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# Social Security Programs Throughout the World: Asia and the Pacific, 2002

## **Abstract**

[Excerpt] This issue marks a significant change in Social Security Programs Throughout the World, which the Social Security Administration (SSA) first published 65 years ago. The report is now divided into a four-volume series and will be published in 6-month intervals. Each volume will be dedicated to one of four geographic regions: Europe, Asia and the Pacific, Africa, and the Americas.

## **Keywords**

key workplace documents, federal, Catherwood, ILR, Social Security, programs, retirement, income, Asia, Pacific, laws, contributions, ISSA, SSA, disability, death, protection

## **Comments**

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# Social Security Programs Throughout the World: Asia and the Pacific, 2002

This publication is substantially based on information collected and summarized by the International Social Security Association.

Social Security Administration  
Office of Policy  
Office of Research, Evaluation, and Statistics



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## Preface

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This issue marks a significant change in *Social Security Programs Throughout the World*, which the Social Security Administration (SSA) first published 65 years ago. The report is now divided into a four-volume series and will be published in 6-month intervals. Each volume will be dedicated to one of four geographic regions: Europe, Asia and the Pacific, Africa, and the Americas.

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, as well as economic and fiscal issues.

*Social Security Programs Throughout the World* is the product of a cooperative effort between 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 the countries social security systems.

For the first time, 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 2002, 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:

International Social Security Association  
Information System and Databases Unit  
Case postale 1  
4 route des Morillons  
CH-1211 Geneva 22  
Switzerland

This report is available at [www.socialsecurity.gov/policy](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. Emil Loomis designed the report and, with assistance from Karyn Tucker and Karen Morris, produced it for publication. Sherry Snyder edited the report, with assistance from Celine Houget. Laurie Brown prepared the Web versions of this publication.

Susan Grad  
Acting Associate Commissioner  
for Research, Evaluation, and Statistics

March 2003

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## Guide to Reading the Country Summaries

This edition of *Social Security Programs Throughout the World* marks a significant break with previous editions. It now comprises four separate volumes—Europe, Asia and the Pacific, Africa, and the Americas—that will be published on a rolling basis between September 2002 and March 2004. The combined findings of this report highlight the principal features of social security programs throughout the world. This guide serves as an overview of programs in all four 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 this volume on Asia and the Pacific, the data reported are based on laws and regulations in force at the beginning of July 2002 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.

### 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, 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 Asian Development Bank, the World Bank, and the International Monetary Fund. 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.

### 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.

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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.

## 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.)

## Universal

Universal, or demogrant, 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

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

Armenia	Japan	Palau
Australia	Jordan	Papua New Guinea
Azerbaijan	Kazakhstan	Philippines
Bahrain	Kiribati	Saudi Arabia
Brunei	Korea, South	Singapore
Burma (Myanmar)	Kuwait	Solomon Islands
China	Laos	Syria
Fiji	Lebanon	Taiwan
Hong Kong	Malaysia	Thailand
India	Micronesia	Turkmenistan
Indonesia	Nepal	Vietnam
Iran	New Zealand	Western Samoa
Israel	Pakistan	Yemen

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

**Mandatory Private Insurance.** This type of coverage may have been introduced to substitute for, or to complement, social insurance systems that are mainly pay-as-you-go (PAYG). Private insurance is funded either through mandatory employee contributions or a combination of mandatory employee and employer contributions.

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

**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 maternity benefits or family allowances; the provision of temporary or long-term cash benefits and medical care in the case of a work injury; or the payment of severance indemnities in the case of dismissal. Employer-liability systems do not involve any direct pooling of risk, since the liability for payment is placed directly on each employer. Employers may insure themselves against liability, and in some jurisdictions such insurance is compulsory.

### **Format of Country Summaries**

Each country summary discusses five types of programs:

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

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

Benefits under old age, disability, and survivor programs usually cover long-term risks, as distinct from short-term risks such as temporary incapacity resulting from sickness and maternity, work injury or unemployment. The benefits are normally pensions payable for life or for a considerable number of years. Such benefits are



usually provided as part of a single system with common financing and administration as well as interrelated qualifying conditions and benefit formulas.

The laws summarized under Old Age, Disability, and Survivors focus first on benefits providing pensions or lump-sum payments to compensate for loss of income resulting from old age or permanent retirement. Such benefits are usually payable after attaining a specified statutory age. Some countries require complete or substantial retirement 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 (or demogrant) 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 step toward creating a social security system has commonly been to cover wage and salary workers against loss of income due to old age and, less commonly, disability.

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

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

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

Almost all pension programs under social insurance (as distinct from provident funds or universal and demogrant systems) are financed at least in part by employer and employee contributions. Many derive their funds from all three sources. Contributions are determined by applying a percentage to salaries or wages up to a certain maximum. In many cases the employer pays a larger share.

The government's contribution may be derived from general revenues or, less commonly, from special earmarked or excise taxes (for example, a tax on tobacco,

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

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

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

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

**Qualifying Conditions.** Qualifying to receive an old-age benefit is usually conditional on two requirements: attainment of a specified 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. Reflecting public pressure to lower the age limits, a major policy issue in the 1970s and 1980s was the age at which retirement benefits first become payable. More recently, several countries have increased the age limit for entitlement, due, in part, to budgetary constraints.

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 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 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 objec-

tive 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 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 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 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 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 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 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. 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 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 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. Gov-

ernments 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 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

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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>			
Afghanistan	X	X	b	X	b	b
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	X	X	X	X	X	b
Brunei	X	b	c	b	b	b
Burma (Myanmar)	b	X	X	X	b	b
China	X	X	X	X	X	b
Fiji	X	b	b	X	b	b
Georgia	X	X	X	X	X	b
Hong Kong	X	X	X	X	X	X
India	X	X	X	X	X	b
Indonesia	X	b	c	X	b	b
Iran	X	X	X	X	X	X
Iraq	X	X	X	X	X <sup>d</sup>	b
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	X	X
Kiribati	X	b	b	X	b	b
Korea, South	X	b	c	X	X	b
Kuwait	X	b	b	X <sup>d</sup>	b	b
Kyrgyzstan	X	X	X	X	X	X
Laos	X	X	X	X	b	b
Lebanon	X	X	X	X	b	X
Malaysia	X	b	c	X	b	b
Marshall Islands	X	b	b	b	b	b
Micronesia	X	b	b	b	b	b
Nepal	X	b	b	X	b	b
New Zealand	X	X	X	X	X	X
Oman	X	b	b	X	b	b
Pakistan	X	X	X	X	X	b
Palau	X	b	b	b	b	b
Papua New Guinea	X	b	c	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	X	b	X	b	b
Singapore	X	X	X	X	b	b
Solomon Islands	X	b	b	X	X	b
Sri Lanka	X	e	b	X	d	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	d
Uzbekistan	X	X	X	X	X	b
Vanuatu	X	b	b	b	b	b
Vietnam	X	X	X	X	b	b
Western Samoa	X	b	c	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. Medical care only.
- d. Coverage is provided under other programs or through social assistance.
- e. Maternity care only.

**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
Afghanistan		X					
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		
Indonesia					X		
Iran		X					
Iraq		X					
Israel	X		X				
Japan	X	X					
Jordan		X					
Kazakhstan		X	X				X
Kiribati					X		
Korea, South		X					
Kuwait		X					
Kyrgyzstan		X	X <sup>c</sup>				
Laos		X					
Lebanon		X					
Malaysia					X		
Marshall Islands		X					
Micronesia		X					
Nepal					X		
New Zealand			X	X			
Oman		X					
Pakistan		X					
Palau		X					
Papua New Guinea						X	
Philippines	X <sup>a</sup>						
Saudi Arabia		X					

(Continued)

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

Country	Flat-rate	Earnings-related	Means-tested	Flat-rate universal	Provident funds	Occupational retirement schemes	Individual retirement schemes
Singapore					X		
Solomon Islands					X		
Sri Lanka					X		
Syria		X					
Taiwan		X					
Thailand		X					
Turkey		X	X				
Turkmenistan		X	X				
Uzbekistan		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.

- The benefit formula contains a flat-rate component as well as an element based on years of coverage.
- No mandatory system for retirement income or only limited social assistance.
- Not means-tested but benefits vary depending on other factors, including geographic location.



**Table 3.**  
**Demographic and other statistics related to social security, 2002**

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 (U.S.\$)
				Men	Women	Men	Women	Men	Women	
Afghanistan	21.7	2.8	86.3	43.0	43.5	60	55	c	c	800
Armenia	3.7	8.6	47.8	70.3	76.2	63.5	58	c	c	2,559
Australia	19.1	12.3	48.8	76.4	82.0	65	62.5	c	c	25,693
Azerbaijan	8	6.8	55.7	68.7	75.5	62	57	c	c	2,936
Bahrain	0.6	2.9	45.2	72.1	76.3	60	55	c	c	13,000
Bangladesh	137.4	3.1	71.9	60.6	60.8	57	57	c	c	1,602
Brunei	0.3	3.2	54.1	74.2	78.9	55	55	c	c	18,000
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	3,976
Fiji	0.8	3.4	58.2	68.1	71.5	55	55	c	c	4,668
Georgia	5.2	12.9	50.1	69.5	77.6	65	60	c	c	2,664
Hong Kong	6.8	10.6	36.9	77.3	82.8	65	65	c	c	25,153
India	1,008	5	62.5	63.6	64.9	55	55	c	c	2,358
Indonesia	212	4.8	55.2	65.3	69.3	55	55	c	c	3,043
Iran	70.3	3.4	68.8	68.8	70.8	60	55	c	c	5,884
Iraq	22.9	2.9	80.2	63.5	66.5	60	55	c	c	2,500
Israel	6	9.9	61.6	77.1	81.0	65	60	c	c	20,131
Japan	127	17.2	46.8	77.8	85.0	65	65	60	60	26,755
Jordan	4.9	2.8	74.9	69.7	72.5	60	55	45	45	3,966
Kazakhstan	16.1	6.9	51.1	59.6	70.7	63	55	c	c	5,871
Kiribati	0.096	3.2	76.6	57.6	63.6	50	50	45	45	840
Korea, South	46.7	7.1	38.7	71.8	79.1	60	60	55	55	17,380
Kuwait	1.9	2.2	50.4	74.9	79.0	50	50	45	45	15,799
Kyrgyzstan	4.9	6	66.6	64.8	72.3	60	55	c	c	2,711
Laos	5.2	3.5	86	53.3	55.8	60	60	55	55	1,575
Lebanon	3.4	6.1	59.2	71.9	75.1	64	64	60	60	4,308
Malaysia	22.2	4.1	61.9	70.6	75.5	55	55	c	c	9,068
Marshall Islands	0.073	2	104	64.3	68.0	55	55	c	c	1,600
Micronesia	d	d	d	71.0	75.5	60	60	c	c	2,000
Nepal	23	3.7	81	60.1	59.6	d	d	c	c	1,327
New Zealand	3.7	11.7	53	75.3	80.7	65	65	c	c	20,070
Oman	2.5	2.5	87.2	70.2	73.2	60	55	c	c	8,200
Pakistan	141.2	3.7	83.4	61.2	60.9	60	55	c	c	1,928
Palau	0.019	4.6	45.7	66.0	72.5	60	60	c	c	9,000
Papua New Guinea	4.8	2.4	74.1	56.8	58.7	55	55	c	c	2,280

(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 (U.S.\$)
				Men	Women	Men	Women	Men	Women	
Philippines	75.6	3.5	69.7	68.0	72.0	60	60	c	c	3,971
Saudi Arabia	20.3	3	84.8	71.1	73.7	60	55	c	c	11,367
Singapore	4	7.2	41	75.9	80.3	55	55	c	c	23,356
Solomon Islands	0.447	2.6	90.1	67.9	70.7	50	50	40	40	1,648
Sri Lanka	18.9	6.3	48.3	69.9	75.9	55	50	c	c	3,530
Syria	16.1	3.1	78.5	70.6	73.1	60	55	55	50	3,556
Taiwan	22.5	9	42.8	73.9	79.7	60	55	c	c	17,200
Thailand	62.8	5.2	46.8	67.9	73.8	55	55	c	c	6,402
Turkey	66.6	5.8	55.8	68.0	73.2	55	50	c	c	6,974
Turkmenistan	4.7	4.3	72.1	63.9	70.4	62	57	c	c	3,956
Uzbekistan	24.8	4.7	69.3	66.8	72.5	60	55	c	c	2,441
Vanuatu	0.196	3.2	82.6	67.5	70.5	55	55	c	c	2,802
Vietnam	78.1	5.3	63.2	66.9	71.6	60	55	c	c	1,996
Western Samoa	0.158	4.6	84.5	66.9	73.5	55	55	c	c	5,041
Yemen	18.3	2.3	110	60.7	62.9	60	55	50	46	893

SOURCES: United Nations Population Division, Department of Economic and Social Affairs. 2002. *World Population Ageing 1950-2050*. New York: United Nations; *Human Development Report 2002*. 2002. Prepared for the United Nations Development Programme. New York: Oxford University Press; U.S. Central Intelligence Agency. 2001. *The World Factbook, 2001*. 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 and under plus population aged 65 or older, divided by population aged 15–64.

b. General early pensionable age only; excludes early pensionable ages for specific groups of employees.

c. The country has no early pensionable age, has one only for specific groups, or information is not available.

d. Information is not available.

**Table 4.**  
**Contribution rates for social security programs, 2002 (in percent)**

Country	Old age, disability, survivors			All social security programs <sup>a</sup>		
	Insured person	Employer	Total	Insured person	Employer	Total
Afghanistan <sup>b</sup>	3 <sup>c</sup>	0	3 <sup>c</sup>	4	0	4
Armenia <sup>d</sup>	3 <sup>c</sup>	5 <sup>c</sup>	8 <sup>c</sup>	3	5	8 <sup>c</sup>
Australia	0	9	9 <sup>e</sup>	0	9	9 <sup>e</sup>
Azerbaijan	1.5 <sup>c</sup>	29 <sup>c</sup>	30.5 <sup>c</sup>	1.5	29	30.5 <sup>f</sup>
Bahrain	5	7	12	5	10	15
Bangladesh <sup>b</sup>	0	0	0	0	0 <sup>g,h,i</sup>	0
Brunei	5	5	10	5	5	10
Burma (Myanmar) <sup>d</sup>	0	0	0	0.5	1.5	2
China	8	23	31	11	32	43
Fiji	8	8	16	8	8 <sup>h</sup>	16
Georgia <sup>b</sup>	1 <sup>c</sup>	27 <sup>c</sup>	28 <sup>c</sup>	1	28	29
Hong Kong <sup>d</sup>	5	5	10	5	5 <sup>h</sup>	10 <sup>i,j</sup>
India	12	9.28	21.28	13.75	14.03	27.78
Indonesia <sup>d</sup>	2	4	6	2	7 <sup>h</sup>	9
Iran <sup>d</sup>	7 <sup>c</sup>	20 <sup>c</sup>	27 <sup>c</sup>	7	23 <sup>k</sup>	30
Iraq <sup>b</sup>	5 <sup>c</sup>	12 <sup>c</sup>	17 <sup>c</sup>	5	12	17
Israel <sup>d</sup>	2.15 <sup>l</sup>	2.29 <sup>l</sup>	4.44 <sup>l</sup>	5.73 <sup>l</sup>	4.89 <sup>l</sup>	10.62 <sup>l</sup>
Japan <sup>d</sup>	8.675	8.675	17.35	13	15.07	28.07
Jordan	5.5	9	14.5	5.5	11	16.5
Kazakhstan	10	0	10	0	10	10 <sup>f</sup>
Kiribati	7.5	7.5	15	7.5	7.5 <sup>h</sup>	15
Korea, South	4.5	4.5	9	6.81	8.7	15.51
Kuwait <sup>d</sup>	10	20	30	10	20	30
Kyrgyzstan <sup>b</sup>	2	34	36	2.5	41.5	42 <sup>f</sup>
Laos	4.5 <sup>c</sup>	5 <sup>c</sup>	9.5 <sup>c</sup>	4.5	5	9.5
Lebanon <sup>d</sup>	0	8.5	8.5	2	21.5 <sup>h</sup>	23.5
Malaysia	11.5	12.5	24	11.5	13.75	25.25
Marshall Islands <sup>b,d</sup>	5	5	10	5	5	10
Micronesia <sup>d</sup>	6	6	12	6	6	12
Nepal	10	10	20	10	10 <sup>h</sup>	20
New Zealand	0	0	0 <sup>e</sup>	0	0	0 <sup>e</sup>
Oman <sup>b</sup>	5	8	13	5	9	14
Pakistan <sup>d</sup>	Lump sum	5	5	Lump sum	12 <sup>h</sup>	12
Palau <sup>d</sup>	6	6	12	6	6	12
Papua New Guinea	5	7	12	5	7 <sup>h</sup>	12
Philippines <sup>d</sup>	3.33	5.07	8.4	4.58	7.72	12.3

(Continued)

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

Country	Old age, disability, survivors			All social security programs <sup>a</sup>		
	Insured person	Employer	Total	Insured person	Employer	Total
Saudi Arabia <sup>d</sup>	9	9	18	9	11	20
Singapore <sup>d</sup>	20 <sup>c</sup>	16 <sup>c</sup>	36 <sup>c</sup>	20	16 <sup>h</sup>	36
Solomon Islands	5	7.5	12.5	5	7.5 <sup>h</sup>	12.5
Sri Lanka <sup>b</sup>	8	12	20	8	12 <sup>h</sup>	20 <sup>f</sup>
Syria	7	14	21	7	17	24
Taiwan <sup>d</sup>	1.3	4.55	5.85	2.77	8.13	10.9
Thailand <sup>d</sup>	1 <sup>c</sup>	1 <sup>c</sup>	2 <sup>c</sup>	2	2.2	4.2
Turkey <sup>b,d</sup>	9	11	20	14	20.5	34.5
Turkmenistan	0 <sup>c</sup>	20 <sup>c</sup>	20 <sup>c</sup>	0	22	22
Uzbekistan <sup>b</sup>	1 <sup>c</sup>	32.5 <sup>c</sup>	33.5 <sup>c</sup>	1	35.5	36.5
Vanuatu	6	6	12	6	6	12
Vietnam	5	10	15	6	17	23
Western Samoa	5	5	10	5	6	11
Yemen	6	9	15	6	13	19

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

- a. Includes old age, disability, and survivors; sickness and maternity; work injury; unemployment; and family allowances. In some countries, the rate may not cover all of these programs. In some cases, only certain groups, such as wage earners, are represented. When the contribution rate varies, either the average or the lowest rate in the range is used.
- b. Data are more than 4 years old.
- c. Also includes the contribution rate for other programs.
- 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. Government pays the total cost of family allowances.
- g. Employers pay the total cost of cash sickness and medical benefits.
- h. Employers pay the total cost of work injury benefit.
- i. Government pays the total cost of basic unemployment benefit.
- j. Employers pay the total cost of cash unemployment benefit.
- k. Employers pay the total cost of family allowances.
- l. Contributions vary for earnings that are above or below one-half of the average national wage.







# Country Summaries



## Afghanistan

Exchange rate: U.S.\$1.00 equals  
36,807 afghanis.

### Old Age, Disability, and Survivors

#### Regulatory Framework

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

**First and current law:** 1987 (labor code).

Note: This information is more than 10 years old.

#### Coverage

Employed persons in private-sector establishments, cooperatives, social organizations, joint enterprises, and government.

#### Source of Funds

**Insured person:** 3% of earnings. Contributions may be higher depending on rank or grade.

**Employer:** None.

**Government:** Subsidy equal to 3% of earnings.

All of the above contributions also finance sickness and maternity benefits.

#### Qualifying Conditions

**Old-age pension:** Age 60 with 25 years of contributions (men) or age 55 with 20 years of contributions (women).

#### Old-Age Benefits

**Old-age pension:** Up to 100% of salary.

#### Permanent Disability Benefits

**Disability pension:** Equal to the insured's salary if at least 60% disabled. If under 60% disabled, the pension is calculated according to any loss in earnings.

The disabled have access to treatment provided by medical clinics.

#### Administrative Organization

Ministry of Finance is responsible for the program.

### Sickness and Maternity

#### Regulatory Framework

**First law:** 1946 (labor law).

**Current laws:** 1985 (public health) and 1987 (labor code).

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

#### Coverage

All citizens.

#### Source of Funds

**Insured person:** See Old Age, Disability, and Survivors, above.

**Employer:** None.

**Government:** See Old Age, Disability, and Survivors, above.

#### Qualifying Conditions

Information is not available.

#### Sickness and Maternity Benefits

**Sickness benefit:** Twenty days of leave with salary.

**Maternity benefit:** Ninety days of leave with salary; 15 days of additional leave with salary for the birth of twins.

#### Administrative Organization

Ministry of Finance is responsible for the program.

### Work Injury

#### Regulatory Framework

**First law:** 1946.

**Current law:** 1987 (labor code) and 1989 (medical compensation).

**Type of program:** Contributory lump-sum benefit system.

#### Coverage

Employed persons in private-sector establishments, cooperatives, social organizations, joint enterprises, and government.

#### Source of Funds

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

**Employer:** None.

**Government:** None.



### ***Qualifying Conditions***

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

### ***Temporary Disability Benefits***

If the insured is assessed as being between 10% and 60% disabled, the lump-sum benefit equals 30% of the minimum salary rate times the percentage of the assessed degree of incapacity.

### ***Permanent Disability Benefits***

If the insured is assessed as being between 60% and 100% disabled, the lump-sum benefit equals 60% of the minimum salary rate times the assessed degree of incapacity.

### ***Survivor Benefits***

A lump-sum benefit equal to 80% of the minimum salary rate times 100.

### ***Administrative Organization***

The Inspection Department of the Ministry of Labor and Social Affairs supervises the program.

## Armenia

Exchange rate: U.S.\$1.00 equals 584 dram (dr.).

### Old Age, Disability, and Survivors

#### Regulatory Framework

**First laws:** 1956 and 1964.

**Current law:** 2002.

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

#### Coverage

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

#### Source of Funds

**Insured person:** 3% of earnings; self-employed persons, artists, and scientists, 15% of annual income less than 1,200,000 dr. If annual income is more than 1,200,000 dr., the payment is 180,000 dr. plus 5% of the sum higher than 1,200,000 dr.

Collective farmers pay 5% of their annual income up to a maximum of 60,000 dr. If collective farmers are employers, they also make a social payment on behalf of any employees.

**Employers:** A flat-rate contribution of 5,000 dr. for income less than 20,000 dr. If income is more than 20,000 dr., a flat-rate contribution of 5,000 dr. plus 15% of sum higher than 20,000 dr. but less than 100,000 dr.

When income exceeds 100,000 dr., a flat-rate contribution of 17,000 dr. plus 5% of the sum higher than 100,000 dr.

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

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

#### Qualifying Conditions

**Old-age pension:** Age 63.5 (men) or age 58 (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; or age 53.5 (men) or age 48 (women) with at least 15 years of covered employment in very arduous and hazardous work.

**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); and partial incapacity for usual work (Group III).

**Survivor pension:** The insured had at least 15 years of covered employment. The pension is payable to surviving children.

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

**Social pension:** Disabled or single pensioners with limited means.

#### Old-Age Benefits

**Old-age pension:** 100% of the base pension plus a bonus pension of 80 dr. for each insured year.

Base pension: 3,000 dr. a month (November 2001).

Benefit adjustment: Periodic benefit adjustments are made by government decree.

#### Permanent Disability Benefits

**Disability pension:** For a Group I pension (total disability), 120% of the base pension a month plus a bonus pension of 80 dr. for each full calendar year of covered employment; for Group II, 100% of the base pension a month plus a bonus pension of 80 dr. for each year of covered employment.

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

Benefit adjustment: Periodic benefit adjustments are made by government decree.

#### Survivor Benefits

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

**Social pension:** 3,500 dr. plus 1,300 dr. for each dependent family member.

Benefit adjustment: Periodic benefit adjustments are made by government decree.

#### Administrative Organization

Ministry of Social Security is responsible for policy.

Council of the Social Insurance State Fund, including the Minister for Social Security, 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.

## ***Sickness and Maternity***

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### ***Regulatory Framework***

**First law:** 1912.

**Current laws:** 1984 and 1993.

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

Note: Provisions for medical care are as of January 1995.

### ***Coverage***

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

**Medical care:** All residents.

### ***Source of Funds***

**Insured person:** See Old Age, Disability, and Survivors, above.

#### ***Employer***

**Cash benefits:** See Old Age, Disability, and Survivors, above.

**Medical care:** Total cost of optional employer-operated health care facilities.

#### ***Government***

**Cash benefits:** Subsidies as needed from central and local governments; the total cost of child care leave benefit is paid to parents.

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

### ***Qualifying Conditions***

**Cash and medical benefits:** There is no minimum qualifying period.

## ***Sickness and Maternity Benefits***

**Sickness benefit:** The benefit is payable in case of illness or to care for a sick child. If insured for at least 8 years, 100% of earnings; if insured for less than 8 years, 80% of earnings.

**Maternity benefit:** 100% of earnings is payable for 70 days before and 70 days after the expected date of childbirth; for a maximum of 155 days if there are complications in childbirth or 180 days for multiple births.

**Child care leave:** 2,360 dr. a month until the child is age 2.

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

Medical services are provided directly to patients by governmental 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 preference being given to insured workers who may pay part of the cost.

Patients ordinarily pay part of the cost for appliances.

Medicines, if provided with hospitalization, are free. Medicines are also free for disabled children under age 16, infants until age 1, and pensioners receiving the minimum pension.

## ***Dependents' Medical Benefits***

Same as for the head of the household.

## ***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 care:** 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***

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### ***Regulatory Framework***

**First laws:** 1955 and 1974.

**Current laws:** 1992 and 1995 (short-term benefits); 1990 and 1992 (pensions).

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

Note: Provisions for work injury are as of January 1995.

### ***Coverage***

**Cash benefits:** All employees.

**Medical care:** All residents.

### ***Source of Funds***

#### ***Insured person***

**Cash benefits:** See Old Age, Disability, and Survivors, above.

**Medical care:** None.

#### ***Employer***

**Cash benefits:** See Old Age, Disability, and Survivors, above.

**Medical care:** Total cost of optional employer-operated health care facilities.

#### ***Government***

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

**Medical care:** 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 average monthly earnings in the last 12 months preceding 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.

### Permanent Disability Benefits

**Permanent disability pension:** See permanent disability benefits under Old Age, Disability, and Survivors, above.

### Workers' Medical Benefits

Medical services are provided directly to patients by governmental 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 of 80 dr. for each year of covered employment of the insured; full orphans, 120% of the base pension plus 50% of the bonus pension of 80 dr. for each year of covered employment of both parents.

### Administrative Organization

**Temporary disability benefits:** General supervision by the Social Insurance State Fund. Enterprises and employers pay benefits to their own employees.

**Permanent disability and survivor pensions:** Ministry of Social Security is responsible for policy. Council of the Social Insurance State Fund, including the Minister for Social Security, 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 care:** 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

### Regulatory Framework

**First law:** 1921.

**Current laws:** 1991 and 1996.

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

### Coverage

**Cash benefits:** All employees.

**Medical care:** All residents.

### Source of Funds

**Insured:** See Old Age, Disability, and Survivors, above.

**Employer:** See Old Age, Disability, and Survivors, above.

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

### Qualifying Conditions

**Unemployment benefit:** The benefit covers persons dismissed as a result of enterprise reorganization, staff reduction, or the cancellation of a collective agreement; dismissed for a breach of discipline; or resigned from a job.

The insured had a minimum of 12 weeks of covered employment in the 12-month period preceding unemployment, or a minimum of 7 months of covered employment between two episodes of unemployment, or 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 insured persons dismissed as a result of enterprise reorganization, staff reduction, or the cancellation of a collective agreement, the monthly benefit is 100% of the basic unemployment benefit; for those who resigned from a job, 80% of the basic benefit; and for those dismissed for a breach of discipline, 60% of the basic benefit.

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

Benefit is paid for up to 12 months.

### Administrative Organization

Social Insurance State Fund and the Ministry of Social Security 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 law:** 1992, with 1993 amendment.

**Type of program:** Dual universal and social assistance system.

Note: Provisions of this program are as of January 1995.

### ***Coverage***

Families with children.

### ***Source of Funds***

**Insured person:** None.

**Employer:** None.

**Government:** Total cost.

### ***Qualifying Conditions***

**Family allowances:** Children under age 17.

**Low-income family allowance:** Urban families with children if income per capita is lower than 60% of the minimum wage.

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

**Family allowances:** Between 450 dr. and 650 dr. a month (April 1995), depending on the number of children.

Supplementary benefit: 700 dr. a month (December 1994) for an unwed or single mother.

**Low-income family allowance:** 10% of the minimum wage a month per child.

The maximum supplement is 60% of the minimum wage per family.

**Birth grant:** 3,000 dr. (April 1995).

### ***Administrative Organization***

Ministry of Social Security and local Departments of Social Security are responsible for the program.



## Australia

Exchange rate: U.S.\$1.00 equals  
1.76 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 (family assistance).

**Type of program:** Dual social security (means-tested) and mandatory occupational pension (earnings-based) system.

#### Coverage

**Social security:** Residents.

**Mandatory occupational pension:** Employed persons earning more than A\$450 a month.

Exclusion: The self-employed.

#### Source of Funds

##### Insured person

*Social security:* None.

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

##### Employer

*Social security:* None.

*Mandatory occupational pension:* 9% of basic wages.

##### Government

*Social security:* Total cost from general revenue.

*Mandatory occupational pension:* None.

#### 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 and physically present in the country; 10 years' continuous residence (5 continuous years if the total residence period exceeds 10 years).

The pension is payable abroad if the pension is in payment before the insured leaves the country. The pension benefit may be reduced.

*Mandatory occupational pension:* Age 55 if permanently retired.

#### Disability pension

*Social security (means-tested unless blind):* Aged 16 to 65 (men) or 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 be retrained for such work for at least the next 2 years due to a physical or mental impairment or permanent blindness. Resident and physically present in the country.

If incapacity occurs prior to 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. The pension may be reduced.

*Wife's pension (means-tested):* Paid when both the disability pensioner and his wife are over age 21 (unless they have dependent children). (Since July 1, 1995, no new wife pensions have been awarded except for certain partners of recipients of a mature age allowance.)

*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.

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

*Mandatory occupational pension:* There is no mandated provision for disability.

#### Survivor pension

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

*Widow allowance:* A single woman aged 50 and without children if widowed, separated, or divorced after age 40. The widow must be resident and physically present in the country and have no recent workforce experience. (No new widow allowances have been awarded since March 20, 1997.)

If the widow resides in Australia when the spouse dies, there is no minimum residence requirement; otherwise, the minimum continuous residence requirement for the old-age pension is applied.

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

*Mandatory occupational pension:* There is no mandated provision for survivors.

#### Old-Age Benefits

##### Old-age pension

*Social security (means-tested unless blind):* Up to A\$210.90 a week for a single person; A\$176.05 each for a couple.

*Wife's pension (means-tested):* Up to A\$176.05 a week. Benefits for dependent children are paid through family allowances. (No new wife pensions have been awarded since July 1, 1995.)

Carer payment (means-tested): Up to A\$210.90 a week; A\$176.05 if caring for a spouse.

