with three or more children younger than age 16; age 18 if a student), 100%.

Insured persons have 5 days of paid leave to care for a sick family member; 7 days in exceptional cases or 14 days if caring for a child younger than age 14 (or for the duration if the sick child is hospitalized).

Fourteen days of unpaid leave is provided to women caring for children younger than age 3, to a woman or a single parent raising two or more children younger than age 14, or for a man

whose wife is on maternity leave. Disabled workers are entitled to 30 days of unpaid leave.

**Maternity benefit:** 100% of earnings are payable 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).

**Child care allowance:** 100% of the minimum old-age pension (40% of the national average wage) for nonurban areas or 125% of the minimum old-age pension for urban areas is payable for a child younger than age 3 whose parents are disabled. A relevant birth certificate must be provided. The allowance is paid monthly, beginning the month following the last day of maternity benefit.

**Benefit adjustment:** Periodic benefit adjustments according to changes in the national average wage.

### **Workers' Medical Benefits**

Medical services are provided directly to patients by public health providers. Benefits include general and specialized care, hospitalization, laboratory services, dental care, maternity care, vaccination, and transportation. Medicines are free if provided with hospitalization.

### **Dependents' Medical Benefits**

Same as for the household head.

### **Administrative Organization**

**Cash benefits:** Ministry of Social Security and regional social security departments administer the program. Regional and local departments of social security administer maternity benefits for the unemployed and other nonworking citizens.

Enterprises and employers pay benefits to their own employees using funds from the Social Insurance Fund.

**Medical benefits:** Ministry of Health and Medical Industry and regional health departments are responsible for the implementation of state health care policy and the development of health care programs. Ministry of Health and Medical Industry and regional health departments are responsible for the provision of medical services through clinics, hospitals, maternity homes, and other medical facilities, including private health providers.

### **Work Injury**

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#### **Regulatory Framework**

**First law:** 1955.

**Current law:** 1998 (state allowances).

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

Local authorities and employers can provide supplementary pension benefits out of their own budgets.

### **Coverage**

Employed persons. (Medical care is available to all citizens of Turkmenistan.)

### **Source of Funds**

#### **Insured person**

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

**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, above.

**Medical benefits:** None.

#### **Government**

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

**Medical benefits:** Total cost.

### **Qualifying Conditions**

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

### **Temporary Disability Benefits**

100% of earnings. The benefit is payable from the first day of disability until recovery or the award of a permanent disability pension. On the award of a permanent disability pension, the employer pays compensation to the insured.

Work injuries must be assessed by the competent authority.

### **Permanent Disability Benefits**

**Permanent disability pension:** For a Group I disability (totally disabled, incapable of any work, and requiring care provided by another person at all times), 60% of the personal coefficient multiplied by gross national average earnings; for a Group II disability (disabled with reduced working capacity and requiring care provided by another person sometimes), 50% of the personal coefficient multiplied by gross national average earnings; for a Group III disability (disabled with reduced working capacity), 40% of the personal coefficient multiplied by gross national average earnings. The pension is payable monthly.

The personal coefficient is the ratio of assessed earnings to gross national average earnings. Assessed earnings are equal to the insured's gross average earnings based on the best 5 consecutive years in all the years of covered employment. Gross national average earnings are calculated on the basis of

the years of covered employment used to calculate assessed earnings.

The minimum pension is 40% of the national minimum wage.

The maximum pension is 75% of the national minimum wage.

Eligibility for one benefit (sickness benefit, maternity benefit, child care allowance, survivor pension, or social pension) does not prevent eligibility for another benefit, but eligible persons must opt to receive one benefit only.

Constant-attendance allowance: 30% of the minimum benefit a month (Groups I and II); 50% for a disabled war veteran or blind person (Group I) or a single disabled person (Group II).

Dependent supplement (Groups I and II): 50% of the minimum benefit a month for each nonworking dependent.

Work injuries must be assessed by the competent authority.

Benefit adjustment: Periodic benefit adjustments according to changes in the national average wage.

### **Workers' Medical Benefits**

Medical services are provided directly to patients by government health providers. Benefits include general and specialist care, hospitalization, laboratory services, transportation, and the full cost of appliances and medicines.

### **Survivor Benefits**

**Survivor pension:** 100% of the minimum pension for one dependent; if more than one dependent survivor, each receives 30% of the deceased's personal coefficient (40% for military personnel) multiplied by gross national average earnings.

The personal coefficient is the ratio of assessed earnings to gross national average earnings. Assessed earnings are equal to the deceased's gross average earnings based on the best 5 consecutive years in all the years of covered employment. Gross national average earnings are calculated on the basis of the years of covered employment used to calculate assessed earnings.

The minimum pension is 40% of the national minimum wage.

The maximum pension is 100% of the national minimum wage.

Benefit adjustment: Periodic benefit adjustments according to changes in the national average wage.

### **Administrative Organization**

**Temporary disability benefits:** Enterprises and employers pay benefits to their own employees using funds from the Social Insurance Fund.

**Pensions:** Ministry of Social Security provides general coordination and supervision.

Regional and local departments of social security administer pensions.

**Medical benefits:** Ministry of Health and Medical Industry and health departments of local governments provide general

supervision and policy coordination. Ministry of Health and health departments of local governments administer the provision of medical services through clinics, hospitals, and other facilities.

## **Unemployment**

### **Regulatory Framework**

**First and current law:** 1991 (employment).

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

### **Coverage**

Permanent residents of working age.

### **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 total benefit is equal to three times the worker's gross monthly average earnings.

Benefit adjustment: Periodic benefit adjustments 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 equals 1,012 som.

### Old Age, Disability, and Survivors

#### Regulatory Framework

**First law:** 1956.

**Current law:** 1993 (state pension), implemented in 1994.

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

Local authorities and employers may provide supplementary benefits out of their own budgets.

#### Coverage

**Social insurance:** All employed persons residing in Uzbekistan.

**Social pension:** Needy elderly and disabled pensioners and certain other categories of resident, including victims of the Chernobyl catastrophe.

#### Source of Funds

**Insured person:** 2.5% of wages.

**Self-employed person:** A contribution at least equal to the value of the national minimum monthly salary; self-employed persons who reach the retirement age and disabled self-employed persons contribute at least 50% of this amount.

**Employer:** 33% of total payroll; plus 0.5% of the value of gross sales (goods and services) or gross revenue.

**Government:** Subsidies as needed and the total cost of social pensions.

All of the above contributions also finance cash sickness and maternity benefits, work injury benefits, and family allowances.

#### Qualifying Conditions

**Old-age pension:** Age 60 with 25 years of covered employment (men) or age 55 with 20 years of work (women). Retirement from employment is necessary.

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 other categories of worker.

Pensions are not payable abroad; a lump sum equal to 6 months of benefits is paid to pensioners before they leave the country permanently.

**Disability pension:** Payable according to three categories of disability: totally disabled, incapable of any work, and requiring constant attendance (Group I); totally disabled, incapable of any work, and not requiring constant attendance

(Group II); and partially disabled and incapable of usual work (Group III).

The insured must have a minimum of between 1 and 15 years of covered employment, depending on age at the onset of disability.

An expert medical commission assesses the degree of disability.

Pensions are not payable abroad; a lump sum equal to 6 months of benefits is paid to pensioners before they leave the country permanently.

**Survivor pension:** The deceased must have had between 1 and 15 years of covered employment, depending on age at the time of death. The pension is payable to surviving children whether or not they were dependent on the deceased and to 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; a lump sum equal to 6 months of benefits is paid to pensioners before they leave the country permanently.

**Social pension:** Needy elderly and disabled pensioners and orphans.

#### Old-Age Benefits

**Old-age pension:** The pension is paid according to two income categories.

**First tier (high-waged):** Insured persons receive 55% of average earnings.

Average earnings are based on the average wage over any consecutive 5-year period.

The minimum pension for high-waged insured persons varies between 50% of the minimum wage (for incomplete service) and 100% of the minimum wage (for full service).

The maximum pension for high-waged insured persons with full service is 5.25 times the minimum wage.

The minimum wage equals 6,530 som.

**Second tier:** Insured persons receive 1% of average earnings a month for every year of service.

**Social pension:** Special pensions are awarded to certain categories of elderly beneficiary, including war veterans.

**Benefit adjustment:** Periodic benefit adjustments according to changes in the cost of living.

#### Permanent Disability Benefits

**Disability pension:** For a Group I disability, 55% of average earnings over any consecutive 5-year period; 100% of the high-waged old-age pension with 25 years of covered employment (men) or 20 years (women), plus a constant-attendance supplement.

For a Group II disability, 55% of average earnings; 100% of the high-waged old-age pension with 25 years of covered employment (men) or 20 years (women).

For a Group III disability, 30% of earnings.

The minimum pension for a Group I or II disability is 100% of the minimum high-waged old-age pension; for a Group III disability, 50% of the minimum high-waged old-age pension.

Partial pension: If the insured has insufficient years of covered employment, the monthly benefit is reduced in proportion to the number of years below the required years of coverage.

**Social pension:** A social pension is awarded for a Group I disability if the disability began in childhood and for disabled children younger than age 16. The monthly pension equals 100% of the minimum high-waged old-age pension. The social pension for a Group II disability for adults is 50% of the minimum high-waged old-age pension a month; for a Group III disability, 30% of the minimum high-waged old-age pension a month.

Benefit adjustment: Periodic benefit adjustments according to changes in the cost of living.

### Survivor Benefits

**Survivor pension:** The monthly pension is 30% of earnings over any consecutive 5-year period for each dependent survivor.

The minimum pension is 100% of the minimum wage; 200% for the death of both parents or for the death of a single mother.

**Social pension:** A social pension is paid to each orphan younger than age 16 (no limit if disabled since childhood). The monthly pension is 50% of the minimum pension.

Benefit adjustment: Periodic benefit adjustments according to changes to the cost of living.

### Administrative Organization

Ministry of Labor and Social Protection provides general supervision and coordination.

Regional departments of social protection administer the program.

## Sickness and Maternity

### Regulatory Framework

**First and current laws:** 1955 (temporary disability), with 1984, 1990, and 1992 amendments; and 1996 (universal medical benefits).

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

**Medical benefits:** All residents.

### Source of Funds

#### Insured person

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

**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, above.

**Medical benefits:** None.

#### Government

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

**Medical benefits:** Total cost.

### Qualifying Conditions

**Cash sickness benefits:** Sickness benefits are paid according to the length of the coverage period.

**Cash maternity benefits:** There is no minimum qualifying period.

**Medical benefits:** There is no minimum qualifying period.

### Sickness and Maternity Benefits

**Sickness benefit:** With less than 5 years of uninterrupted employment, 60% of the last month's wage; 80% with between 5 and 8 years; 100% with over 8 years (or if the insured has three or more children).