Rent assistance (means-tested): Up to A\$60.06 per week, according to marital status and the level of rent. Special rules apply to people living in retirement villages.

Pharmaceutical allowance: A\$2.90 a week per family.

Telephone allowance: A\$72 a year for telephone subscribers.

Remote area supplement: A\$9.10 a week for a single person (A\$15.60 a week for a couple), plus A\$3.65 per child.

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: 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:* 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 pensioners aged 21 and older, see old-age pension, above. For single people aged 18 to 20 and living away from the family home, up to A\$150.85 a week; A\$99.15 a week if living in the family home. Single disability pensioners under age 21 may also be eligible for the youth disability supplement of A\$42.65 a week that is included in the rates of the disability support pension payable to pensioners under age 21.

Mobility allowance (not means-tested): A\$32.20 a week.

Wife's pension (means-tested): See old-age benefits, above.

Carer payment (means-tested): See old-age benefits, above.

Rent assistance (means-tested): See old-age benefits, above.

Telephone allowance: See old-age benefits, above.

Remote area supplement: See old-age benefits, above.

Pensioner concession card: See old-age benefits, above.

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

### Survivor Benefits

#### Survivor pension

*Social security (means-tested):* See the single person old-age pension, above. (No new widow allowances have been awarded since March 20, 1997.)

Rent assistance: See old-age benefits, above.

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.

Orphan's payment: Benefits for orphans are delivered through family allowances.

Bereavement payment: 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.

### Administrative Organization

Department of Family and Community Services provides general supervision.

Centrelink 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:** 1991 (cash benefits), 1953 (medical and hospital benefits), 1973 and 1983 (universal medical and hospital insurance, medicare).

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

Note: Maternity benefits are provided under Family Allowances, below.

#### Coverage

**Cash benefits:** Gainfully employed persons with limited income; others meeting the qualifying conditions.

**Medical and pharmaceutical benefits:** Residents.

#### Source of Funds

##### Insured person

*Sickness allowance:* 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 without 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 allowance:* None.

*Medical benefits:* None.

*Pharmaceutical benefits scheme:* None.

## Government

*Sickness allowance:* 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

**Sickness allowance (means-tested):** Age 21 (age 25 if a full-time student) up to pension age. Resident in the country. Sickness or injury prevents work and must have a job to return to, or intends to resume full-time studies.

**Medical and pharmaceutical benefits:** Residents.

## Sickness and Maternity Benefits

**Sickness allowance (means-tested):** Up to A\$166.40 a week each for a couple with dependent children; A\$161.70 for a single person aged 21 or older with no dependents, or up to A\$174.95 a week if single with dependents or over age 60.

Benefits for children are paid under Family Allowances, below.

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

Rent assistance: See old-age benefits under Old Age, Disability, and Survivors, above.

Pharmaceutical allowance: See old-age benefits under Old Age, Disability, and Survivors, above.

Remote area supplement: See old-age benefits under Old Age, Disability, and Survivors, above.

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

## 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.

The government pays pharmacists.

## 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 provides general supervision.

Centrelink administers the programs through 401 customer service centers and 16 area support offices.

**Medical and pharmaceutical benefits:** Health Insurance Commission administers the program, and the federal Department of Health and Aged Care 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:** Compulsory insurance with a public or private carrier.

### Coverage

Employed persons; the self-employed are not usually covered.

### Source of Funds

**Insured person:** None.

**Employer:** Total cost 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. Benefit may be payable for an extended period at reduced levels.

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.

## **Permanent Disability Benefits**

**Permanent disability pension:** Total disability. See temporary disability benefits, above.

**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.

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

**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 indexed.

**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.

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

## **Unemployment**

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### **Regulatory Framework**

**First law:** 1944.

**Current law:** 1991 (newstart allowance) and 1998 (youth allowance).

**Type of program:** Unemployment assistance.

## **Coverage**

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

## **Source of Funds**

**Insured 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):** Age 21 to pensionable age 65 (men) or 62.5 (women). 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):** An older unemployed person who is at least age 60 but less than 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.

**Partner allowance (means-tested):** 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 under 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.

## **Unemployment Benefits**

**Youth allowance (means-tested):** Between A\$82.55 and A\$197.65 a week depending on age, living arrangements, marital status, and whether recipient has dependent children.



**Newstart allowance (means-tested):** Up to A\$166.40 a week for each member of a couple over age 21; A\$184.50 a week if single, over age 21, and no dependents; A\$199.50 if single with dependents, or single and over age 60, 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.

**Mature age allowance (means-tested):** Same benefits as under the newstart allowance, above.

**Partner allowance (means-tested):** Same benefits as under the newstart allowance, above.

**Rent assistance (means-tested):** See old-age benefits under Old Age, Disability, and Survivors, above. Single recipients under age 25 and living with their parents are not eligible for rent assistance.

**Remote area supplement:** See old-age benefits under Old Age, Disability, and Survivors, above.

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

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

## Administrative Organization

Department of Family and Community Services provides general supervision.

Centrelink 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 (orphan's pension), 1991 (child disability allowance), 1995 (birth grant), 1996 (family tax payment), 1997 (parenting payment), 1997 (maternity immunization allowance), and 1999 (family assistance).

**Type of program:** Dual universal and social assistance system.

### Coverage

Residents with one child or more.

### Source of Funds

**Insured person:** None.

**Employer:** None.

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

## Qualifying Conditions

**Family tax benefit, Parts A and B (income-tested):** Families with dependent children up to and including age 20 (age 24 if a full-time student; age 21 for job seekers not receiving the youth allowance). Benefit is awarded without being subject to an income test if annual family income is A\$30,806 or less. Families receive some benefit under Part A for annual family income up to A\$83,184 with one dependent child under age 18 (the income ceiling is raised by A\$6,752 for each additional dependent child under age 18) or A\$84,401 with one dependent aged 18 to 24 (the income ceiling is raised by A\$7,969 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 under 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 below A\$11,206 and if the youngest child is under age 5; below A\$8,347 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:** 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.

**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 18 and 24 months old and after the child receives age-appropriate immunization or valid exemption from immunization.

**Child care benefit (income-tested):** 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.

**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.



## **Family Allowance Benefits**

**Family tax benefit, Part A (income-tested):** 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 under age 18 is A\$40.74 (ages 18 to 24 years, A\$54.74).

The maximum rate per 2-week period for a child under age 13 is A\$126.70; for ages 13 to 15, A\$160.72; for ages 16 to 17, A\$40.74; and for ages 18 to 24, A\$54.74.

**Family tax benefit, Part B (income-tested for couples):** The maximum rate for a single parent with a child under age 5 is A\$108.78 every 2 weeks; for ages 5 to 15 (ages 6 to 18 if a full-time student), A\$75.88 every 2 weeks. The benefit rates for couples are subject to an income test if the annual income of the secondary earner is above A\$1,752.

Large family supplement: A\$8.68 every 2 weeks for each child after the third.

Multiple birth allowance: A\$105.98 every 2 weeks for triplets; A\$141.40 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 (not income-tested):** A\$42.80 every 2 weeks.

**Maternity allowance:** A single lump-sum payment of A\$798.72 is paid for one child; A\$1,597.44 for twins.

**Maternity immunization allowance:** A single lump-sum payment of A\$208.

**Child care benefit (income-tested):** 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.

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

## **Administrative Organization**

Department of Family and Community Services provides general supervision.

Family Assistance Offices administer the program.

## Azerbaijan

Exchange rate: U.S.\$1.00 equals  
4,850 manat (AZM).

### Old Age, Disability, and Survivors

#### Regulatory Framework

**First law:** 1956.

**Current laws:** 1992 (armed forces); 1993 (pensions), with 1997 and 1998 amendments; and 1997 (social insurance).

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

Local authorities and employers may provide supplementary benefits out of their own budgets.

#### 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:** 1.5% of gross earnings; self-employed persons, 20% of gross earnings.

**Social pension:** None.

##### Employer

**Social insurance:** 29% of payroll (nonagricultural); 23% of payroll (agricultural).

**Social pension:** None.

##### Government

**Social insurance:** Subsidies as needed.

**Social pension:** Total cost.

All of the above contributions also finance cash sickness, maternity, and work injury benefits and family allowances.

#### Qualifying Conditions

**Old-age pension:** Age 62 with 25 years of covered employment (men) or age 57 with 20 years of work (women). The pensionable age for women will increase gradually by 6 months a year from January 2002 to 2012.

Covered employment includes years of military and alternative national service; care for Group I invalids, disabled children under age 16; periods of receiving unemployment allowance or in employment training; and periods of 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. The pension is increased by 2% of the average monthly wage for each additional year of service, up to a maximum of 100% of the average monthly wage.

**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 raised at least four children or a congenitally disabled child until age 8.

**Dependent supplement:** The spouse and children of deceased National Heroes of Azerbaijan receive 100% of the minimum old-age pension; the spouse and children of citizens who have died during national service receive 50% of the minimum old-age pension.

**Special supplements:** Group I disabled persons (totally disabled, incapable of doing any work, and requiring constant attendance), disabled children under age 16, and 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 receive 30%.

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 II war-disabled persons (disabled and not requiring constant attendance) receive 70%; Group III war-disabled persons (partially disabled and incapable of doing usual work) receive 50%. Group I war-disabled persons who are also war veterans receive only the higher of these two supplements.

**Social pension:** For nonworking citizens aged 65 (men) and 60 (women); or aged 55 for certain categories of mother who are 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 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 under age 21; if between ages 21 and 23, 1 year of employment; if over 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; care-giving for the disabled, children, and the elderly; for temporary disability; and for periods of unemployment.

**Dependent supplement:** For the spouse and children of nonworking Group I and II disabled persons, 20% of the minimum old-age pension per dependent. There is no maximum.

**Social pension:** For Group I, II, or III disabled persons who are not eligible for a disability pension and for disabled children under age 16.

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

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

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

### **Old-Age Benefits**

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

Average monthly earnings: The average monthly earnings (gross) are calculated on the basis of the 60 months of employment prior to the application for a pension.

The minimum pension is 70,000 AZM, plus a bread allowance of 11,000 AZM.

The maximum pension is 30% of the national average wage approved for calculating the pension.

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

Partial pension: Working pensioners are entitled to 50% of their pension.

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.

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

**Social pension:** 80% of the minimum wage a month.

Benefit adjustment: Benefits are adjusted according to changes in the average monthly earnings.

### **Permanent Disability Benefits**

**Disability pension:** The amount of benefit is based on the insured's average monthly earnings and 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); and Group III, 30% (40% if war-disabled).

Average monthly earnings: The insured's average monthly earnings (gross) calculated over 5 years chosen out of the entire employment history or over the last 2 years.

The maximum monthly earnings for benefit calculation purposes are 180,000 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); and Group III, 70% (100% if war-disabled).

The maximum pension is three times the national average monthly wage (180,000 AZM).

Partial pension: The full pension is proportionately reduced to reflect the number of years of employment.

The minimum partial pension is 85% of the national minimum wage (which is the same as the social pension).

Dependent supplement: The spouse and children receive 20% of the minimum old-age pension per dependent. There is no maximum.

Care supplement: For Group I disabled persons who require care and for all war-disabled (including dependent pensioners), 50% of the minimum old-age pension.

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

Benefit adjustment: Benefits are adjusted according to changes in average monthly earnings.

### **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 is terminated upon remarriage.

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

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

The minimum survivor pension is 100% of the minimum old-age pension per recipient.

There is no limit to total maximum survivor pensions.

**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 under age 8.

Benefit adjustment: Benefits are adjusted according to changes in average monthly earnings.

## Administrative Organization

Ministry of Labor and Social Protection of the Population provides general coordination and supervision.

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

Regional and local departments of Ministry of Labor and Social Protection of the Population administers the program.

## Sickness and Maternity

### Regulatory Framework

**First law:** 1912.

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

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

### Coverage

**Cash benefits:** Employed citizens; voluntary coverage for the self-employed.

**Medical care:** Permanent residents.

### Source of Funds

#### Insured person

*Cash sickness and maternity benefits:* See Old Age, Disability, and Survivors, above.

*Medical care:* None.

#### Employer

*Cash sickness and maternity benefits:* See Old Age, Disability, and Survivors, above.

*Medical care:* None.

#### Government

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

*Medical care:* Total cost.

### Qualifying Conditions

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

**Medical care:** Permanently resident.

### Sickness and Maternity Benefits

**Sickness benefit:** 100% of the last month's earnings for those employed for more than 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 nuclear accident (80% of the last month's earnings for those employed for between 5 and 8 years; 60% of the last month's earnings for those who have worked for less than 5 years).

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

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

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

Employer pays the benefit for the first 56 to 70 days; thereafter, the benefits are paid by the social protection fund.

**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 transport 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, spectacles, 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.

### Administrative Organization

**Cash benefits:** State Social Protection administers benefits. Employers also pay some maternity benefits.

**Medical care:** Ministry of Health administers the program.

## Work Injury

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### Regulatory Framework

**First law:** 1956.

**Current law:** 1996.

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

### Coverage

**Cash benefits:** All employees and insured self-employed persons.

**Medical care:** All residents.

### Source of Funds

**Insured person:** See Old Age, Disability, and Survivors, above.

**Employer:** See Old Age, Disability, and Survivors, above; and the cost of medical care and funeral grants.

**Government:** See Old Age, Disability, and Survivors, above; and the total cost of medical care.

### 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.

### Permanent Disability Benefits

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

Average monthly earnings: Equal to average monthly earnings (gross) during the 60 months of employment prior to the application for a pension.

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

Disability lump sum: A lump sum equal to 100% of average monthly earnings multiplied by the assessed degree of disability.

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

Benefit adjustment: Periodic adjustment according to the changes in the retail price index.

## 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 the average monthly earnings.

**Orphan's pension:** Basic earnings are shared equally.

**Other eligible survivors (in the absence of the above):** Basic earnings are shared equally among dependent parents and other relatives.

**Dependent supplement:** See survivor benefits under Old Age, Disability, and Survivors, above.

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

**Funeral grant:** The employer covers all funeral expenses.

### Administrative Organization

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

**Pensions:** Ministry of Labor and Social Protection of the Population provides general coordination and supervision. Social Protection Fund and its regional counterparts collect and manage payroll contributions and finance benefit payments. Regional and local departments of Ministry of Labor and Social Protection of the Population administer the program.

**Medical care:** Ministry of Health 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

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### 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

**Employee:** Information is not available.

**Employer:** Information is not available.

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

## Qualifying Conditions

**Unemployment benefit:** At least 26 weeks of covered employment in the 12 months preceding 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.

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. Benefit is terminated for filing a false or fraudulent claim or for refusing to attend vocational training.

## Unemployment Benefits

Unemployment benefit is paid for a total of 26 weeks in a 12-month period. The benefit is 70% of average monthly gross earnings received during the 12 months before the termination of employment. The benefit must not exceed the national average monthly wage.

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

## Administrative Organization

Ministry of Labor and Social Protection of the Population 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

### Regulatory Framework

**First law:** 1944.

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

**Type of program:** Dual universal (child benefit) and social insurance system (child-raising allowance).

### Coverage

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

**Child-raising allowance:** Employees and self-employed persons.

## Source of Funds

**Insured person:** See Old Age, Disability, and Survivors, above.

**Employer:** See Old Age, Disability, and Survivors, above.

**Government:** Total cost of child benefit is financed by the state budget.

## Qualifying Conditions

**Child benefit:** For resident under age 16 (age 18 if a secondary school student with no student allowance). The benefit is income-tested. The average monthly income per family member should be no more than 16,500 AZM.

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

## Family Allowance Benefits

**Child benefit:** 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 per child. For a special case, the basic amount does not vary with the age of the child or the income of the family. For a child whose parent is in periodic military service, 12,600 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; children of a parent who helped during the Chernobyl nuclear accident, 25,000 AZM.

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

**Birth and adoption grants:** The mother (or other recognized carer) is entitled to a lump-sum benefit of 70,000 AZM.

**Full orphan's special allowance:** 5,500 AZM a month until age 16.

## Administrative Organization

Ministry of Labor and Social Protection of the Population 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.

Social Protection Fund is responsible for financing social security benefits.

## Bahrain

Exchange rate: U.S.\$1.00 equals 0.37 dinars.

### Old Age, Disability, and Survivors

#### Regulatory Framework

**First and current law:** 1976, with amendments.

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

#### Coverage

Bahraini employed persons in establishments with 10 employees or more; workers in establishments with fewer than 10 employees may contribute voluntarily.

**Exclusions:** Domestic servants, certain groups of agricultural employees, casual workers, the self-employed, and temporary noncitizen workers.

Special system for public employees.

Voluntary coverage is available for persons with 5 years or more of previous compulsory social security coverage but who no longer are covered on a compulsory basis.

Voluntary coverage for employers and the self-employed.

#### Source of Funds

**Insured person:** 5% of earnings; previously insured persons may contribute 12% of their declared income on a voluntary basis. The self-employed may voluntarily contribute 12% of monthly income between lower and upper limits of 200 dinars and 500 dinars, respectively. The upper limit for monthly income may be increased by no more than 5% of monthly income annually up to a final ceiling of 1,000 dinars.

**Employer:** 7% of payroll.

**Government:** None.

#### Qualifying Conditions

##### Old-age pension

**Men:** After age 60, with 10 years of coverage; age 60, with 15 years of coverage; before age 60, with 20 years of coverage.

**Women:** Age 55 and older, with 10 years of coverage; before age 55, with 15 years of coverage.

**Reduced pension:** A reduced pension is available before age 60 (men) with 240 months of contribution or before age 55 (women) with 180 months of contributions.

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

**Disability pension:** Six months' continuous coverage before the onset of the disability (3 months' continuous coverage with a total of 12 months of contributions), for men before age 60 and for women before age 55.

**Survivor pension:** Insured met the qualifying conditions for a pension or was a pensioner at the time of death and had coverage for 6 consecutive months before death (3 months' coverage with a total of 12 months of contributions). Also if the disability or death occurs within 1 year following the termination of employment.

#### Old-Age Benefits

**Old-age pension:** 2% of average earnings in the last 2 years times the number of years of contributions (with an additional 5 years credited for those retiring at age 60 or older up to a maximum of 30 years).

**Minimum pension:** The average contributory wage during the last 2 years or 150 dinars, whichever is less. The contributory wage is equal to the total monthly wage received in January of each year.

**Reduced pension:** The pension is reduced by 20% if the insured person retires before age 45, by 15% if between ages 45 and 49, and by 10% if between ages 50 and 54.

**Supplement for pensioner and dependents:** A variable amount to raise the pension benefit to 30 dinars for each dependent family member, including the pensioner, provided that the total benefit income does not exceed the average contributory wage (the total monthly wage received in January of each year) during the last 2 years.

**Old-age settlement:** If ineligible for an old-age pension, a lump sum equal to 15% of average 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.

#### Permanent Disability Benefits

**Disability pension:** 2% of average monthly earnings in the previous year times the number of years of contributions.

The minimum pension is equal to 44% or 46% of average monthly earnings in the last year of contribution or 150 dinars, whichever is higher; or the contributory wage, if less. The contributory wage is equal to the total monthly wage received in January of each year.

The maximum pension is equal to 88% of average monthly earnings in the last year of contribution.

**Supplement for pensioner and dependents:** A variable amount raising pension benefit to 30 dinars for each dependent family member, including the pensioner, provided that the total benefit income does not exceed the average contributory wage during the last year. The contributory wage is equal to the total monthly wage received in January of each year.

**Disability settlement:** If ineligible for a disability pension, a lump sum equal to 15% of 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.

## Survivor Benefits

### Survivor pension

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

*Orphan's pension:* 50% of the insured's pension (100% for a full orphan) divided equally among the insured's children (a son must be under age 22; under age 26 if a student in higher education).

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

The minimum benefit is 30 dinars a month.

The maximum benefit is 100% of the insured's average earnings. For any years of coverage in excess of the number of years needed to obtain the maximum benefit, a lump-sum payment equal to 11% of annual earnings of each excess year is awarded.

Supplement for pensioner and dependents: A variable amount raising the pension benefit to 30 dinars for each dependent family member, including the pensioner.

Marriage grant: A marriage grant equal to 15 times the monthly pension is awarded upon marriage to each female heir who is currently receiving a pension. The marriage 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.

**Survivor settlement:** If the deceased was not a pensioner or did not meet the qualifying conditions for a pension, a lump sum equal to 15% of the deceased's 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 or pension, plus 300 dinars for funeral expenses; 400 dinars if the insured died abroad and is brought back to Bahrain to be buried.

## Administrative Organization

Minister of Labor and Social Affairs provides general supervision.

General Organization for Social Insurance, managed by a board of directors, administers the program.

## Work Injury

### Regulatory Framework

**First and current law:** 1976.

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

### Coverage

Employed persons in establishments with 10 workers or more.

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

Special system for public employees.

### Source of Funds

**Insured person:** None.

**Employer:** 3% of payroll; 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; provides medical care to insured workers in employer-owned hospital facilities.

**Government:** None.

### Qualifying Conditions

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

### Temporary Disability Benefits

100% of average daily earnings. The first day of incapacity is payable by the employer; thereafter, benefit is payable by the General Organization for Social Insurance until recovery or certification of permanent disability.

### Permanent Disability Benefits

**Permanent disability pension:** 88% or 92% of average monthly earnings if totally disabled.

The minimum pension is 150 dinars a month or 100% of the contributory wage, whichever is less. The contributory wage is equal to the total monthly wage received in January of each year.

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

Supplement for pensioner and dependents: A variable amount to raise the pension benefit to 30 dinars for each dependent family member, including the pensioner.

### **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**

Calculated on the basis of between 88% and 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 divided equally among the insured's children (a son must be under age 22; age 26 if a student in higher education).

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

Supplement for pensioner and dependents: A variable amount to raise the pension benefit to 30 dinars for each dependent family member, including the pensioner.

The minimum benefit is 150 dinars a month.

The maximum benefit is 100% of the pension.

Marriage grant: A marriage grant equal to 15 times the monthly pension is awarded upon marriage to each female heir who is currently receiving a pension. The marriage 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 or pension, plus 300 dinars for funeral expenses; 400 dinars if the insured died abroad or is buried abroad.

### **Administrative Organization**

Minister of Labor and Social Affairs provides general supervision.

General Organization for Social Insurance, managed by a board of directors, administers the program.

## Bangladesh

Exchange rate: U.S.\$1.00 equals 58 takas.

### Old Age, Disability, and Survivors

#### Regulatory Framework

**First and current law:** 1998.

**Type of program:** Targeted social assistance system.

Special system for public-sector employees.

Note: Unless otherwise noted, this information is more than 8 years old.

#### Coverage

Low-income citizens aged 57 and older.

#### Source of Funds

**Insured person:** None.

**Employer:** None.

**Government:** Total cost.

#### Qualifying Conditions

Aged 57, resident in Bangladesh, and selected for eligibility.

#### Old-Age Benefits

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

#### Administrative Organization

The government is responsible for administering the social assistance program.

### Sickness and Maternity

#### Regulatory Framework

**First Law:** 1939.

**Current Laws:** 1950 and 1965.

**Type of program:** Social insurance system providing cash and medical benefits.

#### Coverage

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

Exclusion: Clerical staff.

**Cash maternity benefits:** Employed women.

**Medical benefits:** Medical facilities 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.

**Employer:** Total cost.

**Government:** Provides hospital facilities.

#### Qualifying Conditions

**Cash maternity benefits:** Nine months' service with the employer by 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:** Cash payment, depending on prior wages, for 6 weeks before and 6 weeks after childbirth.

#### Workers' Medical Benefits

Where medical facilities are not provided, a medical allowance of 100 takas a month is paid to workers.

#### Administrative Organization

Ministry of Labor and Manpower.

Public Health Service.

### Work Injury

#### Regulatory Framework

**First Law:** 1923.

**Current laws:** 1980 and 1982.

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

#### Coverage

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

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

#### Source of Funds

**Insured person:** None.

**Employer:** Total cost.

**Government:** None.



### ***Qualifying Conditions***

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

### ***Temporary Disability Benefits***

100% of 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 1 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.

Commissioner of Workmen's Compensation.

### ***Unemployment***

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#### ***Regulatory Framework***

**First and current law:** 1965.

Labor Employment Act (1965) provides a termination benefit, a retrenchment and layoff benefit, and a benefit for discharge from service on the grounds of ill health.

#### ***Coverage***

Workers in shops and commercial and industrial establishments.

#### ***Source of Funds***

**Insured person:** None.

**Employer:** Total cost.

**Government:** None.

#### ***Unemployment Benefits***

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.

#### ***Administrative Organization***

Ministry of Labor and Manpower.

## Brunei

Exchange rate: U.S.\$1.00 equals  
1.78 Brunei dollars (B\$).

### Old Age, Disability, and Survivors

#### Regulatory Framework

**First law:** 1955.

**Current law:** 1992 (employees' trust fund).

**Type of program:** Dual provident fund and universal old-age pension system.

#### Coverage

**Provident fund:** Citizens and permanent residents employed under a service contract.

Exclusions: Security personnel, foreign workers, and employees older than age 55.

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

Prior to 1993, a special system for pensionable government employees.

#### Source of Funds

##### Insured person

**Provident fund:** 5% of monthly salary if the monthly salary exceeds B\$80.

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

##### Employer

**Provident fund:** 5% of monthly payroll.

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

##### Government

**Provident fund:** None.

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

#### Qualifying Conditions

##### Old-age benefit

**Provident fund:** Age 55.

Early withdrawal: Age 50.

Drawdown payment: Fund members can draw down funds from their individual account for building or purchasing a house.

**Universal old-age pension:** 30 years of residence.

**Disability benefit (provident fund):** The fund member must be certified by a recognized physician as being physically or mentally incapacitated for employment.

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

### Old-Age Benefits

**Provident fund:** A lump sum equal to the total employee and employer contributions, plus compound interest.

Early withdrawal: Insured persons 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 before age 50 for building or purchasing a house.

The full withdrawal of accumulated assets in the individual account is allowed if emigrating permanently.

Interest rate adjustment: Set by the government annually.

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

### Permanent Disability Benefits

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

Interest rate adjustment: Set by the government annually.

### 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.

### Administrative Organization

Employees' Trust Fund Board supervises the program.

Ministry of Finance is responsible for administration and financial matters.

Social Welfare Unit of the Ministry of Culture, Youth, and Sports administers welfare assistance benefits.

### Sickness and Maternity

#### Regulatory Framework

The government provides health care free of charge.

## Burma (Myanmar)

Exchange rate: U.S.\$1.00 equals 450 kyats.

### Old Age, Disability, and Survivors

#### Regulatory Framework

Special pension system for public-sector employees only.

#### Survivor Benefits

**Funeral grant:** 1,000 kyats, payable under the sickness and maternity program.

### Sickness and Maternity

#### Regulatory Framework

**First and current law:** 1954.

**Type of program:** Social insurance system providing cash and medical benefits.

#### Coverage

Employees of firms in industry and commerce with five or more workers and employees of specified industries and services.

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

#### Source of Funds

**Insured person:** 0.5% to 1% of earnings, according to 10 wage classes.

**Employer:** 0.5% to 1% of payroll, according to 10 wage classes.

**Government:** Subsidies if necessary.

Maximum monthly earnings for contribution and benefit purposes are 1,000 kyats.

#### Qualifying Conditions

**Cash sickness benefits:** Seventeen weeks of contributions in the last 26 weeks (or registered as unemployed for not more than 26 weeks).

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

**Medical benefits:** In insured employment (or registered as unemployed for not more than 26 weeks).

### Sickness and Maternity Benefits

**Sickness benefit:** 50% of earnings, 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 benefit is 2.55 kyats a day.

**Maternity benefit:** 2/3 of earnings, according to 10 wage classes. The benefit is payable for 6 weeks before and 6 weeks after childbirth.

The minimum benefit is 2.55 kyats a day.

### Workers' Medical Benefits

Medical services are provided directly to patients through the Social Security Board's dispensaries and hospital, the dispensaries of large employers, and public hospitals. 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 in special cases).

### Administrative Organization

Ministry of Labor provides general supervision.

Social Security Board administers the program.

### Work Injury

#### Regulatory Framework

**First law:** 1923.

**Current law:** 1954 (social insurance). The first law is still in force for nonagricultural employees not yet covered by the current law.

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

#### Coverage

Employees of firms in industry and commerce with five or more workers and employees of specified industries and services.

Coverage is being extended gradually to different regions. Coverage is provided in Yangon, Mandalay, Mawlamyaing, and 92 other districts.

#### Source of Funds

**Insured person:** None.

**Employer:** 1% of payroll, according to 10 wage classes.

**Government:** None.

Maximum monthly earnings for contribution and benefit purposes are 1,000 kyats.

## ***Qualifying Conditions***

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

## ***Temporary Disability Benefits***

2/3 of earnings, 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:** 2/3 of earnings, according to 10 wage classes, if totally disabled.

Constant-attendance supplement: 25% of the insured's pension.

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.

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

Same as for sickness benefit but with appliances also provided. There is no limit on duration.

## ***Survivor Benefits***

**Survivor pension:** Between 28 kyats and 267 kyats a month, according to 10 wage classes. The average benefit is about 27% of covered earnings.

**Orphan's pension:** Between 14 kyats and 133.50 kyats a month, according to 10 wage classes for each orphan under age 16. The average pension is about 13% of covered earnings.

Full orphans: Between 21 kyats and 200 kyats each. The average pension is about 20% of covered earnings.

Other eligible survivors (if no widow or orphan): Aged or disabled dependent relatives.

Maximum survivor pension: 2/3 of earnings.

**Funeral grant:** 1,000 kyats.

## ***Administrative Organization***

Ministry of Labor provides general supervision.

Social Security Board administers contributions and benefits.

## China

Exchange rate: U.S.\$1.00 equals 8.27 yuan.

### Old Age, Disability, and Survivors

#### Regulatory Framework

**First law:** 1951.

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

**Type of program:** Local government social insurance (basic pension) and individual pension accounts systems. (Provincial and city/county social insurance agencies and employers adapt central government guidelines to local conditions.)

#### Coverage

Employees in state-run enterprises.

Collective, private, and foreign-invested enterprises (Chinese nationals only) and/or the self-employed may provide similar or separate programs, depending on local government regulations.

Employees of government and communist party organizations and of cultural, educational, and scientific institutions (except for off-budget financed institutions) are covered under a government-funded employer-administered system.

#### Source of Funds

##### Insured person

**Basic pension insurance:** None, or as determined by local government regulations.

**Individual pension account:** 8% of taxable wage.

##### Employer

**Basic pension insurance:** An average 20% of payroll, depending on local government regulations, if participating in city/county retirement pension pools.

Nonparticipating enterprises: Total cost.

**Individual pension account:** 3% of taxable wage.

##### Government

**Basic pension insurance:** Central and local government subsidies as needed.

**Individual pension account:** Central and local government subsidies as needed.

#### Qualifying Conditions

**Old-age pension (basic pension insurance and individual pension account):** Age 60 (men) or age 60 (professional women), age 55 (nonprofessional salaried women), or age 50 (other categories of women).

If employed in arduous or unhealthy work, age 55 (men) and age 45 (women) with at least 15 years of coverage.

Early retirement: Age 50 (men) or age 45 (women) with 10 years of coverage and if totally disabled.

**Disability pension:** Total incapacity for work and ineligible for early retirement.

**Survivor grant:** Deceased was in covered employment or a pensioner.

#### Old-Age Benefits

**Basic pension (central government guidelines):** 20% of the citywide or countywide average wage of the preceding year if the enterprise is participating in city/county retirement pension pools.

None if less than 15 years of coverage.

**Individual pension account (central government guidelines):** Monthly benefits equal to 1/120 of total employer and employee contributions plus interest, applicable to workers employed after the establishment of individual pension accounts (transition arrangements are provided by local governments for workers whose employment began before the introduction of individual accounts and ended after). Benefits paid beyond 120 months will be paid out of a reserve fund from balances of employer contributions to individual accounts closed upon the death of the account holders (see individual pension accounts under survivor benefits, below).

**Lump-sum pension:** A lump sum equal to the account balance is paid for less than 15 years of contributions.

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

#### Permanent Disability Benefits

**Basic pension (central government guidelines):** 40% of wage.

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

**Individual pension account (central government guidelines):** None. Regulations by local governments vary.

#### Survivor Benefits

**Basic pension (central government guidelines):** A lump sum of between 6 and 12 months of the insured's wage, according to the number of surviving dependents.



### Funeral grant

*Death of the insured:* A lump sum equal to 2 months' average earnings of all the employees in the same enterprise.

*Death of dependent immediate family members:* From 1/3 to 1/2 of the monthly average wage, depending on the age of the deceased.

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

### Administrative Organization

Ministry of Labor and Social Security, Department of Pensions, provides general guidance.

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

### Sickness and Maternity

#### Regulatory Framework

**First law:** 1951.

**Current law and directives:** 1953 (law) and 1978 (directives for permanent employees), 1986 (directives for contract workers), 1988 and 1994 (directives for women employees), and 1998 (law).

**Type of program:** Local government social insurance (medical fund pools) and/or employer-provided (medical savings accounts) programs.

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

#### Coverage

Permanent and contract employees in state-run enterprises and some collective enterprises.

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

#### Source of Funds

**Insured person:** Up to 2% of wages.

**Employer:** An average 6% of total payroll (may or may not include nonwage subsidies), depending on funding needs or local government regulations (if local government fund-pooling is available and if enterprises are participating).

Nonparticipating enterprises: Total cost.

**Government:** Central and local government subsidies as needed.

### Qualifying Conditions

**Sickness, maternity, and medical benefits:** There is no minimum qualifying period.

### Sickness and Maternity Benefits

**Sickness benefit (central government guidelines for permanent workers):** 60% to 100% of wage, according to the length of service, 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):** 100% of earnings, payable by the employer for up to 90 days for childbirth; 100% of earnings is payable for up to 42 days in cases of abortion.

Contract workers receive the same benefits as permanent workers.

### Workers' Medical Benefits

**Medical benefits (central government guidelines for permanent workers):** Medical services are provided by an employer's clinic or hospital or paid for directly by the employer. Benefits include treatment by a doctor, maternity care, hospitalization, and the full cost of surgery and ordinary medicines.

Employees pay a registration fee for outpatient and inpatient care, house calls, and boarding costs if hospitalized. Additional employee copayments may also apply, varying according to individual enterprises or local government regulations (for participating enterprises in local government medical care insurance pools).

Contract workers receive the same benefits as permanent workers.

### Dependents' Medical Benefits

**Medical benefits for dependents (central government guidelines for permanent workers):** Treatment by a doctor in an employer's clinic, and 50% of the cost of surgery and ordinary medicines, if dependents are not otherwise covered. Additional patient copayments may also apply, varying according to individual enterprises or local government regulations (for participating enterprises in local government medical care insurance pools).

Dependents of contract workers receive the same benefits.

## Administrative Organization

Ministry of Labor and Social Security, Department of Medical Care Insurance, provides general guidance to local governments' experimental medical insurance programs.

Local government social insurance agencies and participating enterprises administer medical care insurance with pooled funds.

Ministry of Public Health provides general guidance to medical care providers.

Individual state-run enterprises administer cash benefit programs.

## Work Injury

### Regulatory Framework

**First law:** 1951.

**Current law and directives:** 1953 (law) and 1978 (permanent employees directive) and 1986 (contract workers directive).

**Type of program:** Local government social insurance (work injury fund pools) and/or employer-provided (medical savings accounts) programs.

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

### Coverage

Employees in state-run enterprises and some collective enterprises.

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

### Source of Funds

**Insured person:** None.

**Employer:** Enterprises participating in local government work injury fund pooling, average 1% of payroll.

Nonparticipating enterprises: Total cost.

**Government:** Central and local government subsidies as needed.

### Qualifying Conditions

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

### Temporary Disability Benefits

**Temporary disability benefit (central government guidelines):** 100% of wage until recovery or the determination of permanent disability.

## Permanent Disability Benefits

**Permanent disability pension (central government guidelines):** 75% to 90% of wage if totally disabled.

**Disability allowance:** A lump sum of between 6 and 24 months' wage.

**Minimum pension:** Provincial and city/county governments set the minimum pension according to the local standard of living.

**Partial disability:** 10% to 30% of wage, according to earnings loss.

### Workers' Medical Benefits

Medical treatment, surgery, nursing, medicine, appliances, transportation, and hospitalization.

Employee copayments may also apply, varying according to the individual enterprises or local government regulations (if enterprises participating in local government work injury disability and medical care insurance pools).

### Survivor Benefits

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

**Lump-sum death allowance:** 48 to 60 months' wages.

**Funeral grant:** Six months' wages.

## Administrative Organization

**Participating enterprises:** Ministry of Labor and Social Security, Department of Medical Care Insurance, provides general guidance.

Local government social insurance agencies and participating enterprises administer programs under local government medical care fund pools.

**Nonparticipating enterprises:** Individual state-run enterprises administer the programs.

## Unemployment

### Regulatory Framework

**First law and current directive:** 1986 (law) and 1999 (directive).

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

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

### Coverage

Permanent and contract workers in state-run enterprises and some collective enterprises.

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### **Source of Funds**

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

**Employer:** 2% of payroll.

**Government:** Local government subsidies.

### **Qualifying Conditions**

**Unemployment benefit:** At least 1 year in covered employment; involuntary termination of employment; registration at, and regularly reporting to, a local employment-service agency; and actively seeking employment.

### **Unemployment Benefits**

The benefit amount is determined 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 1 year with less than 5 years of coverage, for 1.5 years with 5 or more but less than 10 years, and for 2 years with 10 or more years of coverage.

### **Administrative Organization**

Ministry of Labor and Social Security, Department of Unemployment, provides general guidance.

Local social insurance agencies administer the program.

## Fiji

Exchange rate: U.S.\$1.00 equals  
2.12 Fiji dollars (F\$).

### Old Age, Disability, and Survivors

#### Regulatory Framework

**First law:** 1966.

**Current law:** 1995, with amendments.

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

#### Coverage

Employed workers, except for public employees and military and police force personnel appointed before November 1971 who have elected to continue under the Civil Service Act's old scheme; members of equivalent private plans approved by the Fiji National Provident Fund Board.

Voluntary coverage for death benefit for nonemployed persons aged 16 to 50, domestic workers, and the self-employed.

#### Source of Funds

**Insured person:** 8% of wages; for death benefit, a single F\$15 contribution is deducted annually from each eligible member's provident fund account.

**Employer:** 8% of payroll.

**Government:** None.

#### Qualifying Conditions

**Old-age benefit:** Age 55; a lump sum is payable to provident fund members of any age on their permanent departure from the country. Provident fund members with at least 10 years of contributions may elect to receive a monthly pension. The monthly pension is reduced for contributions of less than 10 years.

**Disability grant:** Incapacity for work in covered employment. The disabled person may elect to receive a monthly pension.

**Survivor grant:** Death of the insured person before retirement age. A sole survivor may elect to receive a monthly pension.

#### Old-Age Benefits

A lump sum equal to total employee and employer contributions plus accumulated interest or, optionally, a monthly pension based on 22% of total employee and employer contributions plus accumulated interest. A couple may elect to receive a monthly pension of 2/3 of 22% of total employee and employer contributions plus accumulated interest for as long as either spouse lives.

#### Permanent Disability Benefits

A lump sum equal to total employee and employer contributions plus accumulated interest or, optionally, a monthly pension based on 22% of total employee and employer contributions plus accumulated interest. A couple may elect to receive a monthly pension of 2/3 of 22% of total employee and employer contributions plus accumulated interest for as long as either spouse lives.

#### 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 equal to 22% of total benefit may be paid in lieu of the lump sum to a spouse who is a sole dependent survivor.

**Death benefit:** A lump sum of F\$5,000.

#### Administrative Organization

Fiji National Provident Fund Board provides general supervision and enforces the law. Permanent Secretary for Labor and Industrial Relations acts as chair of the Board.

### Work Injury

#### Regulatory Framework

**First and current law:** 1965.

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

#### Coverage

Employed persons and apprentices.

Exclusions: Casual labor, those engaged in family labor, and some public employees and other workers designated by the government.

#### Source of Funds

**Insured person:** None.

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

**Government:** None.

#### Qualifying Conditions

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

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### ***Temporary Disability Benefits***

66% of weekly earnings.

Maximum total benefit is F\$16,000. The benefit may be converted to a lump-sum payment in certain cases.

Benefit is payable after a 2-day waiting period for up to 260 weeks.

### ***Permanent Disability Benefits***

A lump sum of 260 weeks' earnings if totally disabled.

Constant-attendance supplement: Equal to 25% of the lump-sum payment.

Partial disability: A percentage of the full lump-sum benefit proportionate to the degree of disability.

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

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

### ***Survivor Benefits***

A lump sum of 208 weeks' earnings.

The minimum benefit is F\$9,000.

The maximum total benefit is F\$24,000.

### ***Administrative Organization***

Permanent Secretary for Labor and Industrial Relations enforces work injury law.

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

Local courts administer lump-sum payments and survivor benefits.



## Georgia

Exchange rate: U.S.\$1.00 equals 2.22 lari.

### Old Age, Disability, and Survivors

#### Regulatory Framework

**First law:** 1956.

**Current law:** 1990, with amendment.

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

Local authorities and employers may provide supplementary benefits out of their own budgets.

Note: This information is more than 4 years old.

#### Coverage

**Social insurance:** All employed persons residing in Georgia.

**Social assistance:** Special social pension for elderly persons, disabled persons, and survivors is based on need as determined by local government authorities.

#### Source of Funds

##### Insured person

*Social insurance:* 1% of earnings.

*Social assistance:* None.

##### Employer

*Social insurance:* 27% of payroll for state-owned and private-sector enterprises.

*Social assistance:* None.

##### Government

*Social insurance:* Subsidies as needed.

*Social assistance:* Total cost.

The above contributions also finance benefits for maternity, work injury, and dependents' allowances.

#### Qualifying Conditions

**Old-age pension:** Age 65 (men) or age 60 (women).

Earnings test: There is an earnings test for pensioners in gainful employment.

**Disability pension:** See social pension, below.

**Survivor pension:** See social pension, below.

**Social pension:** Payable to an individual or to a family without other means of support. Other means of support include pension benefits (offset by the old-age pension, see below), earned income by any family member, or assistance

from relatives outside the immediate household. Local departments of labor and social protection determine eligibility.

#### Old-Age Benefits

**Old-age pension:** Fourteen lari a month, regardless of the duration of covered employment.

**Social pension:** Eighteen lari a month for a single person; 29 lari for a family of two or more. The benefit amount is offset by 14 lari if one family member is eligible for the old-age pension.

Benefit adjustment: Ad hoc adjustments.

#### Permanent Disability Benefits

**Disability pension:** There are no cash benefits; there are certain reductions on hospital and medical charges if the disability is certified by local medical and health departments.

**Social pension:** A pension of 18 lari a month is payable to an eligible single disabled person; 29 lari a month if the disabled person lives in a family of two or more.

Benefit adjustment: Ad hoc adjustments.

#### Survivor Benefits

**Survivor pension:** There are no cash benefits.

**Social pension:** A pension of 18 lari a month for a single survivor; 29 lari a month for a family of two or more survivors.

Benefit adjustment: Ad hoc adjustments.

#### Administrative Organization

Republic Ministry of Labor and Social Protection provides general supervision and coordination.

Local departments of labor and social protection administer the program.

### Sickness and Maternity

#### Regulatory Framework

**First and current law:** 1955, with amendment.

**Type of program:** Dual social insurance (employee maternity benefits) and social assistance (medical care) system.

#### Coverage

**Cash benefits for maternity:** Employees.

**Medical benefits:** Needy residents.

#### Source of Funds

**Insured person:** See Old Age, Disability, and Survivors, above.

**Employer:** See Old Age, Disability, and Survivors, above.

**Government**

**Cash benefits:** See Old Age, Disability, and Survivors, above.

**Medical care:** Total cost for needy residents.

**Qualifying Conditions**

**Cash sickness benefits:** There are no cash sickness benefits.

Private employers may voluntarily offer benefits if an employee has an illness that is certified by a physician (the employee pays charges for physician certification).

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

**Sickness and Maternity Benefits**

**Sickness benefit:** There are no cash sickness benefits.

**Maternity benefit:** 100% of wages. The benefit is payable for 4 months before the expected date of childbirth.

**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 directly by government health providers to needy disabled and socially unprotected residents.

Local departments of public health and local departments of labor and social protection determine eligibility.

**Dependents' Medical Benefits**

Same as for the head of the household.

**Administrative Organization**

**Cash benefits for maternity:** Ministry of Labor and Social Protection provides general supervision. Cash benefits are provided directly by the place of employment as well as by local departments of labor and social protection.

**Medical care:** Ministry of Public Health and health departments of local governments provide general supervision and coordination.

Medical services are provided through government clinics, hospitals, maternity homes, and other facilities administered by the Ministry of Public Health and local health departments.

**Work Injury****Regulatory Framework**

**First and current laws:** 1955 (short-term benefits) and 1991 (pensions), with amendment.

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

**Coverage**

**Cash benefits:** Employed persons. There is no minimum qualifying period.

**Medical care:** Employed persons. There is no minimum qualifying period.

**Source of Funds**

**Insured person:** See Old Age, Disability, and Survivors, above.

**Employer:** See Old Age, Disability, and Survivors, above.

**Government:** See Old Age, Disability, and Survivors, above; the cost of medical care for the needy.

**Qualifying Conditions**

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

**Temporary Disability Benefits**

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 culpability and the degree of disability.

**Permanent Disability Benefits**

**Permanent disability pension:** 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 culpability and the degree of disability.

If the employer is not at fault, see permanent disability benefits under Old Age, Disability, and Survivors, above.

**Workers' Medical Benefits**

Medical services are provided directly by government health providers to needy disabled and socially unprotected residents unless the employer is proven to have been at fault.

Local departments of public health and local departments of labor and social protection determine eligibility.

**Survivor Benefits**

**Survivor pension:** See survivor benefits under Old Age, Disability, and Survivors, above, unless the employer is proven to have been at fault.

**Administrative Organization**

**Temporary disability benefits:** If the employer is proven to have been at fault, enterprises and employers pay benefits to their own employees.

**Pensions:** See Old Age, Disability, and Survivors, above. If the employer is proven to have been at fault, enterprises and employers pay benefits to their own employees.

**Medical care:** Ministry of Health 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.

## Unemployment

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### Regulatory Framework

**First and current law:** 1991, implemented in 1993 with amendment.

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

### Coverage

Citizens between ages 16 and 65 (men) or 16 and 60 (women).

### Source of Funds

**Insured 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

Unemployment benefits are paid for 6 months at the decreasing rate of 14 lari a month for the first 2 months, 12 lari a month for the third and fourth month, and 11 lari a month for the fifth and sixth month.

Benefit adjustments: Ad hoc adjustments.

### Administrative Organization

Republic Ministry of Labor and Social Protection provides general supervision. Unified State Fund of Employment and its regional and local branches are responsible for financing and administering the program.

## Family Allowances

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Information is not available.

## Hong Kong

Exchange rate: U.S.\$1.00 equals  
7.80 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); 1978 (means-tested old-age supplement); 1980 (means-tested disability supplement); 1988 (means-tested old-age allowance, 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.

**Type of program:** Universal old-age pension and means-tested social assistance system with mandatory occupational individual accounts (mandatory provident fund schemes).

Note: Although the mandatory occupational individual accounts operate under the name of mandatory provident fund schemes, the schemes are privately run and should not be confused with the publicly run national provident fund institutions found in other countries in the Asia and Pacific region.

#### Coverage

**Universal old-age pension and means-tested social assistance system:** Residents.

**Mandatory occupational scheme:** All employees and the self-employed between ages 18 and 65.

Exclusions: Self-employed hawkers, persons covered by statutory pension or provident fund schemes such as civil servants, members of occupational retirement schemes who are granted exemption certificates, and people from overseas working in Hong Kong for less than 13 months or who are covered by overseas retirement schemes.

#### Source of Funds

##### Insured person

**Universal old-age pension and means-tested social assistance system:** None.

**Mandatory occupational scheme:** A minimum of 5% of earnings between lower (HK\$4,000) and upper (HK\$20,000) limits, plus any voluntary contributions.

##### Employer

**Universal old-age pension and means-tested social assistance system:** None.

**Mandatory occupational scheme:** A minimum of 5% of earnings up to an upper limit (HK\$20,000), plus any voluntary contributions.

#### Government

**Universal old-age pension and means-tested social assistance system:** Total cost.

**Mandatory occupational scheme:** None.

#### Qualifying Conditions

##### Old-age allowance

**Lower-rate allowance:** Residents aged 65 to 69 with 5 years of continuous residence. Income-tested and asset-tested.

**Higher-rate allowance:** Residents aged 70 and older with 5 years of continuous residence.

**Old-age benefit (mandatory occupational scheme):** Age 65 (men and women).

Early retirement: Age 60 (men and women) if ceasing employment permanently.

##### Disability allowance

**Lower-rate allowance:** Residents with 1 year of continuous residence and a 100% loss of earning capacity or profoundly deaf.

**Higher-rate allowance:** Residents with 1 year of continuous residence and a 100% loss of earning capacity or profoundly deaf, certified to be in need of constant attendance, and not residing in a government-owned (or government-subsidized) residential institution.

##### Disability benefit (mandatory occupational scheme):

Totally incapable of work.

**Comprehensive social security assistance:** Residents aged 60 and older or disabled with at least 1 year of residence. Income-tested and asset-tested.

**Funeral grant:** For recipients of comprehensive social security assistance.

**Survivor benefit (mandatory occupational scheme):** The death of the scheme member before retirement.

#### Old-Age Benefits

**Old-age allowance:** HK\$625 a month (lower rate) or HK\$705 a month (higher rate).

**Comprehensive social security assistance:** From HK\$2,160 to HK\$4,670 a month for a single person or from HK\$1,965 to HK\$4,315 a month per person in a family, depending on the category of the recipient; plus special grants to meet the specific individual needs of recipients.

**Old-age benefit (mandatory occupational scheme):** Total employee and employer contributions plus accrued interest paid as a lump sum.

#### Permanent Disability Benefits

**Disability allowance:** HK\$1,260 a month (lower rate) or HK\$2,520 a month (higher rate).

**Comprehensive social security assistance:** From HK\$2,160 to HK\$4,670 a month for a single person or from HK\$1,965 to HK\$4,315 a month for each dependent family member, depending on the category of the recipient; plus special grants to meet the specific individual needs of recipients.

**Disability benefit (mandatory occupational scheme):** Total employee and employer contributions plus accrued interest paid as a lump sum.

### **Survivor Benefits**

**Funeral grant (comprehensive social security assistance):** A lump sum of HK\$10,880.

**Survivor benefit (mandatory occupational scheme):** The named survivor receives the total employee and employer contributions plus accrued interest paid as a lump sum.

### **Administrative Organization**

**Universal and means-tested social assistance system:** Social Welfare Department administers the program.

**Mandatory occupational scheme:** Under the direction of an executive director and an advisory committee, the Mandatory Provident Fund Schemes Authority (MPFSA) supervises mandatory provident fund schemes. The MPFSA is responsible for ensuring that approved trustees administer the mandatory provident fund schemes in a prudent manner.

### **Sickness and Maternity**

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#### **Regulatory Framework**

**First laws:** 1968 (employer liability) and 1971 (social assistance).

**Current law:** 1997.

**Type of program:** Dual employer-liability (cash benefits only) and social assistance system.

#### **Coverage**

Employees (employer-liability program); residents (comprehensive social security assistance).

#### **Source of Funds**

**Insured person:** None.

**Employer:** Total cost of the employer-liability program.

**Government:** Total cost of the comprehensive social security assistance program.

#### **Qualifying Conditions**

**Cash sickness benefit:** One month of continuous employment.

**Cash maternity benefit:** Forty weeks of continuous employment.

**Comprehensive social security assistance:** Residents aged 15 to 59 with at least 1 year of residence and medically certified to have limited working capacity. Income-tested and asset-tested.

### **Sickness and Maternity Benefits**

**Sickness benefit:** 80% of the insured's wage for up to 120 days. Benefit is payable after a 3-day waiting period.

**Maternity benefit:** 80% of the insured's wage payable for 10 weeks. Benefit is payable from 2 to 4 weeks before the expected date of childbirth; for a premature birth, benefit is payable from the date of childbirth.

**Comprehensive social security assistance:** From HK\$2,160 to HK\$4,670 a month for a single person or from HK\$1,965 to HK\$4,315 a month per person in a family, depending on the category of the recipient; plus special grants to meet the specific individual needs of recipients.

### **Workers' Medical Benefits**

**Medical benefits:** None. (Low-cost medical care is available in public hospitals.)

**Comprehensive social security assistance:** Free medical care in public hospitals.

### **Administrative Organization**

Labor Department administers the employer-liability program.

Social Welfare Department administers the social assistance program.

### **Work Injury**

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#### **Regulatory Framework**

**First laws:** 1953 (employer liability) and 1971 (social assistance).

**Current law:** 2000.

**Type of program:** Dual employer-liability and social assistance system.

#### **Coverage**

Employees (employer-liability program); residents (comprehensive social security assistance).

#### **Source of Funds**

**Insured person:** None.

**Employer:** Total cost of the employer-liability program.



**Government:** Total cost of the comprehensive social security assistance program.

### **Qualifying Conditions**

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

**Comprehensive social security assistance:** Resident for at least 1 year and medically certified to have limited working capacity. Income-tested and asset-tested.

### **Temporary Disability Benefits**

**Temporary disability benefit:** 80% of the difference between earnings before and after the onset of disability. Benefit is payable for up to 36 months.

**Comprehensive social security assistance:** From HK\$1,805 to HK\$3,955 for a single person or from HK\$1,290 to HK\$3,590 a month per person in a family, depending on the category of the recipient; plus special grants to meet the specific individual needs of recipients.

### **Permanent Disability Benefits**

**Permanent disability grant:** For total disability, a lump sum of between 48 and 96 months' earnings, according to the age of the employee.

The minimum lump sum is HK\$344,000.

The maximum lump sum is HK\$2,016,000.

**Constant-attendance supplement:** A lump sum or periodic payments for up to 2 years.

The maximum supplement is HK\$412,000.

**Partial disability:** A percentage of the full benefit proportionate to the degree of incapacity, according to the schedule.

**Comprehensive social security assistance:** From HK\$1,805 to HK\$3,955 for a single person or from HK\$1,290 to HK\$3,590 for each dependent family member, depending on the category of the recipient; plus special grants to meet the specific individual needs of recipients.

### **Workers' Medical Benefits**

Medical examination, treatment, and appliances.

### **Survivor Benefits**

**Survivor grant:** A lump sum of between 36 and 84 months of the insured's earnings, according to the insured's age at the time of death.

The minimum lump sum is HK\$303,000.

The maximum lump sum is HK\$1,764,000.

**Funeral grant:** A lump sum of HK\$35,000.

### **Administrative Organization**

Labor Department administers the employer-liability program.

Social Welfare Department administers the social assistance program.

### **Unemployment**

#### **Regulatory Framework**

**First and current law:** 1977.

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

#### **Coverage**

Residents.

#### **Source of Funds**

**Insured person:** None.

**Employer:** None.

**Government:** Total cost.

### **Qualifying Conditions**

**Comprehensive social security assistance:** Residents between ages 15 and 59 with at least 1 year of residence, who are actively seeking paid employment and who have joined the Support for Self Reliance scheme of the Social Welfare Department. Income-tested and asset-tested.

### **Unemployment Benefits**

**Comprehensive social security assistance:** HK\$1,805 a month for a single person or from HK\$1,290 to HK\$1,610 a month per person in a family, depending on the category of the recipient; plus special grants to meet the specific individual needs of recipients.

### **Administrative Organization**

Social Welfare Department administers the program.

### **Family Allowances**

#### **Regulatory Framework**

**First and current law:** 1971.

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

#### **Coverage**

Residents.

### ***Source of Funds***

**Insured person:** None.

**Employer:** None.

**Government:** Total cost.

### ***Qualifying Conditions***

**Comprehensive social security assistance:** One year of residence. Benefit is payable for children younger than age 15; ages 15 to 21 if in full-time education. Income-tested and asset-tested.

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

**Comprehensive social security assistance:** From HK\$1,435 to HK\$4,315 a month, depending on the category of the recipient; plus special grants to meet the specific individual needs of recipients.

### ***Administrative Organization***

Social Welfare Department administers the program.

## India

Exchange rate: U.S.\$1.00 equals 48.80 rupees.

### Old Age, Disability, and Survivors

#### Regulatory Framework

**First and current laws:** 1952 (provident fund), 1972 (gratuity scheme), 1976 (deposit-linked insurance scheme), and 1995 (pension scheme).

**Type of program:** Provident fund with deposit-linked insurance, pension, and gratuity schemes for industrial workers.

#### Coverage

**Provident fund, deposit-linked insurance, and pension scheme:** Employees with monthly earnings of 6,500 rupees or less working in establishments with a minimum of 20 employees in one of the 180 categories of covered employment.

Employees covered by equivalent private plans may be contracted out.

Special systems for miners, railway employees, and public employees.

**Gratuity scheme:** Employees of factories, mines, and firms with at least 10 workers.

#### Source of Funds

##### Insured person

**Provident fund:** 12% of basic wages in 175 specified categories of covered industry or 10% of basic wages in five specified categories of covered industry.

**Deposit-linked insurance scheme:** None.

**Pension scheme:** None.

**Gratuity scheme:** None.

##### Employer

**Provident fund:** 3.67% of payroll in 175 specified categories of covered industry or 1.67% of payroll in five specified categories of covered industry. Employers pay an additional 1.1% of payroll for administrative costs.

**Deposit-linked insurance scheme:** 0.5% of payroll, plus 0.01% of payroll for administrative costs.

**Pension scheme:** 8.33% of payroll.

**Gratuity scheme:** Average 4% of payroll.

##### Government

**Provident fund:** None.

**Deposit-linked insurance scheme:** None.

**Pension scheme:** 1.16% of basic wages.

**Gratuity scheme:** None.

### Qualifying Conditions

#### Old-age benefit

**Provident fund:** Age 55 and retired from covered employment; benefit is payable at any age if leaving the country permanently, being involuntarily removed from covered employment, 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 on the termination of a job and remaining unemployed for over 2 months.

**Drawdown payment:** Partial drawdown advances are permitted before retirement for special purposes, including the purchase of life insurance, the purchase or construction of a home, loan repayment, and paying children's education fees.

**Pension scheme:** Age 58 or retired with a minimum of 10 years' coverage.

**Reduced pension:** A reduced pension is available at age 50 with a minimum of 10 years' coverage and on ceasing employment.

**Gratuity scheme:** Five years' continuous employment (old-age benefit only).

#### Disability pension

**Provident fund:** Incapacity for normal work.

**Pension scheme:** The insured person is permanently and totally disabled by an occupational injury.

#### Survivor pension

**Provident fund:** Death of the provident fund member before retirement (survivor benefit only).

**Deposit-linked insurance scheme:** Death of the provident fund member before retirement.

**Pension scheme:** The insured was a member of the scheme with at least 1 month of contributions (payable regardless of whether the insured was employed or retired at the time of death).

### Old-Age Benefits

**Provident fund:** A lump sum equal to total employee and employer contributions plus 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 on the discretion of the individual fund member.

**Pension scheme:** For 10 years of employment or more, a monthly pension based on a member's pensionable service and salary subject to a minimum pension.

**Reduced pension:** The basic pension is reduced by 3% for each year for which retirement is taken before age 58.

**Gratuity scheme:** A lump sum equal to 15 days' wages for each year of continuous service. The maximum award is 350,000 rupees.

### ***Permanent 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.

### ***Survivor Benefits***

**Provident fund:** A lump sum equal to total employee and employer contributions plus interest. The lump sum is payable to named family members or, if none, to other named beneficiaries.

**Death grant:** Up to 2,000 rupees.

**Deposit-linked insurance scheme:** A lump sum equal to the average balance in the provident fund account of the insured over the 12 months preceding death. The maximum award is 60,000 rupees.

### ***Pension scheme***

**Widow's pension:** 50% of the member's pension, subject to a minimum of 450 rupees a month.

**Orphan's pension:** 25% of the widow's pension, subject to a minimum of 150 rupees a month; full orphan's, 75% of the widow's pension, subject to a minimum of 250 rupees a month.

### ***Administrative Organization***

Ministry of Labor provides general supervision for all schemes.

Employees' Provident Fund 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.

### ***Sickness and Maternity***

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#### ***Regulatory Framework***

**First and current law:** 1948. (Under a separate 1961 law, maternity benefits are provided to employees of factories and establishments not covered by the social insurance law of 1948.)

**Type of program:** Social insurance system. Cash and medical benefits.

### ***Coverage***

Employees of power-using manufacturing establishments with 10 workers or more and employees of non-power-using establishments with 20 workers or more.

**Exclusions:** Employees in seasonal, agricultural, and certain other sectors as well as other employees earning over 6,500 rupees a month.

Workers and their spouses and retired insured workers are covered for medical benefits in case of permanent disability.

Coverage is being extended gradually to different districts, and now about 677 industrial centers are covered.

### ***Source of Funds***

**Insured person:** 1.75% of earnings for employees whose average daily wage is at least 40 rupees. Ten rupees a month for medical benefits in case of permanent disability.

**Employer:** 4.75% of payroll of covered employees.

**Government:** State governments pay 12.5% of the cost of medical benefits.

### ***Qualifying Conditions***

**Cash sickness benefits:** Must be in insured employment for 78 days during a designated 6-month period.

**Cash maternity benefits:** Must be in insured employment for 70 days during two designated 6-month periods.

**Medical benefits:** Currently in insured employment or qualified for cash sickness benefit. Medical benefits for dependents are the same as for the insured person.

### ***Sickness and Maternity Benefits***

**Sickness benefit:** From 14 rupees to 125 rupees a day depending on wage class (benefit is increased by 40% for certain specified diseases). Benefit is payable after a 2-day waiting period for up to 91 days in any two consecutive designated 6-month periods; benefit may be extended for certain chronic illnesses for up to 2 years.

**Family planning:** Seven or 14 days of cash sickness benefit paid at double rate, plus additional days for complications, depending on the nature of the sterilization operation.