**Maternity benefit:** 100% of wages. The benefit is paid monthly for 70 days before and 56 days after childbirth (may be extended to 70 days after childbirth in case of complications or multiple births). Mothers caring for children younger than age 2 are entitled to paid leave equal to 20% of the minimum wage a month. Working mothers are entitled to 3 years of unpaid leave.

The minimum wage equals 6,530 soms.

### Workers' Medical Benefits

Medical services are provided directly by government health providers. Benefits include general and specialist care, hospitalization, prostheses, medication, and other medical care services.

### **Dependents' Medical Benefits**

Same as for the household head.

### **Administrative Organization**

**Cash sickness and maternity benefits:** Ministry of Labor and Social Protection provides general supervision and coordination. Cash benefits are provided directly by the enterprises and by local departments of social protection.

**Medical benefits:** Ministry of Public Health and health departments of local governments provide general supervision and coordination. Ministry of Public Health and local health departments administer the provision of medical services through government clinics, hospitals, maternity homes, and other facilities.

### **Work Injury**

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#### **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 can provide supplementary pension benefits out of their own budgets.

#### **Coverage**

**Cash benefits:** Employed persons.

**Medical benefits:** All residents.

#### **Source of Funds**

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

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

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

**Government:** See source of funds under Old Age, Disability, and Survivors, above; and the cost of medical benefits.

#### **Qualifying Conditions**

**Work injury benefits:** There is no minimum qualifying period. Pensions are payable abroad for a work injury or an occupational disease.

#### **Temporary Disability Benefits**

100% of earnings. Benefit is payable from the first day of incapacity until recovery or the award of a permanent disability pension.

An expert medical commission assesses the degree of disability.

### **Permanent Disability Benefits**

**Permanent disability pension:** Payable according to three categories of disability: totally disabled, incapable of any work, and requiring constant attendance (Group I); totally disabled, incapable of any work, and not requiring constant attendance (Group II); and partially disabled and incapable of usual work (Group III). For a Group I disability, 55% of average earnings over any consecutive 5-year period; 100% of the high-waged old-age pension with 25 years of covered employment (men) or 20 years (women), plus a constant-attendance supplement.

For a Group II disability, 55% of average earnings; 100% of the high-waged old-age pension with 25 years of covered employment (men) or 20 years (women).

For a Group III disability, 30% of earnings.

The minimum pension for a Group I or II disability is 100% of the minimum high-waged old-age pension; for a Group III disability, 50% of the minimum high-waged old-age pension.

An expert medical commission assesses the degree of disability.

### **Workers' Medical Benefits**

Medical services are provided directly to patients by governmental health providers. Benefits include general and specialist care, hospitalization, laboratory services, transportation, and the full cost of appliances and medicines.

### **Survivor Benefits**

**Survivor pension:** The monthly pension is 30% of the deceased's earnings over any consecutive 5-year period for each dependent survivor.

The minimum pension is 100% of the minimum wage; 200% for a full orphan or the death of a single mother.

The minimum wage equals 6,530 soms.

### **Administrative Organization**

**Temporary disability benefits:** Enterprises and employers pay benefits to their own employees.

**Pensions:** Ministry of Labor and Social Protection provides general supervision and coordination. Regional departments of social protection administer the program.

**Medical benefits:** Ministry of Public Health and health departments of local governments provide general supervision and coordination. Ministry of Public Health and local health departments administer the provision of medical services through clinics, hospitals, and other facilities.

## Unemployment

### Regulatory Framework

**First and current law:** 1991 (employment), implemented in 1992, with 1998 amendment.

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

### Coverage

Working-age citizens.

### Source of Funds

**Employee:** None.

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

**Employer:** 3% of payroll.

**Government:** Subsidies as needed from central and local governments.

### Qualifying Conditions

**Unemployment benefit:** The insured must have worked for at least 12 weeks in the last 12 months.

Long-term unemployed: Reentrants to the workforce who have less than 12 weeks of employment in the last 12 months but have at least 1 year of total employment.

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:** Benefit is payable monthly at 50% of previous average earnings for 26 weeks.

The minimum benefit is 100% of the minimum wage.

The maximum benefit is based on average earnings that do not exceed the national average wage.

Long-term unemployed: Reentrants to the workforce with skills receive 100% of the minimum wage for the first 13 weeks and 75% of the minimum wage for the following 13 weeks; reentrants to the workforce without skills receive 75% of the minimum wage (50% if no dependents) for 13 weeks.

First-time job seeker: 75% of the minimum wage (50% if no dependents) for 13 weeks.

Dependent supplement: 10% of the unemployment benefit is payable monthly to each dependent younger than age 16.

The minimum wage equals 6,530 soms.

**Early retirement pension:** The old-age pension is payable to unemployed persons within 2 years of reaching pensionable age. (See old-age benefits under Old Age, Disability, and Survivors, above.)

## Administrative Organization

Employment Service and local counterparts administer the program.

## Family Allowances

### 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:** Insured employed and self-employed persons.

**Social assistance:** Residents.

### Source of Funds

**Insured person:** For social insurance benefits, see source of funds under Old Age, Disability, and Survivors, above. For social assistance benefits, none.

**Self-employed person:** For social insurance benefits, see source of funds under Old Age, Disability, and Survivors, above. For social assistance benefits, none.

**Employer:** For social insurance benefits, see source of funds under Old Age, Disability, and Survivors, above. For social assistance benefits, none.

**Government:** The total cost of social assistance benefits from republic, regional, city, and district budgets as well as from various extrabudgetary sources. May provide subsidies for social insurance benefits.

### Qualifying Conditions

**Young child allowance (social insurance):** Payable for children younger than age 2. The allowance is income-tested, except for single-parent families and families with at least one disabled child.