**Maternity benefit:** 100% of average earnings according to wage class; payable for up to 12 weeks (including no more than 6 weeks before the expected date of childbirth), 6 weeks in the case of a miscarriage. (The 1961 law requires noncovered employers to pay the same benefit to a woman employed for 80 days in the previous year.) Benefit may be extended by 4 weeks for medical reasons.

## 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 variously provided in different states through social insurance dispensaries and hospitals, state government services, or private doctors under capitation contract. Benefits include medical treatment, surgery, specialist services, hospitalization, medicines, obstetric care, transportation, and appliances (spectacles and dentures are provided for insured persons only). 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; duration may be extended for an additional 3 years for certain chronic diseases.

## Dependents' Medical Benefits

**Medical benefits for dependents:** Currently provided in most states and districts. In most states, benefits include general practitioner care, medicines, specialist examinations, and hospitalization.

**Funeral grant:** A lump sum equal to the funeral cost, up to a maximum of 2,500 rupees. The grant is payable to the eldest member of the family or to the person incurring the funeral cost.

## Administrative Organization

Ministry of Labor provides general supervision.

Employees' State Insurance Corporation, 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.

## Work Injury

### Regulatory Framework

**First law:** 1923 (workmen's compensation).

**Current law:** 1948 (social insurance).

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

### Coverage

Employees of power-using manufacturing establishments with 10 workers or more, and employees of non-power-using establishments with 20 workers or more.

Exclusions: Employees in seasonal, agricultural, and certain other sectors as well as other employees earning over 6,500 rupees a month.

## Source of Funds

**Insured person:** See Sickness and Maternity, above.

**Employer:** See Sickness and Maternity, above.

**Government:** See Sickness and Maternity, above.

## Qualifying Conditions

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

## Temporary Disability Benefits

The level of benefit varies, but the average is about 70% of earnings, according to 28 wage classes. Benefit is payable after the third day for the entire duration of the disability.

## Permanent Disability Benefits

**Permanent disability pension:** For total disability, the benefit is 19.60 rupees up to maximum of 175 rupees a day, according to 28 wage classes.

Partial disability: A percentage of the full pension proportionate to the loss of earning capacity; small pensions may be paid in a lump sum.

## 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 variously provided in different states through social insurance dispensaries and hospitals, state government services, or private doctors under capitation contract. Benefits include medical treatment, surgery, specialist services, hospitalization, medicines, obstetric care, transportation, artificial limbs, spectacles, dentures, and other 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; duration may be extended for an additional 3 years for certain chronic diseases.

## Survivor Benefits

### Survivor pension

**Widow's pension:** 60% of the insured's total disability pension (the average benefit is equal to 70% of the deceased's earnings).

**Orphan's pension:** 40% of the insured's pension (the average benefit is equal to 70% of the deceased's earnings) for an orphan under age 18 (no age limit if disabled) or until an orphaned daughter marries.

Maximum widow's and orphan's pensions: 100% of the insured's pension; the average benefit is equal to 70% of the deceased's earnings.



*Other eligible survivors (in the absence of the above):*

Parents, grandparents, and other dependents under age 18; the maximum total pension for these other eligible survivors is 50% of the insured'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 incurring the funeral cost.

### ***Administrative Organization***

Ministry of Labor provides general supervision.

Employees' State Insurance Corporation, 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: U.S.\$1.00 equals  
8,820 Rupiah (Rp).

### Old Age, Disability, and Survivors

#### Regulatory Framework

**First law:** 1977 (provident fund).

**Current law:** 1992 (provident fund).

**Type of program:** Dual provident fund and social insurance system.

#### Coverage

Establishments with 10 or more employees and/or a monthly payroll of Rp 1 million or more.

Coverage is being extended gradually to employees of smaller establishments and to organized informal-sector workers, including persons in family employment, fishermen, and those employed in rural cooperatives.

Special systems for public-sector employees and military personnel.

#### Source of Funds

**Insured person:** 2% of earnings.

**Employer:** 3.7% of payroll; plus 0.3% of payroll for survivor benefit (social insurance).

**Government:** None.

#### Qualifying Conditions

**Old-age benefit (provident fund):** Age 55; a lump sum is payable to provident fund members of any age if they change their citizenship status.

**Disability benefit (provident fund):** Total incapacity for work because of a work-related disability and under age 55.

**Survivor benefit (provident fund):** The provident fund member was under age 55 at the time of death.

**Survivor benefit (social insurance):** Payable to a named survivor of the insured person.

#### Old-Age Benefits

**Old-age benefit (provident fund):** A lump sum equal to total employee and employer contributions plus accrued interest; a periodic pension is optional for fund members holding more than Rp 50 million in their provident fund account.

Drawdown payments: For certain categories of laid-off fund members with at least 66 months of coverage.

### Permanent Disability Benefits

**Disability benefit (provident fund):** A lump sum equal to total employee and employer provident fund contributions plus interest or, for fund members holding more than Rp 50 million in their provident fund account, an optional periodic pension of up to 24 monthly payments.

#### Survivor Benefits

**Survivor benefit (provident fund):** A lump sum equal to total employee and employer provident fund contributions plus interest or, for fund members holding more than Rp 50 million in their provident fund account, an optional periodic pension of up to 24 monthly payments.

**Survivor benefit (social insurance):** A lump sum of Rp 5 million.

Funeral grant (social insurance): A lump sum of Rp 1 million.

Benefit adjustment: The social insurance lump-sum benefits are adjusted every 2 years.

#### Administrative Organization

Minister of Manpower provides general supervision.

Employees Social Security System (Jamostek) manages and administers the program.

### Sickness and Maternity

#### Regulatory Framework

**First law:** 1957 (sickness and maternity).

**Current law:** 1992 (health care).

**Type of Program:** Social insurance system (medical benefits).

#### Coverage

Coverage is compulsory for private-sector employees.

Exclusions: Employers providing benefits that are more comprehensive than those provided by the Jamostek program are exempt.

Special health care system (medical benefits) operates for civil servants, civil service pensioners, military and police pensioners, veterans, national independence pioneers, and their dependents up to age 25.

#### Source of Funds

**Insured person:** None.

**Employer:** 3% of payroll for single employees; 6% for married employees.

**Government:** None.

### **Qualifying Conditions**

**Medical benefits:** Currently covered.

### **Workers' Medical Benefits**

Benefits include primary and specialist outpatient care, hospitalization, medicines, maternity care, emergency care, dental care, and eye care.

### **Dependents' Medical Benefits**

Same as for the insured worker.

### **Administrative Organization**

Minister of Manpower provides general supervision.

Employees Social Security System (Jamostek) manages and administers the program.

### **Work Injury**

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### **Regulatory Framework**

**First law:** 1939.

**Current law:** 1992 (work injury).

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

### **Coverage**

Establishments with 10 or more employees and/or a monthly payroll of Rp 1 million or more.

Coverage is being extended gradually to employees of smaller establishments and to organized informal-sector workers, including persons in family employment, fishermen, and those employed in rural cooperatives.

Special system for public-sector employees.

### **Source of Funds**

**Insured person:** None.

**Employer:** Total cost; contributions vary between 0.24% and 1.74% of payroll.

**Government:** None.

### **Qualifying Conditions**

**Work injury benefits:** Partial or total disability before age 55. There is no minimum qualifying period.

### **Temporary Disability Benefits**

100% of earnings for the first 4 months, 75% of earnings for the next 4 months, and 50% of earnings thereafter.

### **Permanent Disability Benefits**

**Disability benefit (lump sum):** A lump sum equal to 49 months' wages.

**Disability pension:** Rp 50,000 a month for 24 months.

Partial disability: Lump-sum benefit rates vary from 2% to 40% of 70 months of earnings according to the assessed degree of disability.

### **Workers' Medical Benefits**

Benefits include medical treatment, hospital care, dental and ophthalmic care, and prostheses. Transport costs from the place of the accident to the hospital are also provided up to a maximum of Rp 400,000 depending on the method of transport used.

### **Survivor Benefits**

**Survivor benefit (lump sum):** A lump-sum payment equal to 42 months of the insured's earnings.

**Survivor pension:** Rp 50,000 a month for 24 months.

**Funeral grant:** Rp 1 million.

### **Administrative Organization**

Minister of Manpower provides general supervision.

Employees Social Security System (Jamostek) manages and administers the program.

## Iran

Exchange rate: U.S.\$1.00 equals 1.74 rials.

### Old Age, Disability, and Survivors

#### Regulatory Framework

**First law:** 1953.

**Current law:** 1975.

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

#### Coverage

Employed persons in specified occupations and geographic areas.

Special pension systems for public employees and the armed forces.

Self-employed persons may contribute voluntarily.

#### Source of Funds

**Insured person:** 7% of earnings.

**Employer:** 20% of payroll, plus 3% for unemployment insurance. (The first five employees in small industrial and technical workshops are exempted.)

**Government:** 3% of payroll. (Also pays employers' contribution for the first five employees in small industrial and technical workshops.)

Maximum and minimum monthly earnings for contribution and benefit purposes for salaried employees are 2,507,400 rials and 696,460 rials, respectively.

The above contributions also finance medical care, cash sickness, maternity, and work injury benefits.

#### Qualifying Conditions

**Old-age pension:** Age 60 (men) or age 55 (women); 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; at any age (men and women) with 30 years of work.

The minimum qualifying period is 10 years of contributions.

Retirement from insured employment is necessary.

**Disability pension:** Total disability (2/3 loss of earning capacity) or partial disability (1/3 loss of earning capacity). One year of contributions in the last 10 years, including 90 days in the year prior to the onset of disability.

**Survivor pension:** Deceased was a pensioner at the time of death or had 1 year's contributions in the last 10 years, including 90 days of contributions in the year prior to death; if the death of the insured was caused by a work-related

accident, the survivor pension is paid without any qualifying conditions.

#### Old-Age Benefits

**Old-age pension:** 1/35th of average earnings during the last 24 months times the number of years of contributions.

The minimum pension is 50% of earnings but not less than 696,460 rials a month (the minimum wage of an unskilled laborer), plus food coupons.

**Spouse allowance:** A married male pensioner receives 81,200 rials for his spouse.

The maximum pension is 100% of earnings up to 1,970,000 rials a month.

#### Permanent Disability Benefits

**Disability pension:** If totally disabled, 3.3% of average earnings during last 2 years times the number of years of contributions.

The minimum pension is 50% of earnings (60% with dependents), but not less than 696,460 rials a month (the minimum wage of an unskilled laborer).

**Spouse allowance:** A married male pensioner receives 81,200 rials for his spouse.

The maximum pension is 100% of earnings up to 1,970,000 rials a month.

**Partial disability:** If between 33% and 66% disabled, a percentage of the full pension proportionate to the degree of incapacity.

#### Survivor Benefits

**Survivor pension:** 50% of the insured's pension is payable to a widow of any age or to a dependent widower.

The minimum widow(er) pension is 20% of the insured's pension.

**Orphan's pension:** 25% of the insured's pension (50% if a full orphan) is payable for each orphan under age 18 (no limit if student or disabled).

**Parent's pension:** 20% of the insured's pension for each dependent aged parent.

Maximum survivor pension: 100% of the insured's pension.

Minimum survivor pension: 696,460 rials a month (the minimum wage of an unskilled laborer).

**Funeral grant:** Varies according to municipality.

#### Administrative Organization

Ministry of Hygiene, Health, and Medical Education provides general supervision.

Social Security Organization, managed by a council and a board of directors, administers the program through provincial branches and local agencies.

## Sickness and Maternity

### Regulatory Framework

**First law:** 1949.

**Current law:** 1975.

**Type of program:** Social insurance system. Cash and medical benefits.

### Coverage

Employed persons in urban areas and persons receiving old age, disability, or survivor pensions. Seasonal workers are covered for medical services during the working season.

### Source of Funds

**Insured person:** See Old Age, Disability, and Survivors, above; seasonal workers contribute 9% of the minimum monthly wage.

**Employer:** See Old Age, Disability, and Survivors, above.

**Government:** See 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 prior to the expected date of childbirth.

### Sickness and Maternity Benefits

**Sickness benefit:** 75% of average earnings in the previous 3 months for a worker with dependents; 66.6% of average earnings for a single worker.

Benefit is reduced to 50% for an unmarried insured person hospitalized in a Social Security Organization hospital; there is no reduction for an insured person with dependents.

Benefit is payable after a 3-day waiting period (unless hospitalized) until recovery.

**Maternity benefit:** 66.6% of average earnings in the previous 3 months, payable for up to 4 months before the expected date of childbirth or 4 months after giving birth.

### Workers' 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 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 children under age 18 (age 20 if a student, disabled, or an unmarried daughter) or for a disabled dependent husband over age 60, and for aged dependent parents.

### Administrative Organization

Social Security Organization administers the program.

Medical services are provided directly through 70 hospitals and 260 medical clinics owned by the Social Security Organization.

### Work Injury

#### Regulatory Framework

**First law:** 1936.

**Current law:** 1975.

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

#### Coverage

Employed persons in urban areas.

#### Source of Funds

**Insured person:** See Old Age, Disability, and Survivors, above.

**Employer:** See Old Age, Disability, and Survivors, above.

**Government:** See Old Age, Disability, and Survivors, above.

#### Qualifying Conditions

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

#### Temporary Disability Benefits

75% of average earnings in the previous 3 months for a worker with dependents; 66.6% for a worker without dependents.

Benefit is reduced to 50% of average earnings if the insured person is hospitalized.

Benefit is payable from the first day of incapacity until recovery or certification of permanent disability.

#### Permanent Disability Benefits

**Permanent disability pension:** If totally disabled, 3.3% of average earnings in the last 720 days times the number of years



of contributions. The pension should not be less than the minimum wage.

The minimum pension is 50% of earnings for a single worker; 60% for a married worker.

The maximum pension is 100% of earnings but not more than the wage ceiling.

Partial disability: If between 33% and 66% disabled, a percentage of the full pension proportionate to the degree of incapacity.

The minimum pension is 301,530 rials a month.

The maximum pension varies according to the insured's wage, contribution record, and degree of incapacity.

**Disability grant:** If between 10% and 33% disabled, a lump sum of 36 times the amount of total disability pension times the degree of disability.

### **Workers' Medical Benefits**

Same as for cash medical benefits, above (see Sickness and Maternity), but with no qualifying period for prostheses.

### **Survivor Benefits**

**Survivor pension:** 50% of the insured's pension is payable to the widow.

**Orphan's pension:** 25% of the insured's pension (50% if a full orphan) is payable for each orphan under 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 insured's pension for each dependent aged parent.

The maximum survivor pension is 100% of the insured's pension.

**Funeral grant:** Varies according to municipality.

### **Administrative Organization**

Ministry of Hygiene, Health, and Medical Education provides general supervision.

Social Security Organization administers the program through branch offices and local agencies.

## **Unemployment**

### **Regulatory Framework**

**First law:** 1987.

**Current law:** 1990.

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

### **Coverage**

Employed persons in specified occupations and geographic areas.

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.

**Employer:** 3% of payroll.

**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 voluntarily leaving, 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 months and 24 months of coverage, benefit is payable for up to 12 months (6 months if single); for between 25 months and 120 months of coverage, benefit is payable for 18 months (12 months if single); for between 121 months and 180 months, benefit is payable for up to 26 months (18 months if single); for between 181 months and 240 months, benefit is payable for up to 36 months (24 months if single); for 241 months and longer, benefit is payable for up to 50 months (36 months if single).

The minimum benefit is 55% of average earnings, increased by 10% for each of the first four dependents.

The maximum benefit should not exceed 80% of average earnings.

Insured persons aged 55 or older receive unemployment benefit up to retirement age.

### **Administrative Organization**

Ministry of Labor provides general supervision.

## **Family Allowances**

### **Regulatory Framework**

**First law:** 1953.

**Current law:** 1975.

**Type of program:** Employment-related system.

## **Coverage**

Employed persons.

## **Source of Funds**

**Insured person:** None.

**Employer:** Total cost.

**Government:** None.

## **Qualifying Conditions**

**Family allowances:** The child must be under age 18 (no limit if 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 (696,460 rials a month) and is adjusted according to region.) The allowance is payable for each of the first two children.

**Marriage grant:** One month's average wage or salary. If both spouses are insured, the grant is paid to the husband and wife separately.

## **Administrative Organization**

Ministry of Labor enforces the law.

Individual employers pay allowances with wages or salaries.

## Iraq

Exchange rate: U.S.\$1.00 equals 0.31 dinars.

### Old Age, Disability, and Survivors

#### Regulatory Framework

**First law:** 1956 (provident fund).

**Current law:** 1971 (social insurance).

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

Note: This information is more than 10 years old.

#### Coverage

Employees of enterprises with five or more workers.

Exclusions: Agricultural employees, temporary employees, domestic servants, and family labor.

Special pension systems for public-sector employees, employees of semigovernmental agencies including nationalized industries, lawyers, and journalists.

#### Source of Funds

**Insured person:** 5% of wage.

**Employer:** 12% of payroll (25% for firms operating in the oil sector).

**Government:** None.

The minimum wage for contribution and benefit purposes is based on the minimum wage in the insured's profession.

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

#### Qualifying Conditions

**Old-age pension:** Age 60 (men) or 55 (women) with 20 years of contributions or at any age with 30 years (men) or 25 years (women) of contributions. Retirement from regular employment is necessary.

The pension is payable abroad in certain cases.

**Disability pension:** The permanent or long-term loss of at least 35% of working capacity.

**Survivor pension:** The deceased was a pensioner or met the contribution conditions for the old-age pension.

#### Old-Age Benefits

**Old-age pension:** 2.5% of the average wage during the last 3 years times the number of months of contributions divided by 12.

The minimum monthly pension is 54 dinars.

The maximum monthly pension is 140 dinars.

**Old-age settlement:** If ineligible for an old-age pension, a lump sum equal to 1 month's pension for each year of contributions.

#### Permanent Disability Benefits

**Disability pension:** 2.5% of the average wage during the last 3 years times the number of months of contributions divided by 12.

The minimum monthly pension is 54 dinars.

The maximum monthly pension is 140 dinars.

Partial disability: A percentage of the full pension proportionate to the assessed degree of incapacity.

#### Survivor Benefits

**Survivor pension:** 60% of the insured's pension, payable to the surviving spouse at any age.

**Orphan's pension:** 40% of the insured's pension (60% if a full orphan), payable for each son under age 17 (age 27 if a student; no limit if disabled) and each unmarried daughter under age 17.

Other eligible survivors: 40% of the insured's pension for a dependent mother, father, sister, or brother.

The maximum survivor pension is 100% of the insured's pension.

#### Administrative Organization

Ministry of Labor and Social Affairs provides general supervision.

Under the direction of a tripartite board and a director general, the Labor and Social Security Institute administers the program.

#### Sickness and Maternity

##### Regulatory Framework

**First law:** 1956 (provident fund).

**Current law:** 1971 (social insurance).

**Type of program:** Social insurance system providing cash and medical benefits.

##### Coverage

Employees of enterprises with five or more workers.

Exclusions: Agricultural employees, domestic servants, temporary employees, and family labor.

##### Source of Funds

**Insured person:** See Old Age, Disability, and Survivors, above.

**Employer:** See Old Age, Disability, and Survivors, above.

**Government:** See Old Age, Disability, and Survivors, above.

### **Qualifying Conditions**

**Cash and medical benefits:** No minimum qualifying period.

### **Sickness and Maternity Benefits**

**Sickness benefit:** 75% of the average wage during the 3 months preceding the onset of illness. The benefit is payable after an 8-day waiting period (during which the employer must pay full wages) for up to 6 months (may be extended to 2 years at 100% of wage for incurable or malignant diseases).

**Maternity benefit:** 100% of wage. The benefit is payable for at least 10 weeks, including at least 4 weeks before the expected date of childbirth. The benefit may be extended to 9 months if there are complications. For extended leave periods, the benefit is paid at 75% of wage.

**Maternity leave:** Payable for up to 6 months at 50% of wage at any time during the first 4 years of the child's life (up to the fourth child).

**Maternity grant:** If leaving employment because of the pregnancy, a lump sum of 1 month's benefit for each year of contributions.

### **Workers' Medical Benefits**

Health services are provided through government health centers and hospitals financially supported by the Labor and Social Security Institute. Benefits include general and specialist care, hospitalization, surgery, medicines, X-rays, appliances, laboratory services, and rehabilitation.

### **Dependents' Medical Benefits**

Same as for the insured person.

### **Administrative Organization**

Ministry of Labor and Social Affairs provides general supervision.

Under the direction of a tripartite board and a director general, the Labor and Social Security Institute administers the program.

### **Work Injury**

#### **Regulatory Framework**

**First law:** 1936.

**Current law:** 1971.

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

### **Coverage**

Employees of enterprises with five or more workers; all enterprises for survivor pensions.

**Exclusions:** Agricultural employees, domestic servants, family labor, and temporary employees. (Some employees are covered under the 1936 legislation.)

### **Source of Funds**

**Insured person:** See Old Age, Disability, and Survivors, above.

**Employer:** See Old Age, Disability, and Survivors, above.

**Government:** See Old Age, Disability, and Survivors, above.

### **Qualifying Conditions**

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

### **Temporary Disability Benefits**

100% of the wage on which contributions were last paid. Benefit is payable after an 8-day waiting period (during which the employer must pay full wages) until recovery or certification of permanent disability.

### **Permanent Disability Benefits**

**Permanent disability pension:** 80% of the average wage if totally disabled.

The minimum pension is equal to the minimum wage in the insured's profession.

**Partial disability:** For an incapacity of at least 32%, a percentage of the full pension proportionate to the assessed degree of incapacity; for an incapacity of less than 32%, a lump sum equal to 4 years' partial pension.

### **Workers' Medical Benefits**

General medical care, home visits, surgery, specialist care, hospitalization, and prescribed medicines. Benefits are provided by arrangement with the Ministry of Health, local authorities, or private clinics.

### **Survivor Benefits**

**Survivor pension:** 60% of the insured's permanent total disability pension or a lump sum equal to 4 years of the insured's partial disability pension, payable to the widow or to a dependent disabled widower.

**Orphan's pension:** 40% of the insured's pension (60% if a full orphan), payable for each son under age 17 (age 27 if a student; no limit if disabled) and each unmarried daughter under age 17.

**Other eligible survivors:** 40% of the insured's pension each for a dependent mother, father, unmarried sister, or brother under age 16.

The maximum survivor pension is 100% of the insured's pension.

### ***Administrative Organization***

Ministry of Labor and Social Affairs provides general supervision.

Labor and Social Security Institute administers contributions and benefits.

### ***Unemployment***

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#### ***Regulatory Framework***

**First and current law:** 1964.

**Type of program:** Social assistance.

Health and welfare fund is authorized under the 1964 law to provide employment assistance.



## Israel

Exchange rate: U.S.\$1.00 equals  
4.91 new shekels (NS).

### Old Age, Disability, and Survivors

#### Regulatory Framework

**First and current laws:** 1953 (old-age and survivor pensions), 1970 (disability), 1980 (long-term care), and 1982 (income support).

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

#### Coverage

**Social insurance:** All residents (including housewives) aged 18 or older, except persons who immigrated after age 60.

**Social assistance (income support programs, means-tested):** Residents aged 20 or older.

#### Source of Funds

##### Insured person

**Employee:** 1.46% of earnings below, and 2.7% of earnings above, one-half of the national average wage for old-age and survivor pensions; 0.71% of earnings below, and 1.3% of earnings above, one-half of the national average wage for disability benefits; and 0.05% of earnings below, and 0.1% of earnings above, one-half of the national average wage for long-term care.

**Self-employed person:** 2.63% of earnings below, and 4.55% of earnings above, one-half of the national average wage for old-age and survivor pensions; 0.95% of earnings below, and 1.68% of earnings above, one-half of the national average wage for disability benefits; and 0.10% of earnings below, and 0.16% of earnings above, one-half of the national average wage for long-term care.

**Employer:** 1.85% of payroll for old-age and survivor pensions, 0.38% for disability benefits, and 0.06% for long-term care.

**Government:** 0.87% on earnings above one-half of the national average wage for old-age and survivor pensions; 0.27% on earnings above one-half of the national average wage for disability benefits; and 0.04% on earnings above one-half of the national average wage for long-term care (government also subsidizes the cost of long-term care benefits to new immigrants). Reduced contributions are paid on earnings below one-half of the national average wage, both for employees and the self-employed. Government pays the total cost of social assistance income support programs.

Additional government subsidies are equal to 15% of the employee and employer contributions paid for old-age and survivor pensions.

Government also pays the total cost of pensions to uninsured new immigrants, as well as 50% of the cost of pensions for persons disabled before the enactment of 1970 law.

Maximum earnings for contribution purposes: Five times the national average wage as of January 1 each year for all insured persons; employers pay contributions on behalf of employees at the lower rate of four times the national average wage.

Minimum earnings for contribution purposes: 25% of the national average wage.

National average wage: NS6,964 in March 2002.

#### Qualifying Conditions

**Old-age pension (social insurance):** Age 65 (men) or age 60 (women); age 65 for housewives. Five years of insurance coverage in the last 10 years, or a total of 12 years of insurance coverage; there is no qualifying period for insured women who are widowed, divorced, deserted, married to an uninsured husband, or unmarried and aged 55 or older at the time of immigration.

**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).

##### Old-age pension (social assistance)

**Income support benefit (income-tested):** Twenty-four months of continuous residence, subject to a means test (12 months for new immigrants); incapable of providing self with earned income and not eligible for benefit payments from any other source.

**Income supplement (income-tested):** Partial benefit is payable to individuals whose combined earned and benefit income falls short of the minimum income level for subsistence.

**Disability pension:** Israeli resident aged 18 to 65 (men) or 18 to 60 (women). No qualifying period. Medical disability of at least 40% (at least 50% for a disabled housewife) and a functional loss of capacity of at least 50%.

**Attendance allowance:** At least 60% disabled, receiving the disability pension, and dependent on the help of others; if not receiving the disability pension, at least 75% disabled and means-tested.

**Disabled child benefit:** Residing in Israel, not institutionalized or living with a foster family, and not receiving mobility allowance. Conditions may be waived if the parent has two disabled children or under other permitted exceptional circumstances.

**Long-term care benefit (means-tested):** Age 65 (men) or age 60 (women), not institutionalized, but dependent on the help of others for performing everyday functions or in need of supervision.

**Survivor pension (social insurance):** Deceased had 12 months of coverage prior to death, 24 months of coverage in the last 5 years, 60 months in the last 10 years, or met the qualifying period for the old-age pension.

**Survivor pension income supplement (social assistance):**

Partial income-tested benefit payable to individuals whose combined earned and benefit income falls short of the minimum income level for subsistence.

**Old-Age Benefits**

**Old-age pension:** 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.

Old-age pension with income supplement (income-tested): 25% of the national average wage, 37.5% for a couple, 47.5% for a couple with one child, 57.5% for a couple with two children or more. The resulting amounts are increased by a further 7%.

Old-age pension increments: The pension is increased by 2% per year of coverage beyond 10 years and by 5% of the value of the pension for each year of deferred retirement. The maximum increments are 50% and 25%, respectively.

**Income support benefit (income-tested):** 20% to 25% of the national average wage; 30% to 37.5% for a couple. The benefit varies with age and the duration of benefit.

Benefit adjustment: Benefits are adjusted automatically for changes in the national average wage.

**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 income test).

Partial disability: The pension is proportionally reduced.

Dependent supplement (income-tested): Up to 12.5% of the national average wage for a spouse; 10% each for the first two children. The supplement is increased by 7%.

Attendance allowance: 50%, 100%, or 150% of the full single disability pension according to the level of dependence.

**Disabled child benefit:** Between 30% and 120% of the full single disability pension.

**Long-term care benefit:** 25% of the national average wage if largely dependent on the help of others; 37.5% if completely dependent. Benefits are payable directly to the organization providing the long-term care services, not to the entitled person (who receives the benefit at 80% of the rate indicated above only if services are not available and the beneficiary is cared for by a family member).

Benefit adjustment: Benefits are adjusted automatically for changes in the national average wage.

**Survivor Benefits**

**Survivor pension:** For a surviving spouse aged 50 or over or if caring for a child, the pension is 16% of the average wage.

Survivor pension increment: The pension is increased by 2% for each year of coverage of the deceased beyond 10 years.

Reduced survivor pension: For a widow(er) between ages 40 and 49 with no children, the pension is 12% of the national average wage.

Lump-sum award: For a widow(er) under age 40 who has no children, a lump sum of 3 years' full pension.

If the survivor also receives the old-age pension, the survivor pension is reduced by one-half.

**Orphan's pension:** 7.5% of the national average wage for each half orphan; 10% for each full orphan.

Benefit adjustment: Benefits are adjusted automatically for changes in the national average wage.

**Survivor pension with income supplement (income-tested)**

*Widow(er)'s pension:* A widow(er) with no children receives 25% of the national average wage; a widow(er) with one child, 42.5% (less NS171); or 52.5% (less NS171) with two or more children. The resulting pensions are increased by an additional 7%.

*Orphans and abandoned children:* For one child, the pension is 25% of the national average wage (less NS171); for two children, 37.5% (less NS342).

**Death grant:** A lump sum equal to 100% of the national average wage; 150% if receiving income support.

**Funeral grant:** The cost of the burial up to a fixed amount.

**Administrative Organization**

Ministry of Labor and Social Affairs provides general supervision.

National Insurance Institute administers the program, collects contributions, and pays benefits through its branch offices.

**Sickness and Maternity****Regulatory Framework**

**First and current laws:** 1953, 1976 (sickness), and 1995 (medical care).

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

**Coverage**

**Sickness benefits:** All employees.

**Medical care:** All residents.

**Maternity benefits:** Employed persons and self-employed persons aged 18 or older. Benefits are also payable to parents who adopt a child under age 10.

Maternity grant: Insured woman 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.

### Source of Funds

#### Insured person

*Employee:* Medical care, 3.1% of earnings below, and 4.8% of earnings above, one-half of the national average wage.

Maternity benefits, 0.33% of earnings below, and 0.60% of earnings above, one-half of the national average wage.

*Self-employed person:* 3.1% of earnings below, and 4.8% of earnings above, one-half of the national average wage for medical care; 0.48% of earnings below, and 0.75% of earnings above, one-half of the national average wage for maternity benefits.

**Employer:** None for medical care; 0.15% of payroll for maternity benefits.

**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).

Maximum earnings for contribution and benefit purposes: Four times the national average wage.

National average wage: NS6,964 in March 2002.

### Qualifying Conditions

**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, benefit is payable for 6 weeks only).

Multiple birth allowance: Three children or more, of whom at least three must survive past 30 days.

Maternity and hospitalization grant: For a birth for which hospitalization was necessary.

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.

### Sickness and Maternity Benefits

**Sickness benefit:** 75% of earnings for 90 days (up to 100% without limit if stipulated in a labor agreement).

**Maternity benefit:** 100% of earnings (minus taxes and insurance). Benefit is payable for 12 weeks.

Benefit adjustment: Benefits are adjusted for cost-of-living increases paid to employees.

**Maternity grant (layette):** A grant of NS1,140 (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. The value of the flat-rate grant is reviewed periodically.

**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 hospital.

### Workers' Medical Benefits

Services provided by doctors and hospitals owned and operated by, or under contract to, the sickness fund. Benefits include general and specialist care, medicines, laboratory services, hospitalization, and rehabilitation. Patients pay a part of the cost of drugs and appliances.