**Family assistance (social assistance):** Needy families or single persons.

**Family allowance (social assistance):** Children must be younger than age 16 (age 18 if a student).

### Family Allowance Benefits

**Young child allowance (social insurance):** A fixed monthly amount equal to 200% of the national minimum wage, regardless of the number of children. The national minimum wage equals 6,530 soms.

**Family assistance (social assistance):** The monthly amount is awarded according to the number of family members



and the assessed need. The allowances are normally paid monthly for a period of 3 months; may be extended in certain cases. The monthly financial assistance is between 1.5 and 3 months of the national minimum wage. The national minimum wage equals 6,530 soms.

**Family allowance (social assistance):** For families with one child, the monthly allowance is equal to 50% of the national minimum wage; for families with two children, 100%; for families with three children, 140%; for families with four or more children, 175%. Family allowances may be paid for up to 6 months; may be extended in certain cases. The national minimum wage equals 6,530 soms.

### ***Administrative Organization***

**Social insurance:** Ministry of Labor and Social Protection provides general supervision and coordination.

**Social assistance:** Citizens' Commissions administer the program locally, assess eligibility for entitlement, and determine the award of benefits.

## Vanuatu

Exchange rate: US\$1.00 equals 113.77 vatu.

### Old Age, Disability, and Survivors

#### Regulatory Framework

**First and current law:** 1986 (provident fund), implemented in 1987, with 1989, 1998, 2000, 2001, and 2003 amendments.

**Type of program:** Provident fund system.

#### Coverage

All employees older than age 14 in regular employment, including members of cooperative societies.

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; persons detained in prison, approved school, mental hospital, or leper asylum; and temporary workers in agriculture and forestry with employment contracts of less than 2 months.

Voluntary coverage for ministers of religious organizations and for any person without mandatory coverage between ages 14 and 55.

#### Source of Funds

**Insured person:** A minimum of 4% of monthly earnings (additional voluntary contributions are permitted without a ceiling). Voluntary contributors pay between 1,000 vatu and 10,000 vatu a month.

The minimum monthly earnings for contribution purposes are 3,000 vatu.

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

**Employer:** 6% of monthly payroll.

The minimum monthly earnings for contribution purposes 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 further contributions after age 55, no withdrawal is allowed until 2 years after the date of the last withdrawal, unless the member retires or dies.

**Disability benefit:** Permanently incapable of any employment due to a physical or mental disability. The disability is assessed by two registered medical practitioners.

**Survivor benefit:** Payable on the death of the fund member before retirement.

**Death benefit:** Payable to named survivors.

#### Old-Age Benefits

A lump sum equal to total employee and employer contributions, plus compound interest.

Interest rate adjustment: Set annually by the Provident Fund Board. The interest rate must not exceed 3% a year unless the Provident Fund Board is convinced it can meet all payments required.

#### Permanent Disability Benefits

A lump sum equal to total employee and employer contributions, plus compound interest.

Interest rate adjustment: Set annually by the Provident Fund Board. The interest rate must not exceed 3% a year unless the Provident Fund Board is convinced it can meet all payments required.

#### Survivor Benefits

**Survivor benefit:** A lump sum equal to total employee and employer contributions, plus compound interest.

The eligible survivors are the spouse, dependent parents of the deceased or of his or her spouse, and children. Survivors must be named by the deceased, and the benefit is split among survivors as specified by the deceased.

Interest rate adjustment: Set annually by the Provident Fund Board. The interest rate must not exceed 3% a year unless the Provident Fund Board is convinced it can meet all payments required.

**Death benefit:** A lump sum of 175,000 vatu is paid to named survivors.

#### Administrative Organization

Ministry of Finance provides general supervision.

Managed by a general manager, a six-member tripartite Provident Fund Board administers the program.

Provident Fund Board is responsible for appointing a commercial funds manager and for setting the investment criteria.

#### Sickness and Maternity

##### Regulatory Framework

No statutory benefits are provided for sickness and maternity.

The Employment Act of 1983 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 12 months or more.

- provide 50% of wages for maternity leave of up to 12 weeks (6 weeks before and 6 weeks after the expected date of childbirth). Employers are required to allow a mother to interrupt work twice a day for 30 minutes to feed a nursing child.
- provide medical care for workers and for their dependents when the dependents are living on the employer's property.

## Vietnam

Exchange rate: US\$1.00 equals 15,739 dong.

### Old Age, Disability, and Survivors

#### Regulatory Framework

**First law:** 1961 (public-sector employees).

**Current law:** 2002 (pensions), with 2003 amendment.

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

#### Coverage

Private- and public-sector employees with employment contracts of at least 3 months, including domestic workers; employees in agriculture, fishing, and salt production; and civil servants and officers of the armed forces.

#### Source of Funds

**Insured person:** 5% of gross monthly wages.

The minimum earnings for contribution purposes are equal to the minimum wage. (The minimum monthly wage for public-sector employees is 290,000 dong; the minimum wage for private-sector employees varies according to profession.)

There are no maximum earnings for contribution purposes.

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

**Employer:** 10% of monthly payroll.

The minimum earnings for contribution purposes are equal to the minimum wage. (The minimum monthly wage for public-sector employees is 290,000 dong; the minimum wage for private-sector employees varies according to profession.)

There are no maximum earnings for contribution purposes.