### Dependents' Medical Benefits

**Medical benefits for dependents:** Same as for the insured person.

**Special allowance and special benefit:** If an insured woman dies within 1 year of childbirth, the spouse receives 30% of the 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 for the child(ren). If the spouse stops working to care for the child(ren), he may receive 75% of earnings, up to a ceiling, for up to 12 weeks.

### Administrative Organization

Ministry of Labor and Social Affairs provides general supervision.

National Insurance Institute administers the maternity program.

Sickness insurance and medical care are administered by four sickness funds under the supervision of the Ministry of Health.

### Work Injury

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#### Regulatory Framework

**First and current laws:** 1953 (employees), with 2002 amendment; and 1956 (self-employed).

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

#### Coverage

Employees, self-employed persons, members of cooperatives, and migrant workers working in Israel.

### Source of Funds

#### Insured person

*Employee:* None.

*Self-employed person:* 0.33% of earnings below, and 0.53% of earnings above, one-half of the national average wage.

**Employer:** 0.53% 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).

Maximum earnings for contribution purposes: Five times the national average wage as of January 1 each year for all insured persons; employers pay contributions on behalf of employees at the lower rate of four times the national average wage.

Minimum earnings for contribution purposes: 25% of the national average wage.

National average wage: NS6,964 in March, 2002.

## Qualifying Conditions

### Work injury benefits

*Temporary disability benefit (injury allowance):* Work incapacity and absence from work due to a work injury. No minimum qualifying period.

*Temporary disability grant:* Payable to an insured worker with a degree of disability assessed at no less than 6% but no more than 19%. No minimum qualifying period.

### Temporary Disability Benefits

**Temporary disability benefit (injury allowance):** 75% of earnings.

Benefit is payable after a 2-day waiting period (no waiting period if work incapacity lasts at least 12 days) for up to 13 weeks.

Benefit adjustment: Benefits are adjusted according to changes in the national average wage and employee cost-of-living adjustments.

### Permanent Disability Benefits

**Permanent disability pension:** 75% of earnings, if totally disabled.

Partial disability: If between 20% and 99% disabled, a percentage of the full pension proportionate to the degree of disability; if the assessed degree of disability is no less than 6% but no more than 19%, a grant equal to 70 monthly pensions.

Benefit adjustment: Benefits are adjusted for changes in the national average wage and employee cost-of-living adjustments.

### Workers' Medical Benefits

The cost of medical attendance, hospitalization, medicines, appliances, transportation, and rehabilitation.

### Survivor Benefits

**Survivor pension:** Payable to a widow or a dependent disabled widower, the pension is equal to 60% of the insured's

total disability pension if the survivor is age 50, disabled, or caring for a child; 40% of the pension if between ages 40 and 49; otherwise, a lump sum equal to 3 years' pension.

**Orphan's pension:** 20% of the insured's total disability pension for the first orphan and 10% each for the second and third.

Full orphans: 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.

**Death grant:** 100% of the national average wage paid as a lump sum; 150% if the survivor is receiving an income support benefit.

**Funeral grant:** The cost of the burial up to a fixed amount.

## Administrative Organization

Ministry of Labor and Social Affairs provides general supervision.

National Insurance Institute administers the program, collects contributions, and pays benefits through its branch offices.

## Unemployment

### Regulatory Framework

**First and current law:** 1970.

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

### Coverage

Employees aged 18 or older but under pensionable age or between ages 15 and 18 if providing partial financial support to parents or without parents and undergoing vocational training.

### Source of Funds

**Insured person:** Employees contribute 0.15% of earnings above, and 0.08% of earnings below, one-half of the national average wage.

**Employer:** 0.04% of payroll.

**Government:** 0.11% of payroll above, and 0.07% of payroll below, one-half of the national average wage.

Maximum earnings for contribution purposes: Five times the national average wage as of January 1 each year for all insured persons; employers pay contributions on behalf of employees at the lower rate of four times the national average wage.

Minimum earnings for contribution purposes: 25% of the national average wage.

National average wage: NS6,964 in March 2002.



## Qualifying Conditions

### Unemployment benefit

*Regular employee:* 180 days of contributions out of 360 days, or 270 days out of 540 days.

*Daily employee:* 150 days of contributions out of 360 days, or 225 days out of 540 days.

*Minor:* 100 days of contributions out of 360 days.

Employee must be registered at the labor exchange and capable of work.

Unemployment is not due to voluntary leaving or the refusal of a suitable offer.

### Unemployment Benefits

Between 40% and 80% of the national average daily wage during the last 75 work days of the qualifying period.

The maximum daily benefit is NS279 for the first 125-day period of payment and NS186 for the second period of payment (from the 126th day). Benefit is payable after a 5-day waiting period.

The maximum duration of payment is 138 days per year (175 days for an unemployed person over age 45 or with three dependents).

Benefit adjustment: Benefits are adjusted according to changes in the national average wage and employee cost-of-living adjustments.

### Administrative Organization

Ministry of Labor and Social Affairs provides general supervision.

National Insurance Institute administers the program, collects contributions, and pays benefits through its branch offices.

## Family Allowances

### Regulatory Framework

**First law:** 1959.

**Current law:** 1975.

**Type of program:** Universal system.

### Coverage

Residents with one child or more.

### Source of Funds

#### Insured person

*Employee:* None.

*Self-employed person:* 1.88% of earnings above, and 1.18% of earnings below, one-half of the national average wage.

**Employer:** 1.88% of payroll.

**Government:** 0.60% of earnings above, and reduced rates of 0.04% (employees) and 0.06% (self-employed persons) on earnings below, one-half of the national average wage, plus an amount equal to 160% of all receipts from insurance contributions.

Maximum earnings for contribution purposes: Five times the national average wage as of January 1 each year for all insured persons; employers pay contributions on behalf of employees at the lower rate of four times the national average wage.

Minimum earnings for contribution purposes: 25% of the national average wage.

National average wage: NS6,964 in March 2002.

## Qualifying Conditions

**Family allowances:** Child must be under age 18.

### Family Allowance Benefits

**Family allowances:** NS151 a month for each of the first two children, NS301 for the third, NS610 for the fourth, and NS754 for the fifth and each subsequent child.

Benefit adjustment: Benefits are adjusted in January of every year and whenever a cost-of-living increment is paid to employees.

### Administrative Organization

Ministry of Labor and Social Affairs provides general supervision.

National Insurance Institute administers the program, collects contributions, and pays benefits through its branch offices.



## Japan

Exchange rate: U.S.\$1.00 equals 124.32 yen.

### Old Age, Disability, and Survivors

#### Regulatory Framework

**First law:** 1941 (employees' pension insurance).

**Current laws:** 1944 (employees' pension insurance), 1959 (national pension program), and 1985.

**Type of program:** A two-tiered 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, 2002.

#### 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 systems for public employees; private-school teachers and employees; and employees of agricultural, forestry, and fishery cooperative associations.

#### Source of Funds

##### Insured person

**National pension program:** The contribution is included in the insured's contribution to the employees' pension insurance or other employment-related program.

All other insured persons contribute 13,300 yen a month.

**Employees' pension insurance:** 8.675% of basic monthly earnings (6.79% of basic monthly earnings and salary bonuses as of April 2003) according to 30 wage classes; miners and seamen, 9.575% of basic monthly earnings.

If the employer is contracted-out, the contribution is between 8.145% and 8.175% of monthly earnings.

Added special premium: 0.5% of salary bonuses (to be abolished as of April 2003).

Minimum earnings for contribution and benefit purposes are 98,000 yen a month.

Maximum earnings for contribution and benefit purposes are 620,000 yen a month.

#### Employer

**National pension program:** The contribution is included in the employer contribution to the employees' pension insurance or other employment-related program.

**Employees' pension insurance:** 8.675% of payroll excluding salary bonuses (6.79% of payroll including salary bonuses as of April 2003) according to 30 wage classes; miners and seamen, 9.575% of payroll.

If the employer is contracted-out, the contribution is between 8.145% and 8.175% of monthly payroll.

Added special premium: 0.5% of salary bonuses (to be abolished as of April 2003).

Minimum earnings for contribution and benefit purposes are 98,000 yen a month.

Maximum earnings for contribution and benefit purposes are 620,000 yen a month.

#### 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 25 years of contributions (including for the insured's dependent spouse, years of own coverage plus years married to an insured person who is covered by any employment-related program).

**Early pension:** An early pension is payable between ages 60 and 64.

**Employees' pension insurance:** Age 60 (age 55 for seamen and miners) with 25 years of coverage.

##### 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.

**Employees' pension insurance:** Same conditions as for the national pension program for a Class I and Class II disability, and for a Class III disability awarded for a less severe incapacity than that of Class II.

##### Survivor pension

**National pension program:** The deceased was a 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.

**Employees' pension insurance:** The deceased was insured or was a pensioner (old-age or disability) at the time of death.

## Old-Age Benefits

**National pension program (old-age):** If fully insured (480 months of contributions), 804,200 yen a year.

Early pension: The benefit is actuarially reduced for the receipt of a pension between ages 60 and 64.

Deferred pension: The pension is increased for the deferral of a pension at age 66 or older.

Benefit adjustment: Automatic annual cost-of-living adjustment.

**Employees' pension insurance (old-age):** 0.7125% of indexed average monthly wages over the full career times the number of months of coverage.

Pension increment: Pensioners between ages 60 and 64 receive an additional 1,676 yen a month for each month of coverage.

Working pensioners: The pension is reduced for continued employment between ages 60 and 64. The pension is reduced by 20% if the combined total of the monthly wage and 80% of the pension is under 220,000 yen; if the combined total is between 220,000 yen and 370,000 yen, the pension is reduced by 1 yen for every 2 yen earned; if the combined total exceeds 370,000 yen a month, the pension is reduced by 100% of wages over 340,000 yen.

Dependent supplement: 231,400 yen a year for a spouse; 231,400 yen a year for each of the first two children and 77,100 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).

Benefit adjustment: Automatic annual cost-of-living adjustment.

## Permanent Disability Benefits

**National pension program (disability):** Benefit is paid according to the assessed degree of disability. For Class I disability, 1,005,300 yen a year; for Class II, 804,200 yen a year.

Dependent supplement: 231,400 yen a year for each of the first two children and 77,100 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 cost-of-living adjustment.

**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.

The minimum benefit is 603,200 yen a year.

Dependent supplement (payable to persons with a Class I or Class II disability): 231,400 yen a year for a spouse; 231,400 yen a year for each of the first two children and 77,100 yen for each additional child (up to the end of the fiscal year in which the child reaches age 18; age 20 if disabled).

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 cost-of-living adjustment.

## Survivor Benefits

**National pension program (survivor):** 804,200 yen a year for a widow. No benefit is payable for a widower.

Dependent supplement: 231,400 yen a year for each of the first two children and 77,100 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 the eligible orphans.

Death grant: A lump sum of between 120,000 yen and 320,000 yen, according to the length of the period of paid contributions.

Benefit adjustment: Automatic annual cost-of-living adjustment.

**Employees' pension insurance (survivor):** 75% of the old-age pension is payable for the death of an insured worker.

Eligible survivors: Widow (aged 35 or older) or widower (aged 55 or older); orphans (up to the end of the fiscal year in which the child reaches age 18; age 20 if disabled); parents (aged 55 or older); grandchildren (up to the end of the fiscal year in which the child reaches age 18; age 20 if disabled); or grandparents (aged 55 or older).

Dependent supplement: 231,400 yen a year for each of the first two children and 77,100 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 603,200 yen a year is paid for a widow between ages 40 and 65 if she was 35 or older when the insured died.

Benefit adjustment: Automatic annual cost-of-living adjustment.

## Administrative Organization

Pension Bureau of the Ministry of Health, Labor, and Welfare provides general supervision of both programs.

Social Insurance Agency administers both programs nationally.

Regional Social Insurance Bureaus and Social Insurance Offices administer contributions and benefits for both programs locally.

## Sickness and Maternity

### Regulatory Framework

**First laws:** 1922 (health insurance), implemented in 1927; 1938 (national health insurance); and 1982 (medical system for the elderly).

**Current laws:** 1958 and 1998 (national health insurance); and 1997 and 2000 (health insurance).

**Type of program:** Dual 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 other employees.

Special systems for persons aged 70 or older (medical system for the elderly), seamen, private-school teachers, and public employees.

## Source of Funds

### Insured person

**National health insurance:** National health tax or premium is fixed by the individual carrier but is not to 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 municipality-run program.

**Employees' health insurance:** 4.25% of the basic monthly wage (government-managed program); average of 3.725% of basic monthly wage in 1999 (health insurance society), according to 40 wage classes.

**Special premium:** 0.3% of the insured's salary bonuses (government-managed program). The special premium is fixed by insurance societies on the condition that the total special premium collected from insured persons and their employer does not exceed 1% of salary bonuses.

Minimum basic wage for contribution and benefit purposes is 92,000 yen a month.

Maximum basic wage for contribution and benefit purposes is 980,000 yen a month.

### Employer

**National health insurance:** None.

**Employees' health insurance:** 4.25% of the basic monthly wage (government-managed program); average of 4.786% of basic monthly wage in 1999 (health insurance society).

**Special premium:** 0.5% of salary bonuses paid to insured employees (government-managed program). The special

premium may be fixed by the insurance society on the condition that the total special premium collected from insured persons and their employer does not exceed 1% of salary bonuses.

Minimum basic wage for contribution and benefit purposes is 92,000 yen a month.

Maximum basic wage for contribution and benefit purposes is 980,000 yen a month.

## 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.

## 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. 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 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.

## 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 insured person pays 30% of the cost of all care up to a ceiling set by a formula that depends on family income. There are special cost-sharing provisions, up to a ceiling, for persons aged 70 or older (between ages 65 and 70 if bedridden) for outpatient and inpatient care.

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 insured pays 20% of the cost of all care up to a ceiling set by a formula that depends on family income.

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:** For medical benefits, same as for the insured person. Cost-sharing for inpatient treatment (20%) and outpatient treatment (30%) up to a ceiling.

### ***Administrative Organization***

Health Insurance Bureau of the Ministry of Health, Labor, and Welfare 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 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***

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#### ***Regulatory Framework***

**First law:** 1911.

**Current laws:** 1947, 1980, 1986, 1995, and 2000.

**Type of program:** Compulsory social insurance.

### ***Coverage***

Employees of all firms in industry and commerce not included under voluntary coverage or special systems.

Voluntary coverage for employees in agricultural, forestry, and fishery establishments with fewer than five workers.

Special systems for seamen and public employees.

### ***Source of Funds***

**Insured person:** None.

**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 average daily wage in the preceding 6 months plus a temporary disability supplement equal to 20% of the average daily wage. 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 benefit is 4,250 yen a day.

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 6 months multiplied by between 245 and 313 days until recovery varying according to the degree of disability), plus a special supplement based on the worker's annual salary bonus.

**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 the average daily wage in the preceding 6 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 the average daily wage in the preceding 6 months. The pension varies with the assessed degree of disability.

Constant-attendance allowance (assessed grades of disability 1 and 2): 102,100 yen a month if requiring full-time care (58,150 yen if the care is provided by family members); 53,550 yen a



month if requiring part-time care (29,080 yen if the care is provided by family members).

### **Workers' Medical Benefits**

Medical treatment, surgery, hospitalization, nursing, dental care, medicines, appliances, and transportation.

### **Survivor Benefits**

**Survivor pension:** An annual pension equal to the average daily wage in the preceding 6 months multiplied by between 153 and 245 days, according to number of survivors.

Eligible survivors: Widow or widower, children, parents, grandparents, grandchildren, and dependent brothers and sisters (except for a widow, all must meet specified age or disability requirements).

**Death grant (if no eligible survivors):** A lump sum equal to the average daily wage in the preceding 6 months multiplied by 1,000 days is payable to a nondependent survivor.

**Funeral grant:** 60 days' wages or 305,000 yen plus 30 days' wages, whichever is greater.

### **Administrative Organization**

Ministry of Health, Labor, and Welfare 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 laws:** 1975 and 2000.

**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 fewer than five regular employees.

Exclusions: Seasonal workers whose term of employment is 4 months or less.

Special systems for casual workers, seamen, and public employees.

### **Source of Funds**

**Insured person:** 0.6% of earnings (0.7% for agricultural, forestry, fishery, or construction workers).

**Employer:** 0.95% of payroll (between 1.05% and 1.15% for agricultural, forestry, fishery, or construction workers).

**Government:** 25% of the cost of benefits.

### **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).

### **Unemployment Benefits**

Between 60% and 80% of the average daily wage (higher percentages are awarded to lower-wage earners); 50% to 80% if between ages 60 and 64. Benefit is payable after a 7-day waiting period for between 90 and 360 days, according to the length of coverage, age, reasons for unemployment, and employment prospects. Additional days of benefit are payable for between 30 and 90 days if the insured is discharged from an industry in recession, is suffering from physical or mental illness, or is undergoing training.

The minimum daily benefit is 3,400 yen (1,728 yen for short-term workers).

The maximum daily benefit is 10,704 yen.

Special daily or monthly allowances: Allowances are provided for vocational training, transportation, moving and lodging expenses while in training, seeking employment outside of the immediate commuting area, and other costs.

Newborn child care allowance: The employment fund pays between 20% and 25% of the average daily wage to one of two working parents who are caring for a newborn child for up to 1 year. There is no requirement to seek work while receiving this benefit.

Government subsidies: The government provides subsidies to employers in order 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.

### **Administrative Organization**

Ministry of Health, Labor, and Welfare 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 are responsible for the local administration of the program and the collection of contributions.



## **Family Allowances**

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### **Regulatory Framework**

**First law:** 1971 (children's allowance).

**Current laws:** 1981, 1985, 1991, 1994, and 2000.

**Type of program:** Dual employer-liability and social assistance system.

### **Coverage**

Residents with one or more children under age 6.

### **Source of Funds**

**Insured person:** None.

#### **Employer**

*Children's allowance:* 70% of the cost (about 0.11% 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 6; 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 6; 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 6; 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.

*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**

**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.

**Special allowance:** 5,000 yen a month for each of the first two children and 10,000 yen a month for each subsequent child.

## **Administrative Organization**

Ministry of Health, Labor, and Welfare supervises the program through the 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: U.S.\$1.00 equals 0.70 dinars.

### Old Age, Disability, and Survivors

#### Regulatory Framework

**First law:** 1978.

**Current law:** 2001.

**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.

**Exclusions:** Public employees covered under civil or military pension laws, foreign employees serving in international organizations or foreign political or military missions, and casual workers.

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.

#### Source of Funds

**Insured person:** 5.5% of wage; insured workers can contribute additional amounts to receive credits for previous work periods not covered.

**Employer:** 9% of payroll.

**Government:** Any deficit.

#### Qualifying Conditions

**Old-age pension:** Age 60 (men) or age 55 (women) with 180 months of coverage (60 months of actual contributions).

**Early pension:** A reduced old-age pension is possible at age 45 with at least 18 years (men) or 15 years (women) of contributions.

An insured person with at least 10 years of contributions before reaching statutory retirement age may continue to contribute up to age 65 (men) or age 60 (women) in order to meet the minimum qualifying conditions.

**Disability pension:** Total or partial incapacity for work and 60 months of contributions of which 36 months are continuous.

**Survivor pension:** The deceased insured had 24 months of contributions of which 12 months were continuous.

#### Old-Age Benefits

**Old-age pension:** 2.5% of average monthly wages in the last 2 years times the number of years of contributions.

The maximum pension is 75% of the average monthly wage in the last 2 years.

**Dependent increment:** The pension is increased by 10% for the first dependent and 5% each for the second and third.

**Early pension:** 2.5% of the 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 of retirement.

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 the average annual wage in the last 2 years for each year of contributions, or, 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 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.

All pension benefits are increased by 10% of the pension value between 30 and 50 dinars.

#### Permanent Disability Benefits

**Disability pension:** 50% of the average monthly wage in the last 36 months of contributions.

The pension is increased by 0.5% for each full year of contributions if the insured person has at least 60 months of contributions; 1.5% for each full year if the total contribution period amounts to 120 months.

**Constant-attendance allowance:** The allowance is equal to 25% of the pension.

All pension benefits are increased by 10% of the pension value between 30 and 50 dinars.

#### 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 the widow; an unborn child; a dependent disabled widower; dependent daughters if unmarried, widowed, or divorced; and parents.

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

Other eligible survivors (in the absence of the above): Dependent sisters, sons, and brothers under age 18 (no limit if disabled) at the time of the insured's death; age 26 if a student, or until the completion of the first university degree, whichever comes first.

The pension is increased by 0.5% for each full year of contributions made by the deceased if the deceased had at least 60 months of contributions; 1.5% for each full year if the total contribution period amounts to 120 months.

**Funeral grant:** 150 dinars.

All pension benefits are increased by 10% of the pension value between 30 and 50 dinars.

### **Administrative Organization**

Social Security Corporation administers the program.

## **Work Injury**

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### **Regulatory Framework**

**First law:** 1978.

**Current law:** 2001.

**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.

Exclusions: Public employees covered under civil or military pension law, foreign employees of international organizations or foreign political or military missions, and casual workers.

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.

### **Source of Funds**

**Insured person:** None.

**Employer:** 2% of payroll (may be reduced to 1% if the employer assumes the full cost of medical treatment and the disbursement of daily allowances for temporary disability). No contribution required on wages paid to apprentices.

**Government:** Any deficit.

### **Qualifying Conditions**

**Work injury benefits:** No minimum qualifying period.

### **Temporary Disability Benefits**

75% of the daily wage (65% if receiving treatment in specified medical institutions) for the duration of the disability, or until recovery, certification of permanent disability, or death.

### **Permanent Disability Benefits**

**Permanent disability pension:** If totally disabled, 75% of the covered monthly wage.

Constant-attendance allowance: Equal to 25% of the pension.

Partial disability: If 30% disabled or more, a percentage of the total disability pension according to degree of disability multiplied by the monthly wage. If less than 30% disabled, a lump sum equal to 36 monthly wages multiplied by the degree of disability, multiplied by 75%, multiplied by the covered wage.

### **Workers' Medical Benefits**

Medical treatment, hospitalization, transportation, and rehabilitation services (including artificial limbs).

### **Survivor Benefits**

**Survivor pension:** 60% of the covered monthly wage is payable to a widow; an unborn child; a dependent disabled widower; dependent daughters if unmarried, widowed, or divorced; and parents.

Entitlement to the survivor pension for widows, daughters, or sisters ceases on marriage but may be reinstated if they are subsequently divorced.

Other eligible survivors (in the absence of the above): Dependent sisters, sons, and brothers under age 18 (no limit if disabled) at the time of the insured's death; age 26 if a student, or until the completion of the first university degree, whichever comes first.

**Funeral grant:** 150 dinars.

All pension benefits are increased by 10% of the pension value between 30 and 50 dinars.

### **Administrative Organization**

Social Security Corporation administers the program.

## Kazakhstan

Exchange rate: U.S.\$1.00 equals 153.40 tenge.

### Old Age, Disability, and Survivors

#### Regulatory Framework

**First law:** 1991.

**Current laws:** 1997 and 2002.

**Type of program:** Dual mandatory individual accounts and social assistance system.

Notes: In 1998, the social insurance system was replaced by a system of mandatory individual accounts. Benefits continue to be paid for rights earned under the old system.

Provisions and rates are as of January 1997 unless indicated otherwise.

#### Coverage

**Mandatory individual account (new system):** All employed residents.

**Old-age pension (old system):** All employed residents prior to the implementation of the new system.

**Social assistance system (new system):** Social assistance allowances are provided to pensioners whose pension income falls below a government-set minimum level and to persons without entitlement to contributory benefits.

Special provisions for government employees, teachers, professional athletes, and 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.

##### Employer

**Mandatory individual account (new system):** None.

**Old-age pension (old system):** None.

**Social assistance system (new system):** None.

**Government:** Total cost of social allowance benefits. The government provides subsidies as needed to finance benefit rights earned under the old system.

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

#### Qualifying Conditions

**Mandatory individual account (new system):** Age 63 (men) and 55 (women) with at least 35 years of contributions.

Early retirement: Age 55 if living in ecologically damaged zones or in zones with a maximum radiation risk; age 52 and 6 months for mothers living in rural areas with five or more children older than age 8.

**Old-age pension (old system):** Age 63 with 25 years of contributions (men) or age 58 with 20 years of contributions (women).

Early retirement: Age 55 if living in ecologically damaged zones or in zones with a maximum radiation risk; age 52 and 6 months for mothers living in rural areas with five or more children older than age 8.

**Old-age social allowance (new system):** Paid to low-income pensioners and to citizens who are ineligible for an old-age pension.

**Disability social allowance (new system):** Assessed as disabled.

**Survivor social allowance (new system):** The death of the family breadwinner.

#### Old-Age Benefits

**Mandatory individual account (new system):** Insured's contributions plus accrued interest.

**Old-age pension (old system):** 60% of earnings 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 (if insufficient years of covered employment): Monthly benefit is reduced in proportion to the number of years below required 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 social minimum (4,336 tenge as of January 2002).

Benefit adjustment: Established yearly in the national budget.

#### Permanent Disability Benefits

**Disability social allowance (new system):** Flat-rate monthly allowances according to the assessed degree of disability and the prescribed category of disabled person.

Benefit adjustment: Periodic benefit adjustment according to changes in the consumer price index.

#### Survivor Benefits

**Survivor social allowance (new system):** Flat-rate monthly allowances 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 within the Ministry of Labor and Social Protection is responsible for licensing and supervising nonstate pension funds as well as for controlling and supervising the single state pension fund.

**Old-age pension (old system):** Ministry of Labor and Social Protection provides general coordination and supervision. Regional departments of the Ministry of Labor and Social Protection administer the program.

**Social assistance system (new system):** Regional departments of the Ministry of Labor and Social Protection administer the system.

## Sickness and Maternity

Information is not available.

## Work Injury

### Regulatory Framework

**First law:** 1955 (short-term benefits).

**Current law:** 1993 (labor safety).

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

### Coverage

**Cash benefits:** Employed persons.

**Medical care:** Employed persons.

### Source of Funds

**Insured person:** Voluntary contributions.

**Employer:** The cost of certain grant 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 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:** See permanent disability benefits under Old Age, Disability, and Survivors, above.

**Lump-sum grant:** Depending on the nature of the disability, employers provide compensation to meet any additional costs caused by a work injury.

## Workers' Medical Benefits

Information is not available.

## Survivor Benefits

**Survivor allowance:** See survivor benefits under Old Age, Disability, and Survivors, above.

**Funeral benefit:** Financed from the national budget and by employers.

**Death grant:** The employer pays to dependents a sum equal to 10 times the insured's wages.

## Administrative Organization

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

**Permanent disability benefits:** Regional departments of Ministry of Labor and Social Protection administer the program.

**Medical care:** Ministry of Health 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.

## Unemployment

Information is not available.

## Family Allowances

### Regulatory Framework

**First and current law:** 2001 (targeted social assistance).

**Type of program:** Social assistance.

### Coverage

Citizens, refugees, foreigners, 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 and older, and children under age 7.

### Source of Funds

**Insured person:** None.

**Employer:** None.

**Government:** Total cost.



***Qualifying Conditions***

Resident; needs-tested and income-tested.

***Family Allowance Benefits***

A person or family must satisfy both needs and income tests.  
Income for social assistance allowances is not included.

***Administrative Organization***

Ministry of Labor and Social Protection provides general coordination and supervision. Regional departments of labor and social protection administer the program.

## Kiribati

Exchange rate: U.S.\$1.00 equals  
1.76 Australian dollars (A\$).

### Old Age, Disability, and Survivors

#### Regulatory Framework

**First and current law:** 1976.

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

#### Coverage

Employed persons aged 14 or older earning at least A\$10 a month.

Exclusion: Domestic servants.

#### Source of Funds

**Insured person:** 7.5% of earnings.

**Employer:** 7.5% of payroll.

**Government:** None; funeral expenses up to a maximum of A\$1,500 are provided by the National Provident Fund Board for deceased provident fund members.

#### Qualifying Conditions

**Old-age benefit:** Age 50; payable at age 45 if retired permanently from employment or on providing evidence of the intention to retire permanently; at any age if emigrating permanently.

**Disability grant:** Physical or mental incapacity for work.

**Survivor grant:** The deceased fund member has not withdrawn any part of the amount credited to his or her account.

#### Old-Age Benefits

A lump sum equal to the total employee and employer contributions, plus accumulated interest. 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.

#### Permanent Disability Benefits

**Disability grant:** 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 grant:** A lump sum equal to total employee and employer contributions, plus accumulated interest. The interest rate is 11% a year. The lump sum is payable to the deceased's nominated survivor.

Interest rate adjustment: The rate of interest is reviewed every 3 years by the National Provident Fund Board.

**Death benefit:** A maximum of A\$1,500 or 50% of the amount credited to the deceased member's fund at the time of death, whichever is less.

### Administrative Organization

National Provident Fund Board, organized on a tripartite basis and consisting of two representatives each from government, employers, and employees, administers the program.

### Work Injury

#### Regulatory Framework

**First and current law:** 1949.

**Type of program:** Employer liability system involving statutory insurance with a private carrier.

#### Coverage

Employed persons earning A\$4,000 a year or less.

Exclusion: Casual employees.

#### Source of Funds

**Insured person:** None.

**Employer:** Total cost.

**Government:** None.

#### Qualifying Conditions

**Work injury benefits:** No minimum qualifying period; for occupational diseases, incapacity or death occurred during employment or within 12 months after the employment ended.

#### Temporary Disability Benefits

50% to 100% of earnings. Benefit levels are inversely proportionate to the level of earnings.

The maximum benefit is A\$160 a month.

The total benefit payment is not to exceed the value of the lump sum payable for total or partial permanent disability (see below).

Benefit is payable after a 3-day waiting period.

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### ***Permanent Disability Benefits***

**Permanent disability grant:** A lump sum of 48 months' earnings or A\$6,000, whichever is less.

The minimum lump sum is A\$500.

Constant-attendance supplement: Equal to 25% of the permanent disability grant.

Partial disability: A lump sum in proportion to the degree of incapacity, paid according to a schedule. Total payment must not exceed the full benefit under permanent total disability.

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

Medical and surgical care.

### ***Survivor Benefits***

**Survivor grant:** A lump sum of 36 months' earnings or A\$6,000, whichever is less.

The minimum survivor grant is A\$400.

**Funeral grant:** Burial expenses of up to A\$30 are payable if there are no eligible survivors.

### ***Administrative Organization***

Department of Labor enforces the law.

Employers insure work injury liability with approved insurance companies.

## Korea, South

Exchange rate: U.S.\$1.00 equals 1,209 won.

### Old Age, Disability, and Survivors

#### Regulatory Framework

**First law:** 1973.

**Current law:** 1986, with amendments.

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

#### Coverage

All residents between ages 18 and 59.

Special systems for public-sector employees, private-school teachers, and military personnel.

#### Source of Funds

**Insured person:** 4.5% of covered monthly earnings; 6% of covered monthly earnings for farmers, fishermen, and the self-employed.

**Employer:** 4.5% of the insured's covered monthly earnings.

**Government:** Part of the cost of administration and of contributions on behalf of farmers and fishermen.

#### Qualifying Conditions

**Old-age pension:** For a full old-age pension, age 60 (to be raised gradually to age 65 by 2033) with at least 20 years of coverage and no longer engaged in gainful activity. There is no retirement test if aged 65 or older.

**Reduced old-age pension:** Aged 60 or older with between 10 and 19 years of coverage and no longer engaged in gainful activity. There is no retirement test if aged 65 or older.

**Active old-age pension:** Aged 60 to 64 with at least 10 years of coverage and engaged in gainful activity.

**Early old-age pension:** Aged 55 to 59 with at least 10 years of coverage and no longer engaged in gainful activity.

**Lump-sum refund:** Payable if the insured is aged 60 or older and has less than 10 years of coverage, or if the insured loses Korean nationality or emigrates from Korea permanently.

**Disability pension:** Disabled as a result of a disease or injury that occurred while insured. The insured made 2/3 of scheduled contributions and made them on time.

**Lump-sum disability benefit:** Payable to a disabled person with some loss of work capacity (fourth-degree disability).

**Survivor pension:** The death of an insured person or a pensioner. The insured made 2/3 of scheduled contributions and made them on time.

Eligible survivors include the widow, widower if aged 60 or older (at any age with at least a second-degree disability; see permanent disability benefits for insured workers, below); 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 under age 18 (any age if assessed with at least a second-degree disability).

**Lump-sum refund:** Paid on the death of an insured or a formerly insured person if the qualifying conditions for the survivor pension are not fulfilled.

**Lump-sum death benefit:** A dependent survivor (direct blood-relatives including cousins) not otherwise eligible for a survivor benefit or a lump-sum refund.

#### Old-Age Benefits

**Old-age pension:** The basic pension amount (BPA) equals 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 average covered monthly earnings of the insured person over the entire contribution period.

**Full old-age pension:** The BPA plus 5% of the BPA for each year of insurance in excess of 20 years.

**Reduced old-age pension:** 47.5% of the BPA plus 5% of the BPA for each year of insurance in excess of 10 years.

**Active old-age pension:** Between 0.5 and 0.9 times 47.5% of the BPA, depending on the age of the pensioner, plus 5% of the BPA for each year of insurance in excess of 10 years.

**Early old-age pension:** 0.75 times 47.5% of the BPA plus 5% of the BPA for each year of delay in claiming benefits after age 55.

**Dependent supplement:** Payable to all pensioners except recipients of the active old-age pension.

Eligible dependents include the spouse, children under 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 for changes in the consumer price index.

All pensions are nontaxable.

**Lump-sum refund:** Total contributions of the insured (in the case of employees, the sum of employer and employee contributions) plus interest.

#### Permanent Disability Benefits

**Disability pension:** Pension is payable according to the assessed degree of disability. The first degree is defined as the total loss of work capacity and requiring constant attendance, the second degree as a severe loss of work capacity, and the third (and fourth) degree as some loss of work capacity.

Total disability: 100% of the BPA for an assessed first-degree disability.

Partial disability: 80% of the BPA for an assessed second-degree disability and 60% of the BPA for an assessed third-degree disability.

Dependent supplement: For disabled insured persons with an assessed first- to third-degree disability.

Eligible dependents include the spouse, children less 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).

**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 insured person had at least 20 years of contributions, the pension is 60% of the insured's BPA; for between 10 and 19 years of contributions, 50%; if less than 10 years of contributions, 40%.

Dependent supplement: Payable for eligible dependents, including the spouse, children less 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).

**Lump-sum refund:** The insured's total contributions (in the case of employees, the sum of employer and employee contributions) plus interest.

**Lump-sum death benefit:** Equal to the amount of the insured's lump-sum refund.

The maximum death benefit is 4 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 payment of 250,000 won. (Paid to dependents under sickness and maternity benefits).

### **Administrative Organization**

National Pension Corporation administers the program under the supervision of the Ministry of Health and Welfare.

### **Sickness and Maternity**

#### **Regulatory Framework**

**First laws:** 1963 (medical insurance), 1997 (national medical insurance), and 1999 (national health insurance).

**Current law:** 2002 (national health insurance; financial stability of national health insurance).

**Type of program:** Social insurance system providing medical care only.

### **Coverage**

All residents (including noncitizens on a voluntary basis), except for those with low incomes covered by the medical aid program.

### **Source of Funds**

**Insured person:** 1.815% of standard monthly wages; self-employed persons contribute an amount calculated on the basis of personal factors including property ownership, income, age, and gender.

**Employer:** 1.815% of standard monthly wages; private-school boards contribute 1.095%.

**Government:** None for employees; 1.815% of standard monthly wages for government employees, 0.726% for private-school employees, and 40% of the total benefit expenditure for insured self-employed persons is paid from general revenue; 10% of total benefit expenditure for older age cohorts of insured self-employed persons is financed from an earmarked tax on tobacco.

There is no minimum or maximum earnings level for contribution purposes.

### **Qualifying Conditions**

**Medical benefits:** There is no minimum qualifying period. At least 3 months of contributions.

### **Workers' Medical Benefits**

Benefits include medical treatment, surgery, hospitalization, and medicines. The services are provided by doctors, clinics, hospitals, and pharmacists.

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, and 30% if provided by a clinic).

### **Dependents' Medical Benefits**

Same as for the insured person.

Dependents include the spouse, direct lineal ascendants of the insured person and those of the spouse, and brothers and sisters who have no income or salary and who are mainly supported by the insured person.



### **Administrative Organization**

Ministry of Health and Welfare provides general supervision. National Health Insurance Corporation administers the national health insurance program and levies and collects contributions. Health Insurance Review Agency examines and reviews medical claims and evaluates the quality of medical services.

### **Work Injury**

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#### **Regulatory Framework**

**First law:** 1953 (the law still applies to employees if the duration of incapacity due to a work-related injury or illness is less than 3 days).

**Current law:** 1963, with amendments.

**Type of program:** Compulsory social insurance.

#### **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 million won); domestic employees and the self-employed.

Special systems for public-sector employees and seamen.

#### **Source of Funds**

**Insured person:** None.

**Employer:** Between 0.4% and 31.9% of payroll, according to the type of business (the average contribution is 1.49%).

**Government:** None.

#### **Qualifying Conditions**

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

#### **Temporary Disability Benefits**

70% of the average daily wage is payable until recovery after a 3-day waiting period. After the first 24 months, more severely disabled persons receive the injury and disease compensation pension (96% of the average daily wage for between 257 and 329 days a year until recovery, varying with the degree of disability).

The minimum benefit is 33,570 won a day.

The maximum benefit is 133,070 won a day.

Benefit adjustment: The average daily wage is adjusted according to wage fluctuations.

### **Permanent Disability Benefits**

**Permanent disability benefit:** The benefit is paid to seriously disabled persons assessed as having a degree of disability from grade one to seven. Benefit varies according to the assessed degree of disability. The benefit is an annual pension equal to the average daily wage multiplied by between 138 and 329 or a lump-sum benefit equal to the average daily wage multiplied by between 616 and 1,474.

A lump sum is paid to less seriously disabled persons assessed as having a degree of disability from grade eight to fourteen. The benefit equals the average daily wage multiplied by between 55 and 495, according to the degree of disability.

Benefit adjustment: The average daily wage is adjusted according to wage fluctuations.

**Nursing benefit:** A payment for nursing services for insured persons with a residual chronic disability after receiving medical care. The benefit varies between 21,720 and 31,900 won a day.

### **Workers' Medical Benefits**

Medical treatment, surgery, hospitalization, medicines, nursing, dental care, rehabilitation appliances, and transportation.

### **Survivor Benefits**

**Survivor benefits:** 52% of annual earnings (calculated as 365 days multiplied by the average daily wage) for a single person; the benefit is increased by 5% for each additional survivor up to 67% for a family of four or more.

Eligible survivors include the spouse, parents and grandparents older than age 60, children, grandchildren under age 18, and siblings older than age 60 or under age 18.

Benefit adjustment: The average daily wage is adjusted according to wage fluctuations.

**Lump-sum grant:** If there are no eligible survivors, a lump sum equal to the average daily wage multiplied by 1,300 is payable to nondependent survivors.

**Funeral grant:** The average daily wage multiplied by 120.

The minimum funeral grant is 6,279,595 won.

The maximum funeral grant is 9,264,595 won.

### **Administrative Organization**

Ministry of Labor provides general supervision.

Korea Labor Welfare Corporation administers the program.

## ***Unemployment***

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### ***Regulatory Framework***

**First and current law:** 1993, implemented in 1995, with amendments.

**Type of program:** Compulsory social insurance.

### ***Coverage***

All employees under age 65.

Voluntary coverage for agriculture, forestry, hunting, and fishery businesses with fewer than five employees.

Exclusions: Persons newly employed after age 60, casual workers whose term of employment is less than 80 hours a month, family labor, and the self-employed.

Special systems for public employees and seamen.

### ***Source of Funds***

**Insured person:** 0.5% of wages.

**Employer:** Between 0.9% and 1.5% of payroll.

**Government:** None.

### ***Qualifying Conditions***

**Unemployment benefits:** At least 6 months of coverage during the last 18 months. 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 employment offer.

### ***Unemployment Benefits***

Benefit equals half of earnings and is payable for between 90 and 240 days according to the coverage period and age.

### ***Administrative Organization***

Ministry of Labor provides general supervision of the program.

Employment Security Offices pay unemployment benefits.

Korea Labor Welfare Corporation collects contributions.

## Kuwait

Exchange rate: U.S.\$1.00 equals 0.30 dinars.

### Old Age, Disability, and Survivors

#### Regulatory Framework

**First and current laws:** 1976 (basic scheme) and 1992 (supplementary scheme).

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

#### Coverage

**Basic scheme:** All employees.

**Supplementary scheme:** Employees with covered earnings above 1,250 dinars a month and persons with sources of earnings not covered by the basic scheme.

Special systems for self-employed persons and military personnel.

#### Source of Funds

##### Basic Scheme

*Insured person:* 5% of covered earnings.

*Employer:* 10% of covered payroll.

*Government:* A subsidy equal to 10% of covered payroll.

Maximum earnings for contribution and benefit purposes are 1,250 dinars a month.

Minimum earnings for contribution and benefit purposes are 230 dinars a month.

##### Supplementary Scheme

*Insured person:* 5% of covered earnings.

*Employer:* 10% of covered payroll.

*Government:* None.

Maximum earnings for contribution and benefit purposes are 1,000 dinars a month. This ceiling is to be increased gradually.

#### Qualifying Conditions

##### Old-age pension

**Basic scheme:** Age 50 with 15 years of contributions; if below age 50, 20 years of contributions.

The minimum retirement age of 45 years is to increase gradually to 55 by 2017.

Women with children: Age 45 with 15 years of contributions. The minimum age of 45 is to increase gradually to age 50 by 2017.

**Arduous work:** Age 45 with 20 years of contributions. The minimum age of 45 is to increase gradually to age 50 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.

##### 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%.

**Survivor pension:** The insured met the coverage requirements for a pension or was a pensioner at the time of death.

#### Old-Age Benefits

##### Old-age pension

**Basic scheme:** 65% of the last monthly earnings plus 2% for each year of contributions beyond 15 years.

The maximum pension is 95% of the last monthly earnings.

Part of the pension may be paid as a lump sum at the pensioner's request before age 65.

**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.

#### Permanent Disability Benefits

##### Disability pension

**Basic scheme:** 65% of the 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 coverage to calculate the pension.

The maximum benefit is 95% of earnings.

**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 coverage to calculate the pension.

#### Survivor Benefits

**Survivor pension:** Up to 100% of the deceased's entitlement to a 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 of law.

Eligible survivors include widows, dependent widowers, children, parents, brothers, sisters, and sons' children. Children must be under age 26 (age 28 if a student; no age limit for unmarried females and disabled males).

The minimum monthly pension is 160 dinars for a widow or a dependent widower, 130 dinars for each parent, and 83 dinars for each of the other survivors.

### ***Administrative Organization***

Public Institution for Social Security, which is managed by a board of directors chaired by the Minister of Finance, administers the program.

### ***Sickness and Maternity***

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#### ***Regulatory Framework***

There is no program for all residents as yet.

### ***Work Injury***

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#### ***Regulatory Framework***

**First and current law:** 1976, not yet implemented.

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

Benefits provided under old-age, disability, and survivors insurance and sickness insurance.

The government pays for medical services in case of work injury.

## Kyrgyzstan

Exchange rate: U.S.\$1.00 equals 48.40 soms.

### Old Age, Disability, and Survivors

#### Regulatory Framework

**First law:** 1922.

**Current law:** 1990, with amendments.

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

Note: Provisions for the social insurance programs are as of January 1995 unless noted otherwise; for social assistance allowances, as of January 1999.

#### Coverage

All employed persons and members of cooperatives and state and collective farms.

Special provisions for workers in aviation and the performing arts.

Special social assistance allowances for disadvantaged elderly, disabled, and survivors who are not eligible for employment-related social insurance benefits, without taking into consideration combined household income of recipient.

#### Source of Funds

**Insured person:** 2.5% of earnings, of which 0.5% is for unemployment insurance (January 1997).

**Employer:** 34% of payroll; 23% for state and collective farms (January 1997).

**Government:** Total cost of social assistance allowances and constant-attendance supplements for the disabled; other subsidies as needed.

The above contributions also finance benefits for work injury, disability, and survivor pensions.

#### Qualifying Conditions

**Old-age pension:** Age 60 with 25 years of covered employment (men) or age 55 with 20 years of covered employment (women). The qualifying conditions are reduced for hazardous or dangerous work and for mothers with five or more children or with disabled children.

**Disability pension:** 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 15 years of covered employment, depending on age at the onset of disability.

**Survivor pension:** The insured had up to 15 years of covered employment. The pension is payable to surviving children whether or not they are dependents of the insured and to nonworking dependents (including the spouse, either parent; if disabled or not yet of pensionable age; and grandparents, if no other support is available).

Covered employment includes periods of study, maternity leave, caring for disabled, unemployment, and other leave periods approved by special decree.

**Social assistance allowances (not income-tested, as of January 1999):** Nonworking citizens or otherwise who are not eligible for an old-age, disability, or survivor pension.

#### Old-Age Benefits

**Old-age pension:** 55% of average monthly earnings (from any 60 consecutive months in the last 15 years) with 25 years (men) or 20 years (women) of work, plus 1% of earnings for each additional year. The pension is payable monthly.

The minimum pension is 100% of the minimum wage (75 soms, January 1997).

The maximum pension is 80% of the average monthly wage.

The maximum average earnings are 10 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 a full pension.

The minimum partial pension is 50% of the minimum wage.

**Benefit adjustment:** Periodic benefit adjustments according to cost-of-living changes.

**Social assistance allowance:** The allowance is not income tested, and the amount is linked to the guaranteed minimum standard of living (GM); 100 soms a month (April 1998).

If aged 65 or older (men) or aged 55 or older (women), 70% of the GM per 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 with five or more children or with disabled children and aged 55 or older (aged 50 or older if also a high-altitude resident).

**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 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 minimum disability pension is 100% of the minimum wage (75 soms, January 1997).

**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): 30% of the insured's wage.

The minimum monthly pension for a Group III disability is 50% of the minimum old-age pension.

Benefit adjustment: Periodic benefit adjustments according to cost-of-living changes.

**Social assistance allowances (not income-tested):** 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 student) and to children infected with HIV or AIDS.

GM adjustment: The guaranteed minimum standard of living (GM) is adjusted periodically according to wage changes.

### **Survivor Benefits**

**Survivor pension:** Payable monthly at 30% of the insured's wage for each dependent under age 16 (age 21 if a full-time student) or 50% of the minimum wage a month, whichever is greater.

Full orphans: 30% of the wages of both parents.

The minimum full-orphan pension is 100% of the minimum wage.

Benefit adjustment: Periodic benefit adjustments according to cost-of-living changes.

**Social assistance allowances (not income-tested):** 100% of the GM a month for each orphan under age 16 (age 21 if a full-time student); 150% of the GM a month for a full orphan.

**Funeral grant:** For the death of a social assistance allowance recipient, a lump sum of 500% of the GM is payable to either 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**

Republic Ministry of Labor and Social Protection provides general coordination and oversight.

Provincial and county offices of the Ministry of Labor and Social Protection administer the program.

### **Sickness and Maternity**

#### **Regulatory Framework**

**First law:** 1922.

**Current law:** 1955, with amendments. (Details of 1996 state social insurance and 1997 medical insurance not available.)

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

### **Coverage**

**Cash benefits:** Employed persons, students, and members of cooperatives.

**Medical care:** All residents.

### **Source of Funds**

#### **Insured person**

*Cash benefits:* None.

*Medical care:* None.

#### **Employer**

*Cash benefits:* 6% of payroll.

*Medical care:* None.

#### **Government**

*Cash benefits:* None.

*Medical care:* 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 nuclear accident). The benefit is payable after a 5-day waiting period.

**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).

### **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:** Republic Social Fund provides general oversight and administers the program.

Employers pay cash benefits.

**Medical care:** Republic 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 delivered through clinics, hospitals, maternity homes, and other facilities.

## **Work Injury**

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### **Regulatory Framework**

**First law:** 1922.

**Current laws:** 1955 (short-term benefits) and 1990 (pensions), with 1992 and 1994 amendments.

**Type of program:** Dual social insurance (short-term benefits and pensions) and universal (medical care) system.

### **Coverage**

Employed persons, students, and members of cooperatives. Medical care is available to all residents.

### **Source of Funds**

**Insured person:** See Old Age, Disability, and Survivors, above.

#### **Employer**

*Disability and survivor benefits:* See Old Age, Disability, and Survivors, above.

*Cash sickness benefit:* See Sickness and Maternity, above.

#### **Government**

*Disability and survivor benefits:* See Old Age, Disability, and Survivors, above.

*Cash sickness benefit:* None.

*Medical care:* 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 incapacity until recovery or the award of a permanent disability pension.

## **Permanent Disability Benefits**

**Permanent disability pension:** See the permanent disability pension under Old Age, Disability, and Survivors, above.

### **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:** See the survivor pension under Old Age, Disability, and Survivors, above.

## **Administrative Organization**

**Temporary disability benefits:** Republic Social Fund provides general supervision. Enterprises and employers pay cash benefits to their own employees.

**Pensions:** Republic Ministry of Labor and Social Protection provides general coordination and oversight. Provincial and county offices of the Ministry of Labor and Social Protection administer the program.

**Medical care:** Republic 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 delivered through clinics, hospitals, maternity homes, and other facilities.

## **Unemployment**

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### **Regulatory Framework**

**First law:** 1921.

**Current law:** 1991, with 1994 amendment.

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

### **Coverage**

Citizens between ages 16 and 59 (men) or 16 and 54 (women).

### **Source of Funds**

**Employee:** 0.5% of wages, taken from the contribution for Old Age, Disability, and Survivors, above.

**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 for filing fraudulent claims.

## Unemployment Benefits

The benefit is payable monthly for no more than 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 1/2 of the period required for the old-age pension.

**Dependent supplement:** 10% of the unemployment benefit for each dependent.

## Administrative Organization

Republic Employment Service and local employment centers administer the program.

## Family Allowances

### Regulatory Framework

**First law:** 1944.

**Current law:** 1998.

**Type of program:** Social assistance (income-tested) system.

Note: Provisions are as of January 1999.

### Coverage

Children of single-parent families and of unwed mothers; students (under age 21) of disabled or unemployed parents.

For orphaned children, see social assistance allowances under survivor benefits in Old Age, Disability, and Survivors, above.

### Source of Funds

**Insured person:** None.

**Employer:** None.

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

## Qualifying Conditions

**Family allowances:** Allowances are income-tested.

Household per capita income, equal to the average of 3 months preceding the claim for allowances, must be lower than 100% of the GM of 100 soms a month (April 1998).

## Family Allowance Benefits

100% of the GM a month is payable for a mother on leave to care for a child under 18 months old; 100% of the GM if caring for two children under age 3; or 150% of the GM if caring for three children under age 16. All benefits are income-tested.

**Social assistance allowance:** An allowance is also payable to each child under age 16 (age 21 if a full-time student). The allowance amount equals the difference between family average per capita income and the GM.

**Birth grant:** A lump sum equal to 300% for each newborn child.

**GM adjustment:** The guaranteed minimum standard of living (GM) is adjusted periodically according to wage changes.

## Administrative Organization

Republic Ministry of Labor and Social Protection and local offices administer the program.

## Laos

Exchange rate: U.S.\$1.00 equals 9,545 kip.

### Old Age, Disability, and Survivors

#### Regulatory Framework

**First and current law:** 1999, implemented in 2001.

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

#### Coverage

Mandatory for all private-sector and state-owned enterprises with 10 or more employees, except for international organizations operating in Laos.

Voluntary insurance for workers in smaller enterprises to be organized under the regulations.

Separate scheme for civil servants and the armed forces.

#### Source of Funds

**Insured person:** 4.5% of wages.

Contributions also finance sickness and maternity and work injury programs.

**Employer:** 5% of payroll.

Contributions also finance sickness and maternity and work injury programs.

**Government:** Administrative costs for the salaries of civil servants who work for the Social Security Organization.

#### Qualifying Conditions

**Old-age pension:** Age 60 (men and women) with 5 years of covered employment.

Early pension: Age 55.

Deferred pension: The old-age pension may be deferred until age 65.

**Disability pension:** Permanent or long-term inability to earn usual income. At least 5 years of covered employment and in covered employment at the onset of disability.

Carer's benefit: A need for frequent or constant attendance given by other persons in order to complete routine daily activities.

**Survivor pension:** Deceased had at least 5 years of covered employment. The spouse was married to the deceased at the time of death, must not have remarried, and must be at least age 44; a widow younger than age 44 must have young dependents or be disabled or otherwise incapable of gainful employment; a widower must be disabled or otherwise incapable of gainful employment.

**Adaptation benefit:** The deceased was in covered employment at the time of death. The benefit is payable to the spouse (not divorced) and for school-age or disabled children.

**Orphan's pension:** The pension is payable to children up to age 18; age 25 if in full-time education.

**Death grant:** The deceased was in covered employment for at least 12 out 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 adjusted average wage. The resulting amount is then multiplied by 1.5%.

Awarded pension points may be earned, purchased, or credited. For a pension point to be awarded, the covered annual earnings of the insured person must be equal to the average earnings 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.

Early pension: Pensions are reduced by 0.5% a month for each month the pension is drawn before age 60.

Deferred pension: Pensions deferred after age 60 are increased by 0.5% per month.

Lump-sum benefit: A lump sum is awarded at pensionable age if the insured has less than 5 years of covered employment.

#### Permanent Disability Benefits

**Disability pension:** The pension is calculated in the same manner as the old-age pension except that pension points are also credited for the number of years remaining until the insured reaches pensionable age.

Carer's benefit: Not yet implemented.

#### Survivor Benefits

**Survivor pension:** 60% of the old-age pension of the deceased. 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.

Adaptation benefit: 80% of the deceased's covered earnings.

Orphan pension: 20% of the old-age pension or disability pension. The maximum pension is 60% for three or more children.

Maximum total survivor benefit is equal to 80% of the old-age pension or disability pension.

**Death grant:** A variable lump-sum payment.

## Administrative Organization

Social Security Organization administers the program.

## Sickness and Maternity

### Regulatory Framework

**First and current law:** 1999, implemented in 2001.

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

### Coverage

Mandatory for all private-sector and state-owned enterprises with 10 or more employees, except for international organizations operating in Laos.

Voluntary insurance for workers in smaller enterprises to be organized under the regulations.

Separate scheme for civil servants and the armed forces.

### Source of Funds

**Insured person:** See Old Age, Disability, and Survivors, above.

**Employer:** See Old Age, Disability, and Survivors, above.

**Government:** See Old Age, Disability, and Survivors, above.

### Qualifying Conditions

**Medical benefits:** At least 3 out of the last 12 months in covered employment. Entitlement extends until 6 months after the date of the last payment of contributions or after last receiving sickness benefit. Benefits may be extended until the end of a period of treatment for a life-threatening condition.

**Sickness benefit:** At least 3 out of the last 12 months in covered employment and no longer eligible for statutory sick pay.

**Maternity benefit:** At least 9 out of the last 12 months in covered employment.

**Birth grant:** At least 12 out of the last 18 months in covered employment.

### Sickness and Maternity Benefits

**Sickness benefit:** 60% of covered earnings; for the partial resumption of work, the benefit is 60% of the difference between earnings from partial activity and previous earnings.

Benefit is payable for up to 12 months and may be extended for up to 18 months if the insured person is likely to return to work at the end of the period.

**Maternity benefit:** 100% of covered earnings for a period of 3 months.

**Birth grant:** 60% of the monthly minimum wage.

## Workers' Medical Benefits

Preventive, curative, and rehabilitative services, including maternity care and treatment of employment injuries and diseases but excluding treatment resulting from motor vehicle accidents. Accredited providers deliver medical services and are paid on a per capita basis.

### Dependents' Medical Benefits

Same as for the insured.

Eligible dependents: 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

Social Security Organization administers the program.

## Work Injury

### Regulatory Framework

**First and current law:** 1999, implemented in 2001.

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

### Coverage

Mandatory for all private-sector and state-owned enterprises with 10 or more employees, except for international organizations operating in Laos. Paid trainees and volunteers for rescue operations.

Separate scheme for civil servants and the armed forces.

Employers must provide similar benefits for noncovered employees.

### Source of Funds

**Insured person:** None.

**Employer:** See Old Age, Disability, and Survivors, above.

**Government:** See Old Age, Disability, and Survivors, above.

### Qualifying Conditions

There is no minimum qualifying period.

### Temporary Disability Benefits

100% of insured's earnings during the first 6 months and 60% during the following 12 months. If the insured is partially reemployed, the benefit is calculated as the difference between earnings from partial activity and previous earnings.



### ***Permanent Disability Benefits***

**Permanent disability benefit:** The benefit is calculated as the percentage of permanent loss of earning capacity multiplied by 67.5% of average earnings during the last 12 months.

**Carer's benefit:** A need for frequent or constant attendance given by other persons 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.

**Disability grant:** A lump sum is awarded if the assessed degree of permanent disability is less than 25%.

### ***Survivor Benefits***

**Survivor benefits:** Payable to surviving parents, a spouse, and children after the last adaptation benefit has been paid.

The spouse or parents receive 50% of average earnings of the last 12 months; each child receives 15% of average earnings of the last 12 months. If there is no entitled surviving spouse or entitled surviving parents, the benefit awarded to a child is increased to 20% per child up to a maximum of 60%.

The total benefit for all surviving relatives can exceed the maximum amount of permanent disability benefit to which the deceased could have been entitled.

**Funeral benefit:** A lump sum equal to 6 months of insured earnings.

### ***Administrative Organization***

Social Security Organization administers the program.

## Lebanon

Exchange rate: U.S.\$1.00 equals  
1,513.25 pounds.

### Old Age, Disability, and Survivors

#### Regulatory Framework

**First and current law:** 1963.

**Type of program:** Social insurance system providing lump-sum benefits only.

#### Coverage

Employees in industry, commerce, and agriculture.

Exclusions: Temporary agricultural employees; employees who elected in 1965 to continue with coverage under the labor code; and citizens of other countries not providing reciprocal coverage.

Special system for public employees and teachers.

#### Source of Funds

**Insured person:** None.

**Employer:** 8.5% of payroll.

**Government:** None.

#### Qualifying Conditions

**Old-age benefit:** The lump sum can be received from age 60 but is compulsory at age 64; at any age after 20 years of employment; or if a woman marries and leaves employment during the first year of marriage; or if disabled (with at least 20 years of employment); or on death (with at least 6 years of employment).

**Reduced pension:** A reduced pension is paid at any age with between 5 and 19 years of employment if the insured is leaving employment permanently.

Retirement from employment is necessary.

**Disability benefit:** A loss of at least 50% of normal working capacity.

**Survivor benefit:** The insured 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 higher) 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 pension:** A lump sum equal to 50% of benefit for 1 to 5 years of contributions, 65% for 6 to 10 years, 75% for 10 to 15 years, and 85% for 15 to 20 years.

#### Permanent Disability Benefits

A lump sum equal to the final month's earnings times the number of years of service.

**Minimum benefit:** A lump sum equal to 20 times the final month's earnings.

#### Survivor Benefits

A lump sum equal to the final month's earnings times the number of years of service.

**Minimum benefit:** A lump sum equal to six times the final month's earnings.

**Eligible survivors:** The widow (or a widower aged 60 or over 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, which is 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.

#### Coverage

**Mandatory coverage:** Employees in industry, commerce, certain categories of agricultural employees, and teachers.

Public 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:** From March 2003, workers previously covered by the mandatory system but without coverage in their present employment and certain categories of self-employed persons.

### **Source of Funds**

**Insured person:** 2% of earnings.

**Employer:** 7% of payroll.

**Government:** About 25% of the cost of benefits.

Maximum earnings for contribution purposes are 1,500,000 pounds.

### **Qualifying Conditions**

**Cash sickness and maternity benefits:** Three months of coverage during the last 6 months.

**Medical benefits:** Currently covered.

### **Sickness and Maternity Benefits**

**Sickness benefit:** Program for sickness benefit has not been implemented.

**Maternity benefit:** Information is not available.

### **Workers' Medical Benefits**

The insured person 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 person normally is 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 official fee schedule.

The duration of benefits is 26 weeks; up to 52 weeks in special cases. For chronic illnesses, including heart disease or cancer, there is no limit.

### **Dependents' Medical Benefits**

**Medical benefits for dependents:** Same as for the insured worker.

**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 the program.

## **Work Injury**

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### **Regulatory Framework**

**First and current law:** 1943, with 1983 amendment.

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

### **Coverage**

All wage earners covered by an employment contract.

### **Source of Funds**

**Insured person:** None.

**Employer:** Total cost.

**Government:** None.

Earnings for contribution and benefit purposes are subject to a ceiling.

### **Qualifying Conditions**

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

### **Temporary Disability Benefits**

75% of the covered worker's daily wage.

Temporary disability benefit 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: Compensation is proportionate to the assessed loss of earning capacity.

Constant-attendance supplement: A set amount according to the regulations.

### **Workers' Medical Benefits**

Medical 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, medicines, laboratory services, and appliances. The patient is not required to share in the cost of doctor's services.

## **Survivor Benefits**

**Survivor pension:** Up to 500 days' pay of the deceased (however, including only 1/4 of the amount exceeding the minimum wage and 1/8 of the amount exceeding twice the minimum wage).

Eligible survivors: A widow, an aged or disabled widower, children under 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.

The minimum wage is 300,000 pounds.

## **Administrative Organization**

Ministry of Labor provides general supervision and trusteeship.

National Social Security Fund administers benefits.

## **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.

**Employer:** 6% of payroll.

**Government:** None.

The maximum earnings for contribution purposes are 1,500,000 pounds.

### **Qualifying Conditions**

**Family allowances:** Up to five children are entitled to be covered. The child must be under 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**

The maximum monthly allowance is 75% of the minimum wage, including a 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).

## **Administrative Organization**

Ministry of Labor provides general supervision and trusteeship.

National Social Security Fund administers allowances.

## Malaysia

Exchange rate: U.S.\$1.00 equals  
3.80 ringgits (M\$).