**Government:** None; subsidies as necessary and the total cost of old-age pensions for workers who retired before 1995.

#### Qualifying Conditions

**Old-age pension:** Age 60 (men) or age 55 (women) with 20 years of contributions; age 55 (men) or age 50 (women) with 30 years of contributions; age 55 (men) or age 50 (women) with 20 years of contributions, including at least 15 years of employment in hazardous or arduous working conditions; or 15 years in certain regions; or with 10 years of work in South Vietnam or Laos before April 30, 1975, or Cambodia before August 31, 1989.

Age 50 (men) or age 45 (women) with 20 years of contributions and an assessed degree of disability of at least 61%; regardless of age with 20 years of contributions, including 15 years in extremely hazardous or arduous working conditions and an assessed degree of disability of at least 61%.

**Partial pension:** A reduced pension is payable at age 60 (men) or age 55 (women) with between 15 and 20 years of contributions.

**Early pension:** An early pension is possible.

Employment in the public sector before 1995 is credited for the purpose of contributions.

A pensioner residing abroad may nominate a relative residing in Vietnam to receive the old-age pension on his or her behalf.

Retirement from employment is not necessary.

**Old-age grant:** Age 60 (men) or age 55 (women) and not eligible for the old-age pension.

**Disability grant:** Permanent total or partial disability at any age with an assessed degree of disability of at least 61% and in covered employment before the onset of disability.

A Ministry of Health medical board assesses the degree of disability.

**Survivor pension:** The deceased had more than 15 years of contributions or was a pensioner. The benefit is payable to a maximum of four dependent survivors. Eligible survivors include a husband (aged 60 or older) or a wife (aged 55 or older) with income less than the minimum wage, children younger than age 15 (age 18 if a student), and a father (aged 60 or older) or a mother (aged 55 or older).

**Survivor grant:** Payable if there are no eligible survivors. The deceased had less than 15 years of covered employment. In the absence of eligible dependent survivors, the grant is paid to the surviving family.

**Funeral grant:** Payable to the person who organizes the funeral.

#### Old-Age Benefits

**Old-age pension:** With at least 15 years of coverage, 45% of the insured's average earnings plus 2% (men) or 3% (women) of the insured's covered earnings for each additional year beyond 15 years.

The maximum pension is 75% of the insured's average earnings in the last 5 years before taking the pension.

Insured persons with more than 30 years of contributions also receive a lump sum equal to 50% of their average monthly earnings in the last 5 years before taking the pension for each year of contributions above 30 years, up to a maximum of five times the minimum monthly wage.

**Early pension:** The pension is reduced by 1% of the insured's average earnings in the last 5 years before taking the pension for each year the pension is taken before the insured's normal pensionable age.

The minimum benefit is equal to the minimum wage. (The minimum monthly wage for public-sector employees is 290,000 dong; the minimum wage for private-sector employees varies according to profession.)

**Old-age grant:** A lump sum equal to 50% of the insured's average monthly salary in the last 5 years before applying for the pension times the number of years of contributions.

Benefit adjustment: Benefits are adjusted according to changes in the minimum wage.

### **Permanent Disability Benefits**

**Disability grant:** A lump-sum payment (not yet defined by legislation). The old-age pension is payable to certain groups of insured persons with an assessed disability of at least 61% (see qualifying conditions, above).

### **Survivor Benefits**

**Survivor pension:** 40% of the minimum wage for each eligible dependent survivor; 70% of the minimum wage if the survivor has no other means of support.

**Survivor grant:** A lump sum equal to 50% of the deceased's last wage times the number of years of contributions, up to a maximum of 12 times the deceased's last wage.

For the death of a pensioner, a lump sum equal to 12 times the deceased's monthly pension. The lump-sum benefit is reduced by the value of the deceased's monthly pension for each year the deceased received his or her pension. The minimum lump sum is equal to three times the deceased's monthly pension.

**Funeral grant:** A lump sum equal to 8 months' minimum wage in the public sector (the minimum monthly wage for public-sector employees is 290,000 dong) is payable to the person who organizes the funeral.

### **Administrative Organization**

Ministry of Labor, Invalids, and Social Affairs provides general supervision.

Vietnam Social Security collects contributions and pays benefits.

### **Sickness and Maternity**

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#### **Regulatory Framework**

**First law:** 1961 (public-sector employees).

**Current laws:** 1995 (cash sickness and maternity benefits), with 2003 amendment; and 1998 (medical benefits).

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

#### **Coverage**

**Cash and medical benefits:** Private- and public-sector employees with employment contracts of at least 3 months including domestic workers; employees in agriculture, fishing, and salt production; and civil servants and officers of the armed forces.

Voluntary coverage for cash sickness and maternity benefits for the self-employed.

**Medical benefits only:** Pensioners and veterans of the revolution.

Voluntary coverage for medical benefits for all persons residing permanently or temporarily in Vietnam.

#### **Source of Funds**

##### **Insured person**

*Cash sickness and maternity benefits:* None.

*Medical benefits:* 1% of gross monthly wages. (For voluntary contributors, between 15,000 dong and 140,000 dong a month according to geographic region and profession.)

##### **Self-employed person**

*Cash sickness and maternity benefits:* Voluntary contributions only.

The minimum earnings for contribution purposes are equal to the minimum wage. (The minimum monthly wage for public-sector employees is 290,000 dong; the minimum wage for private-sector employees varies according to profession.)

There are no maximum earnings for contribution purposes.

*Medical benefits:* Voluntary contributions of between 15,000 dong and 140,000 dong according to geographic region and the type of self-employment.

##### **Employer**

*Cash sickness and maternity benefits:* 5% of monthly payroll.