### Old Age, Disability, and Survivors

#### Regulatory Framework

**First law:** 1951 (provident fund).

**Current laws:** 1969 (disability insurance) and 1991 (provident fund), with 2001 amendment.

**Types of program:** Provident fund (old age, disability, and survivors) and social insurance system (disability).

Note: Provident fund provisions and benefit amounts are as of December 2001.

#### Coverage

**Provident fund:** Mandatory coverage for private-sector employees and nonpensionable public-sector employees.

Voluntary coverage for domestic workers, self-employed persons, and pensionable public-sector employees.

Exclusions: All persons falling within the first schedule of the EPF Act 1991, including all nomadic aborigines, employees who live outside Malaysia, and prisoners or other persons detained in rehabilitation centers or psychiatric hospitals.

**Disability insurance:** Employees earning less than M\$2,000 a month (or earning less than M\$2,000 a month when first covered), casual workers, and domestic workers.

Voluntary coverage for individuals earning more than M\$2,000 a month, on agreement between the employer and the employee.

Special system for public-sector employees.

#### Source of Funds

##### Insured person

**Provident fund:** 11% of earnings according to wage classes; self-employed persons contribute between M\$50 and M\$5,000 a month.

**Disability insurance:** 0.5% of earnings according to 24 wage classes.

##### Employer

**Provident fund:** 12% of earnings according to wage classes.

**Disability insurance:** 0.5% of payroll according to 24 wage classes.

##### Government

**Provident fund:** None.

**Disability insurance:** None.

### Qualifying Conditions

#### Provident fund

**Old-age benefit:** Contributions are allocated to three separate accounts, and individual savings can be accessed under different specified conditions:

- Account 1: 60% of monthly contributions are placed in this account. The account normally may be accessed at age 55, but it may also be accessed for the purpose of drawing down savings for investment under the members' investment scheme. (Members who have more than M\$50,000 in Account 1 can invest up to 20% of the amount exceeding M\$50,000 in an approved fund management institution.)
- Account 2: 30% of monthly contributions are placed in this account from which drawdown payments may be taken at age 50 without retirement from employment; at any age for purchasing a house, for a house loan payment, for members' and their children's education, and for purchasing a personal computer.
- Account 3: 10% of monthly contributions are placed in this account to pay for the treatment of designated critical illnesses. A list of critical illnesses is provided by the Provident Fund Board.

**Incapacitation benefit:** Mentally or physically disabled. The benefit is payable in addition to disability insurance benefits.

**Disability insurance:** Twenty-four months of contributions in the last 40 months, or for 2/3 of the months since first becoming insured with a minimum of 24 months.

**Reduced 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.

#### Old-Age Benefits

**Provident fund (old-age benefit):** The withdrawal of total savings (employee and employer contributions plus compound interest) in a lump sum, monthly installments, or a combination of both. Also, the compound interest can be withdrawn annually if the principal capital is left with the fund beginning at age 55.

**Monthly payment scheme:** A fund member may opt to place a maximum of 50% of the Account 1 balance into a special account (Account 4) until age 55. At age 55, members who have minimum savings of at least M\$24,000 in Account 4 may participate in the monthly payment scheme and receive a minimum monthly payment of M\$100 between ages 55 and 75.

#### Permanent Disability Benefits

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

Additional benefit: M\$2,000.



## Disability Insurance

*Disability pension:* 50% of average monthly earnings plus 1% of earnings for each 12-month period of contributions over 24 months.

The maximum earnings for disability benefit purposes are M\$2,000 a month.

The minimum pension is M\$171.43 a month.

The maximum pension is 65% of earnings.

Reduced pension: 50% of earnings.

Note: The above data for disability insurance dates from January 1, 1995.

Constant-attendance supplement: 40% of the insured's pension (up to a maximum of M\$500 a month) if severely disabled and in need of the constant attendance of another person.

*Invalidity grant:* If not eligible for a disability pension and with at least 12 months of contributions, a lump sum equal to the total of employer and employee contributions plus interest.

## Survivor Benefits

**Provident fund (survivor benefit):** A lump sum equal to the total employee and employer contributions plus compound interest. The benefit is payable to named survivors or to legal heirs.

Additional benefit: M\$2,000.

**Disability insurance (survivor benefit):** If deceased was a disability pensioner, 100% of the disability pension; in certain other cases, between 50% and 65% of the insured's average monthly earnings depending on the number of contributions.

Funeral grant (survivor benefit): Up to M\$1,500 payable to the insured's next of kin or whoever incurred the funeral expense.

## Administrative Organization

**Provident fund:** Ministry of Finance provides general supervision for the program. Managed by a tripartite governing board, the Employees Provident Fund administers the provident fund program.

**Disability insurance:** Social Security Organization administers the program under the management of a tripartite governing board.

## Sickness and Maternity

### Regulatory Framework

**First law:** 1951.

**Current law:** 1991.

**Type of program:** Provident fund system providing lump-sum benefits and periodic payments.

## Workers' Medical Benefits

Fund members can withdraw savings from Account 3 to pay for medical treatment for a critical illness, provided that the employer does not provide full or partial coverage for such treatment. A list of designated critical illnesses is provided by the Provident Fund Board. Fund members can also withdraw savings to pay for medical treatment for their spouse, children, and parents.

## Work Injury

### Regulatory Framework

**First law:** 1929.

**Current law:** 1969.

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

### Coverage

Employees earning less than M\$2,000 a month (or earning less than M\$2,000 a month when first covered) and casual workers.

Exclusion: Domestic servants.

Voluntary coverage for individuals earning more than M\$2,000 a month, on agreement between the employer and the employee.

Foreign workers are covered under a special insurance scheme for workers' compensation.

Special system for public-sector employees.

### Source of Funds

**Insured person:** None.

**Employer:** 1.25% of payroll according to 24 wage classes.

**Government:** None.

### Qualifying Conditions

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

### Temporary Disability Benefits

80% of the average daily wage payable after a 4-day waiting period. The benefit is paid retroactively if the disability lasts more than 4 days.

The minimum benefit is M\$10 a day.

The maximum benefit is M\$52 a day.

### Permanent Disability Benefits

**Permanent disability pension:** 90% of the average daily wage if totally disabled.

The minimum benefit is M\$10 a day.

Partial lump sum: Up to one-fifth of the benefit may be payable as a lump sum when the assessed disability is greater than 20%.

Partial disability: A percentage of the full pension proportionate to the degree of disability.

If the disability is assessed at less than 20%, a lump sum is paid to the insured person.

Constant-attendance supplement: 40% of the insured's pension (up to a maximum of M\$500 a month) if totally disabled and in need of the constant attendance of another person.

### ***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 to the Social Security Organization.

### ***Survivor Benefits***

**Survivor pension:** The full daily benefit is 90% of the insured's average daily wage and is awarded as follows: 60% is payable to the widow or the widower (if previously the insured's dependent); 40% to orphans (60% for full orphans) under age 21 (or until the completion of a first university degree; no age limit if disabled).

Other eligible survivors (in absence of the above): Parents, brothers, sisters, and paternal grandparents if previously the insured's dependent.

**Funeral grant:** Up to M\$1,500 is payable to the insured's next of kin or whoever incurred the expense of the funeral.

### ***Administrative Organization***

Ministry of Human Resources provides general supervision.

Managed by a tripartite governing board, the Social Security Organization administers the program.

## Marshall Islands

Exchange rate: Currency is the U.S. dollar (U.S.\$).

### Old Age, Disability, and Survivors

#### Regulatory Framework

**First law:** 1967.

**Current law:** 1990.

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

Note: This information is more than 4 years old.

#### Coverage

Gainfully employed persons, including the self-employed.

Exclusions: Casual labor under certain circumstances.

#### Source of Funds

**Insured person:** 5% of earnings; the self-employed, 10% of 3/4 of gross revenue.

**Employer:** 5% of payroll; small businesses, 10% of twice the salary of the highest-paid employee.

**Government:** None, except for the contribution as an employer.

Maximum earnings for contribution and benefit purposes are U.S.\$5,000 a quarter.

#### Qualifying Conditions

**Old-age pension:** Age 55 with 80 quarters of coverage or age 60 with 1 quarter of coverage for each year after June 1968 up to age 60.

**Disability pension:** Incapacity for substantial gainful activity due to an impairment likely to last 1 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 6 quarters of coverage during the last 40 quarters.

**Survivor pension:** Insured had 1 quarter of coverage for each year after June 1968 (or since age 21, if later) or at least 6 quarters of coverage in the 40 quarters preceding death.

Income test: The pension is reduced by U.S.\$1 for each U.S.\$3 of earnings above U.S.\$1,500 a quarter for pensioners who are less than 62 years old.

Pensions are payable abroad to citizens if reciprocity exists.

#### Old-Age Benefits

**Old-age pension:** 2% of indexed covered earnings, plus 14.5% of the first U.S.\$11,000 of cumulative covered earnings, plus

0.7% of cumulative covered earnings in excess of U.S.\$11,000 but not in excess of U.S.\$44,000.

The minimum old-age pension is U.S.\$128.99 a month.

#### Permanent Disability Benefits

**Disability pension:** 2% of indexed covered earnings, plus 14.5% of the first U.S.\$11,000 of cumulative covered earnings, plus 0.7% of cumulative covered earnings in excess of U.S.\$11,000 but not in excess of U.S.\$44,000.

The minimum disability pension is U.S.\$128.99 a month.

#### Survivor Benefits

**Survivor pension:** 100% of the insured's pension, payable to a widow(er) at any age.

**Orphan's pension:** 25% of the insured's pension for each orphan under age 18 (age 22 if a student; no age limit if disabled before age 22).

The minimum survivor pension is U.S.\$128.99 a month.

The maximum survivor pension is 100% of the insured's pension.

Lump-sum benefits: If the insured did not meet the qualifying conditions in terms of covered quarters, a lump-sum benefit equal to 4% of cumulative covered earnings is payable to the survivor.

#### Administrative Organization

Social Security Administration administers the program.

## Micronesia

Exchange rate: Currency is the U.S. dollar (U.S.\$).

### Old Age, Disability, and Survivors

#### Regulatory Framework

**First law:** 1967.

**Current law:** 1983, with 1996 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 and self-employed persons with no employees with annual gross income of U.S.\$10,000 or less; those engaged in family employment.

#### Source of Funds

**Insured person:** 6% of earnings.

**Self-employed person:** 2.5% of business gross revenue for the year if annual gross revenue exceeds U.S.\$10,000.

**Employer:** 6% of twice the salary of the highest-paid employee per quarter.

**Government:** None, except for the employer's 6% contribution for each employee.

The maximum earnings for contribution purposes are U.S.\$3,000 a quarter.

#### Qualifying Conditions

**Old-age pension:** Age 60 and 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 U.S.\$1 for each U.S.\$2 of earnings above U.S.\$300 a quarter if the pensioner is reemployed.

**Disability pension:** Incapacity for substantial gainful activity due to a disability that is likely to last for at least 1 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 person's condition improves.

**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.

Earnings test: The survivor pension is reduced by U.S.\$1 for each U.S.\$2 of earnings the survivor receives above U.S.\$300 a quarter.

All of the above pensions are payable abroad if reciprocal agreements exist.

#### Old-Age Benefits

**Old-age pension:** 16.5% of the first U.S.\$10,000 of cumulative covered earnings, plus 3% of the next U.S.\$30,000 of cumulative earnings, plus 2% of cumulative earnings over U.S.\$40,000.

The minimum old-age pension is U.S.\$50 a month.

Dependent allowance: None; however, children may be covered in exceptional circumstances.

#### Permanent Disability Benefits

**Disability pension:** See old-age pension, above.

The minimum disability pension is U.S.\$50 a month.

Dependent allowance: None; however, children may be covered in exceptional circumstances.

#### Survivor Benefits

**Survivor pension:** 60% of the insured's pension, payable to a widow(er) at any age.

Surviving children: 15% of the insured's pension for each child under age 18 (age 22 if a student; no age limit if the child was disabled before age 22).

The minimum survivor pension is U.S.\$50 a month.

The maximum survivor pension is 100% of the insured worker's pension.

#### Administrative Organization

Social Security Administration administers the program.

## Nepal

Exchange rate: U.S.\$1.00 equals 78.05 rupees.

### Old Age, Disability, and Survivors

#### Regulatory Framework

**First law:** 1962.

**Current law:** 1996.

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

#### Coverage

Compulsory coverage for government employees and voluntary coverage for any organization with 10 employees or more.

#### Source of Funds

**Insured person:** 10% of earnings.

**Employer:** 10% of payroll.

**Government:** None.

#### Qualifying Conditions

**Old-age benefit:** Termination of employment, or retirement.

**Personal accident insurance:** In case of the permanent disability or accidental death of the fund member.

**Survivor benefit:** Death of the fund member.

#### Old-Age Benefits

A lump sum equal to employer and employee contributions, plus 7.25% interest a year with additional profit-sharing benefits for a varying number of years up to 9 years based on the employee's net provident fund balance at the time of retirement and the number of years of employment between April 15, 1996, and retirement.

Drawdown payment: Fund members may draw down up to 60% of total employer and employee contributions after 5 years' contributions. (Funds withdrawn may be deposited again as a lump sum or in installments.)

#### Permanent Disability Benefits

**Personal accident insurance:** A lump sum of 50,000 rupees in case of the permanent disability or accidental death of the fund member.

#### Survivor Benefits

100% of the deceased fund member's lump-sum benefit. The benefit is payable to a named survivor or to the heirs of the deceased.

Funeral grant: 4,000 rupees on the death of the covered fund member.

#### Administrative Organization

Ministry of Finance provides general supervision.

Employees Provident Fund administers the program.

### Work Injury

#### Regulatory Framework

**First law:** 1959.

**Current law:** 1963.

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

#### Coverage

Employees of factories with 10 workers or more.

Special system for miners.

#### Source of Funds

**Insured person:** None.

**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. Benefit is payable from the first day of incapacity.

#### Permanent Disability Benefits

See temporary disability benefits, above.

Partial disability: A lump sum of 2 to 3 years' earnings according to the schedule in law.

#### Survivor Benefits

Two years' earnings payable to dependent family members in installments.

#### Administrative Organization

Labor Department enforces the law.



## New Zealand

Exchange rate: U.S.\$1.00 equals  
2.08 New Zealand dollars (NZ\$).

### Old Age, Disability, and Survivors

#### Regulatory Framework

**First laws:** 1898 (old-age pension), 1911 (widow's pension), 1924 (blind person's pension), and 1936 (disability pension).

**Current law:** 2001 (superannuation).

**Type of program:** Dual universal and social assistance system.

Note: Amounts reflect benefit rates as of April 1, 2002. All net benefits reflect the primary tax rate applied.

#### Coverage

All residents.

#### Source of Funds

**Insured person:** None.

**Employer:** None.

**Government:** Total cost is financed from general revenues.

General revenues also finance sickness, maternity, and unemployment benefits and family allowances.

#### Qualifying Conditions

**Old-age pension (superannuation):** Age 65 with 10 years' residence after age 20 (including 5 years since age 50); no income or retirement test (except for a married pensioner with an unqualified spouse).

A reciprocity agreement is required for the full payment of the pension if going abroad for a period longer than a temporary absence. There is partial portability (up to 50%) in other instances.

**Disability pension (invalid's benefit):** Permanent and severe restriction in capacity for work, or total blindness and at least 10 years' residence. The benefit is income-tested. If totally blind, personal earnings are exempt. The insured must be over age 16.

**Survivor pension:** A widow of a specified category or an orphan. The survivor must be ordinarily resident. The pension is income-tested.

#### Old-Age Benefits

**Old-age pension (superannuation):** NZ\$288.31 (gross) or NZ\$238.80 (net) a week for a single person living alone;

NZ\$264.90 (gross) or NZ\$220.43 (net) if sharing accommodation; NZ\$437.00 (gross) or NZ\$367.38 (net) a week for an aged married couple.

The pension is not income-tested.

A married pensioner with an unqualified spouse may receive half the married rate (NZ\$218.50 gross or NZ\$183.69 net) with no income test or the full married rate (NZ\$415.28 gross or NZ\$350.28 net) with an income test.

Benefit adjustment: Annual review of income-tested benefits.

Other assistance is available (some needs-tested), such as an accommodation supplement, a disability allowance, and special needs grants.

#### Permanent Disability Benefits

**Disability pension (invalid's benefit):** Up to NZ\$196.70 (net) a week for a single person or NZ\$327.84 (net) a week for a couple.

Youth rate: If aged 16 or 17, NZ\$159.18.

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 benefits.

Other assistance available (some needs-tested) includes an accommodation supplement, advances for maintenance and repairs to the home, a training incentive allowance, a transition-to-work allowance, a disability allowance, and special needs grants.

#### Survivor Benefits

##### Survivor pension

**Widow's pension:** Up to NZ\$163.92 (net) a week. The pension is reduced for income exceeding NZ\$4,160 a year and is subject to taxation.

**Orphan's pension:** Up to NZ\$109.26 (net) a week for each full orphan under age 18 (not taxable). The pension is not income-tested.

Benefit adjustment: Annual review of benefits.

**Funeral grant:** Up to NZ\$1,203.52 for funeral costs (income-tested).

Other assistance available (some needs-tested) includes an accommodation supplement, advances for maintenance and repairs to the home, a training incentive allowance, a transition-to-work allowance, a disability allowance, and special needs grants.

## Administrative Organization

Ministry of Social Development (Work and Income) administers pensions through its local offices.

## Sickness and Maternity

### Regulatory Framework

**First law:** 1938.

**Current law:** 1964.

**Type of program:** Dual universal and social assistance system.

Note: Amounts reflect benefit rates as of April 1, 2002.

### Coverage

**Cash sickness benefits:** Temporarily incapacitated for full-time work.

**Maternity benefits:** Single women.

**Medical benefits:** All residents.

### Source of Funds

**Insured person:** None.

**Employer:** None.

**Government:** Total cost is financed from general revenues.

### Qualifying Conditions

**Cash sickness and maternity benefits:** Aged 18 or older (age 16 if married with a dependent child) with 24 months of continuous residence and ordinarily 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.

**Medical benefits:** Resident or a stated intent to remain in the country for 2 years; no income test.

### Sickness and Maternity Benefits

**Sickness benefit:** Up to NZ\$157.37 a week if age 25, single, and with no children (NZ\$131.13 if between ages 20 and 24 or if aged 18 or 19 and living away from home; NZ\$104.91 if aged 18 or 19 and living with a parent).

Up to NZ\$225.40 for a single beneficiary with one child; NZ\$245.91 if single with two or more children. Up to NZ\$262.26 for a married couple without children; NZ\$278.70 for a married couple with one or more children.

The benefit is payable after a waiting period of between 1 and 10 weeks, determined by previous income and family circumstances.

All benefits are weekly rates, net of tax.

**Income test:** The benefit is reduced for income exceeding NZ\$80 a week.

**Maternity benefit:** The benefit is normally payable to a single pregnant woman at the sickness benefit rate after the 27th week of pregnancy. Payment can continue for up to 13 weeks after childbirth. The benefit is income-tested.

**Paid parental leave:** The paid leave is payable to one parent or shared between both parents. The paid leave replaces 100% of previous earnings, up to NZ\$325 gross a week. The recipient must have been employed by the same employer for more than 12 months and have worked a minimum of 10 hours a week.

### Workers' Medical Benefits

Subsidies 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. 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 their prescription charges from a maximum of NZ\$15 per item to 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 non-CSC holders.

### Dependents' Medical Benefits

Same as for the family head, with special subsidies for low-income families or those who need intensive medical care.

### Administrative Organization

Ministry of Social Development (Work and Income) administers cash benefits through its branch and district offices.

Ministry of Social Development (Community Services Card Service Center) administers Community Services Cards.

Ministry of Health (HealthPac) administers medical benefits.

## Work Injury

### Regulatory Framework

**First law:** 1908.

**Current law:** 2001 (injury, prevention, rehabilitation, and compensation), implemented in 2002.

**Type of program:** Dual universal and compulsory insurance (with a public carrier) system. Employers may self-manage claims.

Note: Benefit amounts reflect rates as of July 1, 2002.

## Coverage

All injured persons, including children and nonworking adults, visitors to New Zealand, and New Zealanders traveling abroad.

## Source of Funds

### Insured person

*Work injury:* None; insurance premiums are paid by the self-employed.

*Nonwork injury:* Insurance premiums for non-work-related injuries.

**Employer:** Insurance premiums for employee work injuries.

### Government

*Work injury:* Special earmarked taxes, including gas and motor vehicle licensing fees.

*Nonwork injury:* General revenues to fund the program for nonearners.

## Qualifying Conditions

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

**Non-work-related injury benefits:** The insured must be incapacitated for one week.

## Temporary Disability Benefits

80% of gross earnings (subject to taxation) until able to return to work.

The minimum benefit for totally disabled full-time earners is NZ\$256.00 a week if aged 18 or older; NZ\$204.80 if under age 18.

The maximum benefit is NZ\$1,365.05 a week.

## Permanent Disability Benefits

**Permanent disability pension:** A lump sum if 10% or more impaired. The lump-sum compensation ranges from NZ\$2,500 to NZ\$100,000.

## Workers' Medical Benefits

A minimum payment for medical care and physical rehabilitation as specified in legislation. In some cases, the minimum payment may be the full cost. The cost of benefits that are not specified is paid in full. The full cost of elective surgery is paid if the medical care is provided by a public hospital or a designated medical provider.

Social rehabilitation is 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 is 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:** All survivor pensions are calculated on the basis of 80% of the insured's weekly compensation.

*Widow(er)'s pension:* 60% of the amount.

*Orphan's pension:* 30% of the amount for each child under age 18; 40% if a full orphan.

*Other dependents:* 20% of the amount.

Survivor's grant: NZ\$4,824.59 to a spouse; NZ\$2,412.30 to each child under age 18 or other dependent.

Child care: NZ\$102.59 a week for one child; a total of NZ\$143.63 a week for three or more children.

**Funeral grant:** A grant of up to NZ\$4,500 is payable to the deceased's personal representative.

## Administrative Organization

Department of Labor provides direct supervision and enforces the law.

## Unemployment

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### Regulatory Framework

**First law:** 1930.

**Current law:** 1964.

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

Note: Amounts reflect benefit rates as of April 1, 2002.

## 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 and 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.

**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 benefit is possible in cases of hardship. The person must be registered at a labor office and actively seeking work.

Unemployment is not due to voluntarily leaving employment, misconduct, dismissal for involvement in an industrial dispute, or the refusal of a suitable job offer. The benefit may be withheld for up to 13 weeks in cases of voluntary unemployment or the failure to meet employment-related obligations.

### Unemployment Benefits

Up to NZ\$157.37 a week if age 25, single, and with no children (NZ\$131.13 if between ages 20 and 24 or if aged 18 or 19 and living away from home; NZ\$104.91 if aged 18 or 19 and living with a parent).

Up to NZ\$225.40 for a single beneficiary with one child; NZ\$245.91 if single with two or more children. Up to NZ\$262.26 for a married couple without children; NZ\$278.70 for a married couple with one or more children.

All benefits are weekly rates, net of tax.

Income test: The benefit is reduced for income exceeding NZ\$80 a week.

The benefit is payable after a waiting period of between 1 and 10 weeks, determined by previous income and family circumstances.

Benefit adjustment: Annual review of benefits.

### Administrative Organization

Ministry of Social Development (Work and Income) administers benefits through its branch and district offices.

### Family Allowances

#### Regulatory Framework

**First law:** 1926.

**Current laws:** 1973 (domestic purposes benefits), 1978 (disabled child's allowance), and 1999 (family support, child tax credit, family tax credit, and parental tax credit).

**Type of program:** Dual universal and social assistance system.

Note: Amounts reflect benefit rates as of April 1, 2002.

#### Coverage

**Domestic purposes benefit:** Single parents caring for dependent child under age 18, or person caring for someone (other than spouse or own child) who would otherwise be hospitalized.

**Child disability allowance:** Persons caring for physically or mentally disabled children at home.

**Family support:** Low-income working and nonworking 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.

### Source of Funds

**Insured person:** None.

**Employer:** None.

**Government:** Total cost is financed from general revenues.

### Qualifying Conditions

#### Family allowances

**Domestic purpose benefit:** The benefit is payable to unsupported single parents aged 18 or older who have resided in New Zealand during the last 10 years; no residence requirement if the child is born in New Zealand.

**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 seriously disabled child living at home.

**Family support:** Payable to families with low or moderate income.

### Family Allowance Benefits

**Domestic purpose benefit and emergency maintenance allowance:** NZ\$225.40 a week if a single parent with one child; NZ\$245.91 if single with two or more children. The benefit is payable after a waiting period of between 1 and 10 weeks, determined by previous income and family circumstances.

Income test: The benefit is reduced for income exceeding NZ\$80 a week; it may be reduced, suspended, or canceled if the recipient fails to meet employment-related obligations.

**Child disability allowance:** NZ\$34.80 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 benefit is reduced for income exceeding NZ\$20,000 (gross) a year and reduced at a higher rate for income over NZ\$27,000 (gross) a year.

**Child tax credit:** Up to NZ\$15 per child a week.

Income test: The benefit is reduced for income exceeding NZ\$20,000 (gross) a year and reduced at a higher rate for income over NZ\$27,000 (gross) a year.

**Family tax credit:** A guaranteed net income for working families of NZ\$290 a week (NZ\$15,080 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 minimum parental tax credit is NZ\$150 a week.

The maximum parental tax credit is NZ\$1,200 a week.

### ***Administrative Organization***

Ministry of Social Development (Work and Income)  
administers allowances through its branch and district offices.

Department of Inland Revenue administers family support,  
child tax credit, family tax credit, and parental tax credit for  
families with annual income over NZ\$20,000.



## Oman

Exchange rate: U.S.\$1.00 equals 0.38 rials.

### Old Age, Disability, and Survivors

#### Regulatory Framework

**First law:** 1975.

**Current law:** 1991.

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

Note: This information is more than 4 years old.

#### 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.

**Employer:** 8% of monthly basic salary.

**Government:** 2% of monthly basic salary.

#### Qualifying Conditions

**Old-age pension:** Age 60 (men) with at least 180 months of paid contributions and age 55 (women) with at least 120 months of paid contributions.

**Early pension:** A reduced pension is paid before retirement age with 240 months (men) or 180 months (women) of contributions.

**Delayed retirement:** 180 months of contributions including at least 36 months during the 5 years preceding retirement.

**Disability pension:** Nonoccupational disability benefit is paid with 6 months of contributions preceding the onset of disability or 12 months of contributions including the 3 months immediately preceding the disability.

**Survivor pension:** Nonoccupational survivor benefit is paid if the insured had 6 months of contributions preceding death or 12 months of contributions including the 3 months immediately preceding death.

#### Old-Age Benefits

**Old-age pension:** 1/40th of the 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 last wage times the number of full years of contributions.

The minimum pension is 40% of earnings at the onset of disability or death.

#### Survivor Benefits

##### Survivor pension

**Widow(er)'s pension:** 25% of the insured's pension, payable to a widow if she is not remarried or to a widower. If there is more than one widow, the pension is divided equally among the widows.

**Orphan's pension:** 50% of the insured's pension, 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 insured's pension divided equally among other dependents, including the father, mother, brothers (up to age 22), and unmarried sisters.

If no survivors exist in any of the above three categories, that group's portion of the survivor pension is divided among the remaining groups, up to a maximum of 100%.

**Marriage grant:** A lump-sum payment equal to 15 times the insured's pension, payable to a daughter when she gets married.

**Funeral grant:** A lump-sum payment equal to 3 months of the insured's earnings or pension.

#### Administrative Organization

Minister of Social Affairs, Labor, and Vocational Training provides general supervision.

Public Authority for Social Insurances administers the program.

Public Authority for Social Insurances is managed by an eight-member board of directors, chaired by the Minister of Social Affairs, Labor, and Vocational Training.

### Work Injury

#### Regulatory Framework

**First law:** 1977.

**Current law:** 1991.

**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.

**Employer:** 1% of payroll.

**Government:** None.

### ***Qualifying Conditions***

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

### ***Temporary Disability Benefits***

**Temporary disability benefit:** 75% of current monthly earnings, payable during convalescence.

### ***Permanent Disability Benefits***

**Permanent disability pension:** 75% of the daily wage of the monthly basic salary.

Partial disability: If more than 30% disabled, the pension is proportional to the assessed degree of disability; if less than 30%, 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:** 75% of the insured's average earnings.

### ***Administrative Organization***

Minister of Social Affairs, Labor, and Vocational Training provides general supervision.

Managed by an eight-member board of directors chaired by the Minister of Social Affairs, Labor, and Vocational Training, the Public Authority for Social Insurance administers the program.

## Pakistan

Exchange rate: U.S.\$1.00 equals 58 rupees.

### Old Age, Disability, and Survivors

#### Regulatory Framework

**First law:** 1972, never implemented.

**Current law:** 1976.

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

#### Coverage

Employees in firms with 10 workers or more.

Voluntary coverage: Employees of firms with fewer than 10 workers.

Exclusions: Those engaged in family labor and the self-employed.

Special systems for public employees, the armed forces, the police, statutory bodies, local authorities, banks, and railway employees.

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.

**Employer:** 5% of payroll.

**Government:** Subsidies as needed.

Maximum earnings for contribution and benefit purposes are 3,000 rupees a month.

#### 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.

**Reduced pension:** A reduced pension is payable from ages 55 to 59 (men) or 50 to 54 (women).

**Old-age grant:** Age 60 (men) or age 55 (women) with 2 to 14 years of covered employment.

**Disability pension:** 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 pension is 700 rupees (as of November 2001).

**Reduced pension:** The full old-age pension is reduced by half a percent for each month that retirement precedes 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:** See old-age pension, above.

#### Survivor Benefits

**Survivor pension:** 100% of the insured'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 (as of 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 surviving parents of the insured person.

#### Administrative Organization

Ministry of Labor, Manpower, and Overseas Pakistanis provides general supervision.

Employees' Old-Age Benefits Institution administers the old-age pension.

#### Sickness and Maternity

##### Regulatory Framework

**First law:** 1962 (national law), never implemented.

**Current law:** 1965.

**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 for self-assessment and employees earning 5,000 rupees a month whose employer has not opted for self-assessment.

Exclusions: Those engaged in family labor; the self-employed; and employees earning more than 3,000 rupees a month whose employer has opted for self-assessment or 5,000 rupees a month whose employer has not opted for self-assessment.

Eligibility does not cease on leaving covered employment. Once covered, a person remains eligible for benefits.

Special systems for public employees, the armed forces, the police, local authorities, and railway employees.

### Source of Funds

**Insured person:** 20 rupees a month.

**Employer:** 7% of payroll.

Maximum earnings for contribution and benefit purposes are 3,000 rupees a month or 120 rupees a day for employers opting for self-assessment and 5,000 rupees a month or 200 rupees a day for employers not opting for self-assessment.

**Government:** None.

The above contributions also finance work injury benefits.

### 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:** Current coverage.

### Sickness and Maternity Benefits

**Sickness benefit:** 75% of earnings; 100% in cases of tuberculosis and cancer (50% in the North-West Frontier Province and in Balochistan). 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.

**Maternity benefit:** 100% of earnings, 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.

**Death grant:** 1,500 rupees.

## Administrative Organization

Provincial Labor Department provides general supervision.