The minimum earnings for contribution purposes are equal to the minimum wage. (The minimum monthly wage for public-sector employees is 290,000 dong; the minimum wage for private-sector employees varies according to profession.)

There are no maximum earnings for contribution purposes.

The employer contribution for cash sickness and maternity benefits also finances work injury benefits.

*Medical benefits:* 2% of monthly payroll.

##### **Government**

*Cash sickness and maternity benefits:* None.

*Medical benefits:* Administrative costs. The cost of benefits for low-income persons.

#### **Qualifying Conditions**

**Cash sickness benefits:** The incapacity must not be work-related. There is no minimum qualifying period.

Sickness benefit is also payable to an insured woman caring for a sick child. The benefit is awarded for care given to the insured's first two children younger than age 7; payable to the father only under special circumstances.

**Cash maternity benefits:** There is no minimum qualifying period. The benefit is payable for the first two childbirths only. If one of the first two children dies, the insured is entitled to benefits for a third child.

**Medical benefits:** For a nonoccupational injury or illness. The insured must have a minimum of 45 days of contributions.

### **Sickness and Maternity Benefits**

**Sickness benefit:** 75% of the insured's wage. The benefit is payable for up to 30 days in a calendar year if the insured has less than 15 years of covered employment; 40 days if more than 15 years; 50 days if more than 30 years. If in hazardous or arduous work or working in certain regions, the benefit is payable for up to 40 days in a calendar year if the insured has less than 15 years in covered employment; 50 days with between 15 and 30 years; 60 days if more than 30 years. The benefit may be extended to up to 180 days in a calendar year for prolonged hospitalization due to a specified illness.

Female employees receive 75% of wages for up to 20 days a year to provide care for a sick child younger than age 3; 15 days a year for a sick child between ages 3 and 7.

**Benefit adjustment:** Benefits are reviewed annually and adjusted if the cost of living increases by 10%.

**Maternity benefit:** 100% of the insured's wage for prenatal care, an abortion, or childbirth. The benefit is paid for three 1-day leave periods (or 2-day leave periods in special cases) for prenatal care, including for a pregnancy test. The benefit is also paid during statutory maternity leave for a maximum of 120 days (150 days if working in hazardous or arduous employment; 180 days if working in certain regions or occupations). In the case of multiple births, an extra 30-day leave period is awarded for second and subsequent children. A 20-day leave period is paid for a miscarriage in the first 3 months of pregnancy; a 30-day leave period if the miscarriage occurs beyond 3 months.

Maternity benefits are also payable to insured women who adopt a newborn child.

Unpaid maternity leave may be granted, at the employer's discretion, to female employees after the end of statutory maternity leave.

**Benefit adjustment:** Benefits are reviewed annually and adjusted if the cost of living increases by 10%.

**Birth grant:** Equal to the insured woman's monthly wage.

### **Workers' Medical Benefits**

Outpatient and inpatient services. Services include medical consultation, diagnosis and treatment, X-rays and laboratory tests, medicines and appliances listed by the Ministry of Health, transfusions, surgery, maternity care for the first two childbirths, and hospital accommodation.

Treatment for various infectious diseases is covered by the national health program.

Cost sharing: 20% of the cost of medical treatment, up to an annual ceiling; pensioners, veterans of the revolution, people living in certain communities in mountainous and remote areas, and persons with low income are exempt from copayments.

There is no maximum period of duration.

### **Dependents' Medical Benefits**

Coverage is provided on an individual basis under the national health program.

### **Administrative Organization**

Ministry of Labor, Invalids, and Social Affairs provides general supervision.

Vietnam Social Security collects contributions, pays cash benefits, administers medical benefits, and contracts with public and private providers of medical services.

### **Work Injury**

#### **Regulatory Framework**

**First laws:** 1947 and 1950.

**Current law:** 1995 (work injury), with 2003 amendment.

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

#### **Coverage**

Private- and public-sector employees with employment contracts of at least 3 months including domestic workers; employees in agriculture, fishing, and salt production; and civil servants and officers of the armed forces.

#### **Source of Funds**

**Insured person:** None.

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

**Employer:** See source of funds under Sickness and Maternity, above.

**Government:** None.

#### **Qualifying Conditions**

**Work injury benefits:** There is no minimum qualifying period for a work injury or an occupational disease.

#### **Temporary Disability Benefits**

100% of insured's wage during treatment and until the determination of permanent disability. The benefit is payable by the employer from the first day.

A Ministry of Health medical board assesses the degree of disability.

### **Permanent Disability Benefits**

The monthly benefit depends on the assessed degree of disability. For an assessed disability of between 91% and 100% (Class I), 160% of the government-set monthly minimum wage; between 81% and 90% (Class II), 140% of the minimum wage; between 71% and 80% (Class III), 120% of the minimum wage; between 61% and 70% (Class IV), 100% of the minimum wage; between 51% and 60% (Class V), 80% of the minimum wage; between 41% and 50% (Class VI), 60% of the minimum wage; or between 31% and 40% (Class VII), 40% of the minimum wage.

Constant-attendance allowance: A monthly benefit of 80% of the minimum wage is payable to disabled persons (Classes I and II) who are unable to live independently.

**Disability grant:** For an assessed disability of between 5% and 10%, 4 months' minimum wage; between 11% and 20%, 8 months' minimum wage; or between 21% and 30%, 12 months' minimum wage.

A Ministry of Health medical board assesses the degree of disability.

### **Workers' Medical Benefits**

Medical benefits are inpatient and outpatient treatment including surgery, medicines, and rehabilitation.

### **Survivor Benefits**

**Survivor benefit:** A lump sum equal to 24 times the monthly minimum wage, plus a monthly benefit of 40% of the minimum wage for each of the first four eligible dependent survivors, including the spouse, children younger than age 15 (age 18 if a student), and a father (aged 60 or older) or mother (aged 55 or older); 70% of the minimum wage if the survivor has no other means of support.

**Survivor grant:** In the absence of eligible dependent survivors, a lump sum equal to 50% of the deceased's last monthly wage times the number of contribution years, up to a maximum of 12 times the deceased's last monthly wage. The grant is payable to the surviving family.

In the case of the death of a permanent disability pensioner, a lump sum equal to 12 times the deceased's monthly pension. The lump sum is reduced by the value of the deceased's monthly pension for each year the deceased received his or her pension. The minimum lump sum is three times the deceased's monthly pension.

**Funeral grant:** A lump sum equal to 8 months' minimum wage in the public sector (the minimum monthly wage for public-sector employees is 290,000 dong) is payable to the person who organizes the funeral.

### **Administrative Organization**

Ministry of Labor, Invalids, and Social Affairs provides general supervision.

Vietnam Social Security collects contributions, pays cash benefits, administers medical benefits, and contracts with public and private providers of medical services.

## Western Samoa

Exchange rate: US\$1.00 equals 2.71 tala.

### Old Age, Disability, and Survivors

#### Regulatory Framework

**First and current law:** 1972 (national provident fund), with 1972 and 1990 amendments.

**Type of program:** Provident fund and universal old-age pension system.

#### Coverage

**Provident fund:** Employed persons, including domestic servants.

**Senior citizen benefit scheme:** Resident Western Samoan citizens aged 65 or older.

#### Source of Funds

##### Provident fund

**Insured person:** 5% of gross monthly earnings. (Additional voluntary contributions are permitted, without a ceiling.)

**Self-employed person:** None.

**Employer:** 5% of monthly payroll.

**Government:** None; contributes as an employer.

##### Senior citizen benefit scheme

**Insured person:** None.

**Self-employed person:** None.

**Employer:** None.

**Government:** Total cost.

#### Qualifying Conditions

##### Provident fund

**Old-age pension:** Age 55 and retired from covered employment; at any age if emigrating permanently or after 12 consecutive months of residence overseas. If covered employment continues after age 55, contributions must continue to the fund. If new employment begins after funds are withdrawn at age 55, the fund member must contribute for 12 months before next withdrawing funds.

**Early withdrawal:** Age 50 and unemployed for 5 years or more.

**Drawdown payment:** Must have a minimum balance of 500 tala.

**Disability pension:** Total incapacity for work in covered employment. A general medical practitioner assesses the disability.

**Survivor pension:** The death of the fund member.

**Death benefit:** The death of the fund member before age 55. The fund member must have been an active contributor at the time of death.

**Senior citizen benefit scheme:** Age 65 and a resident Western Samoan citizen.

#### Old-Age Benefits

**Old-age pension (provident fund):** A fund member can choose from three benefit options: a monthly pension based on total insured person and employer contributions, plus interest; a monthly pension based on 75% of total contributions, plus interest, with the remaining 25% paid as a lump sum; or at age 55 fund members can opt to take a lump sum of the full amount instead of a pension.

**Interest rate adjustment:** The interest rate is adjusted every 3 years according to an actuarial review.

**Drawdown payment:** Up to 50% of the total insured person and employer contributions. The payment is repaid as a loan at an annual interest rate of 11%. If used for building a house, the loan must be at least 50,000 tala.

**Senior citizen benefit scheme:** 100 tala a month. (Senior citizens also receive subsidized 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 based on total employee and employer contributions, plus interest; a monthly pension based on 75% of total contributions, plus interest, with the remaining 25% paid as a lump sum; or at age 55 fund members can opt to take a lump sum of the full amount instead of a pension.

**Interest rate adjustment:** The interest rate is adjusted every 3 years according to an actuarial review.

#### Survivor Benefits

**Survivor pension (provident fund):** 50% of the deceased's pension. The pension is payable to named survivors. Eligible survivors include the spouse, children, and siblings. The pension is split according to proportions stated by the deceased.

**Death benefit (provident fund):** A lump sum of 2,500 tala.

**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**

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### **Regulatory Framework**

No statutory cash benefits are provided. (Cash benefits for temporary and permanent disability are provided for nonwork-related injuries under the work injury program.)

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 work injury program.

## **Work Injury**

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### **Regulatory Framework**

**First law:** 1960.

**Current laws:** 1978 and 1989 (accident compensation), with 2003 amendment.

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

### **Coverage**

Employed persons.

Exclusions: The self-employed.

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 Western Samoa.

### **Source of Funds**

**Insured person:** None for work injury; 1% of earnings for nonwork-related accidents.

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

**Employer:** 1% of payroll for work-related accidents.

**Government:** None.

An earmarked tax of 0.05 tala per gallon on 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 earnings. The benefit is payable for up to 5 years after a 5-day waiting period; may be extended. The benefit covers temporary disability resulting from a work-related or a

nonwork-related injury (or from motor vehicle or boat accidents).

The maximum benefit is 400 tala a week.

### **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 times the assessed degree of disability. The benefit is paid until rehabilitation or death.

The maximum weekly benefit is 400 tala.

**Partial permanent disability:** If the assessed degree of disability is less than 80% and the injured person returns to work before the period of entitlement to a temporary disability benefit ceases, a lump sum is paid in proportion to the assessed degree of disability, up to a maximum of 8,000 tala.

### **Workers' Medical Benefits**

Reasonable medical expenses. A payment of 15,000 tala for artificial limbs or treatment abroad.

### **Survivor Benefits**

**Survivor grant:** A lump sum of 20,000 tala is payable to the dependents. For the death of a worker, a weekly payment of up to 200 tala is also payable for a maximum of 4 years.

**Funeral grant:** 2,000 tala. The grant covers deaths caused by work accidents (or motor vehicle or boat accidents).

### **Administrative Organization**

Labor Department provides general supervision.

Accident Compensation Corporation administers the program.

## Yemen

Exchange rate: US\$1.00 equals 179 rials.

### Old Age, Disability, and Survivors

#### Regulatory Framework

**First law:** 1980.

**Current law:** 1991 (pensions), with 2000 amendment.

**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, agricultural workers, domestics, seamen, and fishermen.

#### Source of Funds

##### Public-sector system

*Insured person:* 6% of earnings.

Earnings for contribution purposes include the basic salary plus all allowances paid to an employee but exclude bonuses and overtime wages.

*Self-employed person:* Not applicable.

*Employer:* 6% of payroll.

*Government:* None; contributes 6% of payroll as an employer.

##### Private-sector system

*Insured person:* 6% of earnings.

Earnings for contribution purposes include the basic salary plus all allowances paid to an employee but exclude bonuses and overtime wages.

*Self-employed person:* Not applicable.

*Employer:* 13% of payroll (9% for the old-age pension and 4% for the disability pension).

*Government:* None.

#### 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).

*Early pension:* Aged 50 to 59 (men) with more than 25 years of contributions or aged 46 to 54 (women) with 20 years of

contributions; at any age with 30 years of contributions (men) or 25 years of contributions (women).

Early retirement is possible regardless of age (men and women) with 25 years of contributions if the insured becomes involuntarily unemployed.

*Disability pension:* Payable for a permanent total or partial disability.

*Survivor pension:* Payable for the death of the insured before retirement.

##### Private-sector system

*Old-age pension:* Age 60 (men) or age 55 (women) with at least 15 years of contributions.

*Early pension:* Aged 50 to 59 (men) with 25 years of contributions or aged 46 to 54 (women) with 20 years of contributions; at any age with 30 years of contributions (men) or 25 years of contributions (women).

*Reduced pension:* For retirement from normal employment at age 45 with 20 years of contributions, the pension is reduced by 10%; by 5%, at age 50 with 20 years of contributions.

*Disability pension:* Payable for a permanent disability.

*Disability grant:* Ineligible for either the nonwork-related or work-related disability pension and with at least a year of contributions.

*Survivor pension:* Payable for the death of the insured before retirement.

#### Old-Age Benefits

##### Public-sector system

*Old-age pension:* The pension is equal to the final month's gross salary multiplied by the number of months of contributions, divided by 420.

The minimum pension is 7,000 rials a month.

The maximum pension (100%) is based on 35 years of contributions; 43% for 15 years.

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

##### Private-sector system

*Old-age pension:* The pension is equal to the final month's gross salary multiplied by the number of months of contributions, divided by 420.

The minimum pension is 50% of the final month's gross salary.

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

#### Permanent Disability Benefits

##### Public-sector system

*Work-related disability pension:* 100% of the last month's gross salary, plus a cash lump sum of 39,000 rials.

**Permanent partial disability:** A reduced pension and a lump sum calculated in proportion to the assessed degree of disability, according to the schedule of law.

**Nonwork-related disability pension:** For a total disability, 50% of the insured's last gross monthly salary or the value of the old-age pension, whichever is greater.

**End-of-service payment:** A lump sum calculated on the basis of 9% of the last month's gross salary times the number of months of contributions.

### Private-sector system

**Work-related disability pension:** For a total disability, 100% of the last year's covered salary.

**Nonwork-related disability pension:** For a total disability, 50% of the last year's average salary.

**Disability grant:** A lump sum equal to 12% of the average final salary times the number of years of contributions.

### Survivor Benefits

#### Survivor pension

**Public- and private-sector systems:** The pension is based on the deceased's entitlement to either the old-age pension or the disability pension. The pension is divided equally among named survivors.

Eligible survivors are the spouse(s), sons, daughters, parents, brothers, sisters, and dependent nephews and nieces.

**Benefit adjustment:** Benefits are adjusted by 50% of the value of any salary increases paid to active civil servants.

### Administrative Organization

**Public-sector system:** Supervised by a board of directors, the General Authority for Insurances and Pensions administers the program.

**Private-sector system:** Supervised by a tripartite board of directors, the General Corporation for Social Security administers the program.

### Sickness and Maternity

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#### Regulatory Framework

A health insurance program for public-sector employees only.

### Work Injury

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#### Regulatory Framework

**First and current law:** 1991 (work injury).

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

### Coverage

Permanent employees of government agencies and all public-sector or quasi-public entities.

### Source of Funds

**Insured person:** None.

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

**Employer:** 4% of total payroll (private-sector entities).

**Government:** None; contributes 1% of payroll as employer (public-sector and quasi-public entities).

### Qualifying Conditions

**Work injury benefits:** Permanent disability as a result of a work injury.

### Temporary Disability Benefits

No benefits are provided.

### Permanent Disability Benefits

Work-related disability benefits are provided under Old Age, Disability, and Survivors, above.

### 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, above.

### Administrative Organization

**Public-sector system:** Supervised by a board of directors, the General Authority for Insurances and Pensions administers the program.

**Private-sector system:** Supervised by a tripartite board of directors, the General Corporation for Social Security administers the program.