Provincial Employees' Social Security Institutions in Punjab, Sindh, North-West Frontier Province, and Balochistan 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

### Regulatory Framework

**First law:** 1923 (workmen's compensation act of 1923 remains in force for employees not covered by the social insurance law).

**Current law:** 1965 (social insurance).

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

### Coverage

**Social insurance law:** 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:** Those engaged in family labor, the self-employed, and persons earning above 3,000 rupees a month.

**Workmen's compensation act:** Employees of industrial establishments with 10 workers or more earning 3,000 rupees a month or less.

**Exclusions:** Those engaged in family labor, the self-employed, and persons earning more than 3,000 rupees a month.

Special systems for public employees, the armed forces, the police, local authorities, and railway employees.

### Source of Funds

#### Insured person

*Social insurance law:* None.

*Workmen's compensation act:* None.

#### Employer

*Social insurance law:* See Sickness and Maternity, above.

*Workmen's compensation act:* Total cost, including the cost of medical examinations.

#### Government

*Social insurance law:* None.

*Workmen's compensation act:* None.

## Qualifying Conditions

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

## Temporary Disability Benefits

**Social insurance law:** 60% of earnings; 100% in Punjab and Sindh. Benefit is payable after a 3-day waiting period for up to 180 days (the waiting period is waived in Punjab).

**Workmen's compensation act:** Insured persons with earnings of less than 3,000 rupees a month receive 50% of monthly earnings for up to 1 year; for a lung disease, 33% of monthly earnings for up to 5 years.

## Permanent Disability Benefits

### Permanent disability pension

**Social insurance law:** 75% of earnings (100% in Punjab) for a 67% loss or greater of earning capacity.

Partial disability: Up to 66% of the benefit for full disability based on a formula.

**Workmen's compensation act:** 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 insurance law:** 60% of the insured's total disability pension. The pension is payable to a widow or a needy disabled widower.

Orphans: 20% of the insured's pension for each orphan under age 16; 40% for a full orphan.

Dependent parent (in the absence of a widow(er) or orphans): 20% of the insured's pension.

The maximum survivor pension is 100% of the insured's pension.

**Workmen's compensation act:** A lump sum of 100,000 rupees.

**Death grant:** 1,500 rupees.

## Administrative Organization

**Social insurance law:** Provincial Labor Department provides general supervision.

Provincial Employees' Social Security Institution administers contributions and benefits.

**Workmen's compensation act:** Workmen's compensation commissioners in provinces provide general supervision.

## Unemployment

### Regulatory Framework

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 U.S. dollar (U.S.\$).

### 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; coverage is optional for self-employed persons with no employees and gross earnings under U.S.\$10,000 a year but more than U.S.\$300 per quarter.

Exclusions: Casual labor and self-employed persons with no employees and annual gross income of less than U.S.\$300 per quarter.

#### Source of Funds

**Insured person:** 6% of earnings; self-employed person, 12% of twice the salary of their highest paid employee (if no employees, 12% of 1/4 of gross revenue).

**Employer:** 6% of payroll.

**Government:** None, except for the contribution as an employer.

The maximum earnings for contribution and benefit purposes are U.S.\$3,000 per quarter.

#### Qualifying Conditions

**Old-age pension:** Age 60 and 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 1 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 U.S.\$11,000 of cumulative covered earnings, plus 2.7% of earnings between U.S.\$11,000 and U.S.\$44,000, plus 1.35% of earnings over U.S.\$44,000.

The minimum pension is U.S.\$47.50 a month.

#### Permanent Disability Benefits

**Disability pension:** 16.5% of the first U.S.\$11,000 of cumulative covered earnings, plus 2.7% of earnings between U.S.\$11,000 and U.S.\$44,000, plus 1.35% of earnings over U.S.\$44,000.

The minimum pension is U.S.\$47.50 a month.

#### Survivor Benefits

##### Survivor pension

**Widow(er) pension:** 60% of the insured's pension, payable at any age.

**Orphan's pension:** 15% of the insured's pension for each orphan under age 18 (22 if a student; no age limit if disabled before age 22).

**Earnings test:** The survivor pension is reduced by U.S.\$1 for each U.S.\$3 of earnings above U.S.\$500 a quarter if aged 50 or under.

The minimum survivor pension is U.S.\$47.50 a month.

The maximum survivor pension is 100% of the insured's pension.

#### Administrative Organization

Social Security Administration administers the program.

## Papua New Guinea

Exchange rate: U.S.\$1.00 equals 3.75 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 individual account system.

#### Coverage

Employed persons in firms with 20 or more workers.

Coverage is to be extended to agricultural workers in 2003.

Coverage for noncitizens is voluntary.

Exclusions: Casual workers with employment contracts of less than 3 months.

#### Source of Funds

**Insured person:** 5% of earnings.

**Employer:** 7% of payroll.

**Government:** None.

To equalize contribution 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 retirement from covered employment. The full balance is also payable after being unemployed for 12 months or after a 1-year waiting period if permanently emigrating.

**Drawdown payments:** Members can withdraw up to 60% of their accumulated contributions for the sole purpose of providing housing. This is treated as an advance on benefits. Members must make an additional 2% contribution until the full value of the advance is repaid. Limited periodic drawdowns are also permitted after 3 months of unemployment; if an unemployed fund member has less than K1,000 in his or her account, the total amount can be withdrawn after 3 months.

**Disability benefit:** Total permanent incapacity.

**Survivor benefit:** Death of the fund member prior to retirement.

#### Old-Age Benefits

**Old-age benefit:** A lump sum equal to total employee and employer contributions, plus accrued interest.

#### Permanent Disability Benefits

**Disability benefit:** A lump sum equal to total employee and employer contributions, plus accrued interest.

#### Survivor Benefits

A lump sum equal to total employee and employer contributions, plus accrued 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 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.

### Work Injury

#### Regulatory Framework

**First and current law:** 1958.

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

#### Coverage

All employees.

#### Source of Funds

**Insured person:** None.

**Employer:** Total cost, met through the direct provision 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:** Benefits can be provided through voluntary contributions.

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

Medical treatment and transportation.

### ***Survivor Benefits***

**Survivor grant:** A lump sum of up to K25,000 according to the insured's earnings and the assessed degree of dependency, payable to the surviving spouse or to other named dependents.

**Funeral grant:** A lump sum of K1,000 to the insured or the spouse and K500 for a dependent child.

### ***Administrative Organization***

Department of Labor and Industry administers the program.

## Philippines

Exchange rate: U.S.\$1.00 equals 50.10 pesos.

### Old Age, Disability, and Survivors

#### Regulatory Framework

**First and current law:** 1954, with 1997 amendment.

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

#### Coverage

Compulsory for all 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.

Special system for government employees and military personnel.

#### Source of Funds

**Insured person:** 3.33% of earnings, according to 29 wage brackets. Self-employed persons pay both the insured person and employer contributions, 8.4% of earnings according to 29 income classes.

**Employer:** 5.07% of payroll, according to 29 wage brackets.

**Government:** Any deficit.

Maximum earnings for contribution and benefit purposes are 15,000 pesos a month.

All of the above contributions also finance sickness, maternity, and funeral benefits.

#### Qualifying Conditions

**Old-age pension:** Age 60 with 120 months of contributions prior to the semester of retirement and having ceased to be employed or self-employed.

**Deferred retirement:** Retirement is required at age 65, whether employed or not, with 120 months of contributions.

**Early retirement:** Age 55 for an underground mineworker who has been separated from employment or who has ceased self-employment and who has been an underground mineworker for at least 5 years.

**Disability pension:** Permanent total or partial disability with 36 months of contributions before the semester of the onset of disability.

**Disability grant:** A disability grant is awarded if the insured has less than 36 months of contributions.

**Survivor pension:** Death of the insured person with 36 months of contributions prior to the semester of death, or the death of an old-age pensioner.

**Survivor grant:** A lump-sum survivor grant is awarded if the insured had less than 36 months of contributions.

#### Old-Age Benefits

**Old-age pension:** The monthly pension equals 300 pesos, plus 20% of the average monthly credited earnings, plus 2% of the average monthly credited earnings for each year of service in excess of 10 years or 40% of average monthly credited earnings, whichever is higher.

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.

**Partial lump sum:** The insured has the option to receive the first 18 monthly pension payments in a lump sum.

**Dependent supplement:** 10% of the old-age pension or 250 pesos, whichever is higher, for each of the five youngest children under age 21 conceived on or before retirement (no age limit if the child is incapacitated and incapable of self-support due to a congenital mental defect or a defect acquired during childhood).

**Schedule of payments:** Thirteen payments a year.

**Benefit adjustment:** Periodic adjustment of benefits based on price and wage changes and on the financial health of the fund.

**Refund of contributions:** Employee and employer contributions plus 6% interest are refunded to individuals who are ineligible for a pension.

#### Permanent Disability Benefits

**Disability pension:** The pension is calculated in the same way as the old-age pension, above.

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.

**Dependent supplement:** 10% of the disability pension or 250 pesos, whichever is higher, for each of the five youngest children under age 21 conceived on or before the onset of disability (no age limit if the child is incapacitated and incapable of self-support due to a congenital mental defect or a defect acquired during childhood).

**Supplementary pension (permanent total and partial disability):** 500 pesos a month.

**Partial disability:** The pension is computed in the same way as for total disability, but the length of the payment period is related to the degree of the assessed disability. The total pension benefit is paid in a lump sum if the payment period is less than 12 months.

**Schedule of payments:** Thirteen payments a year.

**Benefit adjustment:** Periodic adjustment of benefit payments based on price and wage changes and on the financial health of the fund.

**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 higher. 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 percentage of disability in relation to the whole body, or 12 times the monthly pension times the assessed percentage of disability, whichever is higher.

### Survivor Benefits

**Survivor pension:** 100% of insured's monthly old-age pension, payable to a surviving spouse and dependent children.

The minimum pension is 1,000 pesos a month if the insured contributed for at least 10 years; 1,200 pesos with at least 10 but less than 20 years; or 2,400 pesos with at least 20 years of contributions.

**Dependent supplement:** 10% of the insured's pension or 250 pesos, whichever is higher, to each of the five youngest children under age 21 conceived on or before the date of death (no age limit if the child is incapacitated and incapable of self-support due to a congenital mental defect or a defect acquired during childhood).

**Survivors of an old-age or a permanent total disability pensioner:** 100% of the insured's pension plus dependent supplements. If there is no surviving spouse and no dependent children and the insured dies within 60 months after first receiving a pension, a lump sum equal to 60 months' pension less the value of the pension drawn is payable to dependent parents or other dependents.

**Schedule of payments:** Thirteen payments a year.

**Survivor grant:** The lump sum is equal to the insured's monthly pension times the number of monthly contributions, or 12 monthly pensions, whichever is higher, and is payable to the surviving spouse and dependent children. If there is no surviving spouse and no dependent children, a lump-sum grant equal to 36 times the insured's monthly pension is payable to dependent parents or other dependents.

**Funeral grant:** 20,000 pesos, in cash or kind. (The family may use the memorial service assistance program package provided by accredited life insurance companies.)

### Administrative Organization

A tripartite Social Security Commission is responsible for the general management and regulation of the program.

An administrator, president, and chief executive officer are responsible for the administration of the Social Security System.

## Sickness and Maternity

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### Regulatory Framework

**First and current laws:** 1954 (sickness benefit), with 1997 amendment; 1969 (medical care), with 1996 amendment; and 1977 (maternity), with 1997 amendment.

**Type of program:** Social insurance system providing cash and medical benefits.

### Coverage

**Cash sickness and maternity benefits:** Compulsory for all 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.

Special system for government employees except for maternity benefits.

**Medical care:** Compulsory for all private-sector employees not over 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.

Coverage is also provided to pensioners and retirees and their dependents. Limited coverage is provided to certain categories of people with no or low income. Filipinos recruited by a foreign-based employer for employment abroad are covered on a voluntary basis.

### Source of Funds

#### Insured person

**Cash sickness benefit:** See Old Age, Disability, and Survivors, above.

**Cash maternity benefit:** None.

**Medical benefits:** Employed persons, 1.25% of wage according to 15 wage classes; none for pensioners and their dependents or for certain categories of people with no or low income.

#### Employer

**Cash sickness benefit:** See Old Age, Disability, and Survivors, above.

**Cash maternity benefit:** 0.4% of payroll, according to 29 wage classes.

**Medical benefits:** 1.25% of payroll, according to 15 wage classes.

**Government:** Funding of medical benefits for certain categories of people with no or low income, and any deficit.

Maximum earnings for contribution purposes are 15,000 pesos a month for cash sickness and maternity benefits.

Maximum earnings for contribution purposes are 10,000 pesos a month for medical benefits.



## Qualifying Conditions

**Cash sickness benefit:** Three months of contributions within the last 12 months immediately preceding the semester of sickness. Hospitalized or confined to bed for at least 4 days and has administrative approval.

**Cash maternity benefit:** Three months of contributions within the last 12 months immediately preceding the semester of childbirth or miscarriage. The insured is covered for four deliveries, including miscarriages. The self-employed and voluntary members are also covered.

**Medical benefits:** Three months of contributions within the last 12 months before the first day of illness; contribution conditions are waived for retirees, pensioners, and certain categories of people with no or low income.

## Sickness and Maternity Benefits

**Cash sickness benefit:** A daily cash allowance equal to 90% of the insured's average daily wage credited earnings. 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 is not to exceed 240 days for the same illness.

**Cash maternity benefit:** 100% of the average daily wage during the highest-paid 6 months of the 12 months preceding the semester of delivery or miscarriage. Benefit is payable for 60 days for noncaesarian deliveries and 78 days for caesarian deliveries.

## Workers' Medical Benefits

Services rendered by health care providers are paid directly by the health fund according to a fixed schedule. Limited reimbursement of medical costs covers 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.

## Administrative Organization

**Cash sickness and maternity benefits:** A tripartite Social Security Commission manages the cash sickness and maternity program.

A president and a chief executive officer are responsible for the administration of the program.

Employers pay sickness and maternity benefits directly to their own employees and are reimbursed from the Social Security System.

**Medical benefits:** Philippine Health Insurance Corporation manages the medical care program. The Department of Health provides policy coordination and guidance.

## Work Injury

### Regulatory Framework

**First and current law:** 1974, with 1996 amendment.

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

### Coverage

Employed persons including domestic employees and Filipinos recruited by a foreign-based employer for employment abroad.

Exclusions: Self-employed persons.

Special system for government employees and military personnel.

### Source of Funds

**Insured person:** None.

**Employer:** 1% of payroll, according to 10 wage brackets.

**Government:** None.

Maximum earnings for contribution purposes are 3,000 pesos a month.

### Qualifying Conditions

**Work injury benefits:** One month of contributions.

### Temporary Disability Benefits

90% of the average daily wage of the 6 highest-paid months during the last 12 months.

The minimum benefit is 10 pesos a day.

The maximum benefit is 200 pesos a day.

Benefit is payable from the first day of disability due to an injury or a work-related sickness for up to 240 days in a calendar year.

### Permanent Disability Benefits

**Permanent disability pension:** 115% of the sum of 300 pesos plus 20% of the average monthly credited earnings plus 2% of the average monthly credited earnings for each year of contributions in excess of 10 years, or 115% of 40% of average monthly credited earnings, or 2,000 pesos, whichever is higher.

**Dependent supplement:** 10% of the insured's pension or 250 pesos, whichever is higher, for each of the five youngest children under age 21.

**Partial disability:** Calculated in the same way as for total disability, but the duration of the benefit is proportionate to the assessed degree of incapacity, according to the schedule.

The minimum pension is 2,000 pesos a month.

**Supplementary pension:** 575 pesos a month for permanent total and permanent partial disability.

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

Medical, surgical, and hospital services; appliances and rehabilitation.

### ***Survivor Benefits***

**Survivor pension:** 100% of the insured's monthly pension.

Dependent supplement: 10% of the insured's monthly pension for each of the five youngest children under age 21.

Survivors of a permanent total disability pensioner: 100% of the insured's monthly pension plus dependent supplements.

**Survivor grant:** The insured's monthly pension is payable to some categories of survivor for up to 60 months. The grant must not be less than 120,000 pesos in total.

**Funeral grant:** 10,000 pesos.

### ***Administrative Organization***

Department of Labor provides general supervision.

The president and a chief executive officer are responsible for the administration of benefits.

Employees' Compensation Commission initiates and coordinates program policies and determines contribution rates.

## Saudi Arabia

Exchange rate: U.S.\$1.00 equals 3.75 riyals.

### Old Age, Disability, and Survivors

#### Regulatory Framework

**First law:** 1962.

**Current law:** 2000.

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

#### Coverage

Employees of all firms and self-employed persons.

Exclusions: Agricultural workers, seamen, domestic servants, those engaged in family labor, and casual workers with less than 3 months of service.

Special contributory system for public employees.

Note: As of March 1987, foreign workers are no longer covered under this program.

#### Source of Funds

**Insured person:** 9% of earnings.

**Employer:** 9% of payroll.

**Government:** Cost of administration during the initial phase, an annual subsidy, and any operating deficit.

Maximum earnings for contribution and benefit purposes are 45,000 riyals a month.

Minimum earnings for contribution and benefit purposes are 400 riyals a month.

#### Qualifying Conditions

**Old-age pension:** Age 60 (men) or age 55 (women) with 120 months of contributions.

Entitlement to the old-age pension is also possible on reaching the statutory retirement age with at least 60 months of paid contributions plus credited contributions not exceeding 60 months.

Early retirement: Age 55 (men) with 120 months of contributions for those engaged in arduous or unhealthy work; any insured person before age 60 with 300 months of contributions.

Retirement from covered employment is necessary.

**Disability pension:** Incapacity for any work before age 60 with 12 consecutive months of contributions or 18 nonconsecutive months of contributions. The disability must occur while the person is in insured employment.

Benefit 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.

**Survivor pension:** Deceased was in insured employment at the time of death with 3 consecutive months of contributions or 60 nonconsecutive months of contributions.

Benefit 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 insured was not in covered employment at the time of death.

#### Old-Age Benefits

**Old-age pension:** 2.5% of the average monthly wage during the last 2 years times the number of years of contributions.

The minimum pension is 1,500 riyals.

Refund of contributions: 10% of the average monthly wage for the first 60 months of contributions and 12% for any additional months, if the insured person is age 60.

#### Permanent Disability Benefits

**Disability pension:** 2.5% of the average monthly wage during the last 2 years times the number of years of contributions, if in insured employment at the onset of disability (otherwise, see old-age pension, above).

The minimum pension is 50% of the average monthly wage or 1,500 riyals, whichever is greater.

Constant-attendance supplement: 50% of the disability pension.

Refund of contributions: 10% of the average monthly wage for the first 60 months of contributions and 12% for any additional months, if the insured person is disabled.

#### Survivor Benefits

**Survivor pension:** 2.5% of the average monthly wage during the last 2 years times the number of years of contributions.

The maximum pension is 100% of the insured's pension when shared equally among three or more dependents; 75% for two dependents; and 50% for one dependent.

The minimum combined survivor pension is 50% of the average monthly wage or 1,500 riyals, whichever is greater.

The minimum individual survivor pension is 300 riyals.

Eligible survivors: 20% of the pension is payable to each dependent son under age 20 (age 25 if a full-time student), a dependent unmarried daughter or sister, and dependent parents; 40% for full orphans.

Refund of contributions: 10% of the average monthly wage for the first 60 months of contributions and 12% for any additional months, if the insured person dies.

For the death of a recipient of a nonoccupational disability pension, the pension is split among dependents.

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 divided equally among the dependent survivors.

The maximum death grant is 10,000 riyals.

### **Administrative Organization**

Ministry of Labor and Social Affairs provides general supervision.

General Organization for Social Insurance administers the program through district offices. It is managed by a tripartite board.

### **Sickness and Maternity**

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#### **Regulatory Framework**

1969 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.

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

#### **Coverage**

Saudi and non-Saudi employees of all firms.

#### **Source of Funds**

**Insured person:** None.

**Employer:** 2% of payroll.

**Government:** Annual subsidy and any operating deficit.

Maximum earnings for contribution and benefit purposes are 45,000 riyals a month.

Minimum earnings for contribution and benefit purposes are 400 riyals a month.

#### **Qualifying Conditions**

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

#### **Temporary Disability Benefits**

100% of the daily wage (75% if under treatment at the General Organization for Social Insurance's expense in a medical center). The benefit is payable until the insured person is able to resume work.

### **Permanent Disability Benefits**

**Permanent disability pension:** Saudi insured persons receive 100% of the average monthly wage for the 3-month period immediately preceding 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.

The maximum supplement is 3,500 riyals.

**Partial disability:** Saudi insured persons receive a percentage of the full pension proportionate 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 pension for permanent disability multiplied by the actual percentage of disability.

Non-Saudi insured persons receive a benefit for partial disability in the form of a lump sum 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 average monthly wage for the 3-month period immediately preceding the date of death.

The minimum survivor pension is 1,500 riyals a month.

The maximum pension is 100% of the insured's pension when shared equally among three or more dependents; 75% for two dependents; and 50% for one dependent.

**Eligible survivors:** Dependent sons, brothers, and grandsons of the deceased under age 21 (age 26 if a full-time student); a widow, unmarried daughters, sisters, and granddaughters; parents; grandfather and grandmother.

**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 divided equally among dependent survivors.

The maximum death grant is 10,000 riyals.

### **Administrative Organization**

Ministry of Labor and Social Affairs provides general supervision.

General Organization for Social Insurance administers the program through the Occupational Hazards Branch.

## Singapore

Exchange rate: U.S.\$1.00 equals  
1.78 Singapore dollars (S\$).

### Old Age, Disability, and Survivors

#### Regulatory Framework

**First law:** 1953.

**Current law:** 1985, with 1991 amendment.

**Type of program:** Provident fund system providing lump-sum benefits and annuity payments.

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 care, and approved medical insurance; and, from age 55, a retirement account, to finance periodic payments from age 62.

#### Coverage

Employed persons earning more than S\$50 a month and some self-employed persons.

Exclusions: Members of approved equivalent private plans.

Special pension system for certain categories of public-sector employee.

#### Source of Funds

**Insured person:** 20% of earnings if monthly earnings are over S\$363; 5% of earnings plus 1/3 of the amount over S\$200 if monthly earnings are between S\$200 and S\$363; no contributions if monthly earnings are under S\$200.

Fund members aged 55 or older contribute at lower rates.

Maximum earnings for contribution purposes are S\$6,000.

From October 1, 2002, 20% of earnings if monthly earnings are over S\$750; 0.6% of the amount over S\$500 if monthly earnings are between S\$500 and S\$750; no contributions if monthly earnings are under S\$500.

**Employer:** 16% of payroll if monthly earnings are S\$50 or over; no contribution for monthly earnings under S\$50.

Contributions for fund members aged 55 or older are paid at lower rates.

Maximum earnings for contribution purposes are S\$6,000.

**Government:** None.

Depending on the fund member's age, between 3% and 4.25% of the above contributions are placed in the medisave account to cover medical expenses (see Sickness and Maternity, below).

#### Qualifying Conditions

**Old-age benefit:** Age 55.

**Disability benefit:** Permanent incapacity for work.

**Survivor benefit:** Named by the fund member as the beneficiary.

#### 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% compound interest, less drawdowns (see below).

**Retirement account:** At age 55, fund members must place S\$75,000 in the retirement account (part of which is a prescribed cash amount, the remainder can be pledged property) to ensure continued periodic income from age 62.

**Drawdown payments:** The drawdown of funds from the member's ordinary and special accounts is permitted for such purposes as children's education fees, the purchase of a home, and the purchase of approved financial products.

**Compound interest rate:** The rate is linked to average commercial savings and fixed deposit rates and is adjusted four times a year: January 1, April 1, July 1, and October 1. The interest awarded to individual provident fund accounts is calculated monthly, 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% compound interest, less drawdowns.

**Compound interest rate:** The rate is linked to average commercial savings and fixed deposit rates and is adjusted four times a year: January 1, April 1, July 1, and October 1. The interest awarded to individual provident fund accounts is calculated monthly, compounded, and credited annually.

#### Survivor Benefits

**Survivor benefit (ordinary and special accounts):** A lump sum equal to total employee and employer contributions, plus at least 2.5% compound interest, less drawdowns. The benefit is payable to named survivors or legal heirs.

**Compound interest rate:** The rate is linked to average commercial savings and fixed deposit rates and is adjusted four times a year: January 1, April 1, July 1, and October 1. The interest awarded to individual provident fund accounts is calculated monthly, compounded, and credited annually.

#### Administrative Organization

Ministry of Manpower provides general supervision.

Managed by a tripartite board and a chairman, the Central Provident Fund is responsible for the custody of the fund and the administration of the program.



## Sickness and Maternity

### Regulatory Framework

**First laws:** 1968 (employer liability) and 1983 (provident fund).

**Current laws:** 1996 (employer liability) and 1983 (provident fund).

**Type of program:** Multiple employer liability (cash sickness and maternity benefits), provident fund (medical care), and social assistance (medical care) systems.

### Coverage

**Cash benefits (employer liability):** All employed persons.

**Medical care (provident fund):** Employed persons and some self-employed persons.

### Source of Funds

#### Insured person

*Cash benefits (employer liability):* None.

*Medical care (provident fund):* Employed persons contribute between 3% and 4.25% (depending on age) of monthly salary to the medisave account to cover the cost of hospitalization and medical expenses.

The maximum monthly contribution to the medisave account (depending on age) is between S\$180 and S\$255.

The above contributions are part of the provident fund contributions made under Old Age, Disability, and Survivors, above.

Self-employed persons make an annual contribution of between 6% and 8% (depending on age) of annual net income.

The maximum annual contribution to the medisave account for a self-employed person (depending on age) is between S\$4,320 and S\$5,760.

#### Employer

*Cash benefits (employer liability):* Total cost.

*Medical care (provident fund):* Between 3% and 4.25% (depending on the employee's age) of the employee's monthly salary for his or her medisave account.

The maximum contribution made for each employee's medisave account (depending on the employee's age) is between S\$180 and S\$255 a month.

The above contributions are part of the provident fund contributions made under Old Age, Disability, and Survivors, above.

#### Government

*Cash benefits (employer liability):* None.

*Medical care (provident fund):* No fixed amount; fund members are subsidized when using certain classes of hospital wards.

## Qualifying Conditions

**Cash sickness benefit (employer liability):** At least 6 months' employment.

**Cash maternity benefit (employer liability):** At least 180 days' employment immediately preceding childbirth. Benefit is limited to the first two children.

**Medical benefits (provident fund):** Members of the medisave program. Persons over age 55 are required to maintain a balance of S\$23,000 (increasing to S\$25,000 in July 2003) in the medisave account to meet the cost of future hospitalization.

## Sickness and Maternity Benefits

**Cash sickness benefit (employer liability):** Fourteen days of paid sick leave a year, or up to 60 days if the insured is hospitalized.

**Cash maternity benefit (employer liability):** 100% of wages for up to 4 weeks before and 4 weeks after childbirth.

## Workers' Medical Benefits

Outpatient treatment and inpatient hospital care in government hospitals, 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.

## Dependents' Medical Benefits

Same as for the family head. Members can use savings in their medisave account to help pay for the medical expenses of immediate family members.

## Administrative Organization

**Employer liability:** Ministry of Manpower provides general supervision and enforces the law.

**Provident fund:** Central Provident Fund administers the program.

**Medical services:** Ministry of Health provides medical services through government hospitals.

## Work Injury

### Regulatory Framework

**First law:** 1933.

**Current law:** 1990.

**Type of program:** Employer-liability system or compulsory insurance with a private carrier.

## Coverage

All manual labor, except domestic servants, casual employees, and family labor; salaried employees earning less than S\$1,600 a month.

Special program for the police.

## Source of Funds

**Insured person:** None.

**Employer:** Total cost, through direct provision of benefits or insurance premiums.

**Government:** None.

## Qualifying Conditions

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

## Temporary Disability Benefits

100% of earnings for up to 60 days if hospitalized and 14 days if not hospitalized; thereafter, 2/3 of monthly earnings. Benefit is payable from the first day of incapacity for a maximum of 1 year.

## Permanent Disability Benefits

If totally disabled, a lump sum equal to 6 to 12 years' earnings, according to age.

The minimum lump-sum benefit is S\$49,000.

The maximum lump-sum benefit is S\$147,000.

Constant-attendance supplement: Equal to 25% of the lump-sum payment.

Partial disability: A lump sum calculated in relation to the assessed degree of incapacity or according to the schedule in law for specified injuries.

## Workers' Medical Benefits

Necessary medical treatment, hospitalization, appliances, and medicines. Medical care may be provided in a government facility.

## Survivor Benefits

A lump sum equal to between 4 and 9 years of the insured's earnings, according to the insured's age at the time of death. The benefit is payable to eligible dependents.

The minimum lump sum is S\$37,000.

The maximum lump sum is S\$111,000.

## Administrative Organization

Ministry of Manpower provides general supervision.

Commissioner for Labor 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.

## Solomon Islands

Exchange rate: U.S.\$1.00 equals  
5.04 Solomon Islands dollars (SI\$).

### Old Age, Disability, and Survivors

#### Regulatory Framework

**First and current law:** 1973, implemented in 1976.

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

#### Coverage

All employed workers aged 14 and older earning at least SI\$20 a month or working 6 days or more a month.

Unemployed and self-employed persons aged 16 to 35 may contribute voluntarily.

Special system for public employees.

#### Source of Funds

**Insured person:** 5% of wages; SI\$5 is deducted annually from the member's provident fund account to finance death benefits.

**Employer:** 7.5% of payroll.

**Government:** None.

#### Qualifying Conditions

**Old-age benefit:** Age 40 if permanently retired from covered employment; any age if emigrating permanently. Age 50, regardless of employment status.

**Drawdown payment:** Unemployed fund members may withdraw funds from their individual account after 3 months of continuous unemployment.

**Disability grant:** Permanent physical or mental incapacity to work.

**Survivor grant:** The death of the fund member before retirement.

#### Old-Age Benefits

A lump sum equal to total employee and employer contributions, plus accumulated interest.

**Drawdown payment:** The value of drawdown payments is dependent on the value of employee and employer contributions, plus accumulated interest, in the individual account and at the discretion of the individual fund member.

**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

A lump sum equal to total employee and employer contributions, plus accumulated interest. The benefit is payable to the deceased's named survivor.

**Interest rate adjustment:** The rate of interest is set by the National Provident Fund Board at the end of each fiscal year.

**Death benefit:** A lump sum of SI\$2,500.

#### Administrative Organization

National Provident Fund Board, an independent body comprising five members, administers the program.

### Work Injury

#### Regulatory Framework

**First and current laws:** 1952 and 1981 (workman's compensation).

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

**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 in accordance with the 1981 legislation.

#### Temporary Disability Benefits

50% to 100% of earnings, according to the insured's monthly wage and in accordance with the assessed degree of disability.

The maximum benefit is SI\$160 a month.

Benefit is payable from the first day if the incapacity lasts for more than 3 days, until recovery, certification of permanent disability, or death.

### ***Permanent Disability Benefits***

A lump sum of 48 months' earnings.

The maximum lump sum is SI\$9,000.

Partial disability: A lump sum proportionate to the degree of incapacity, based on 48 months' earnings.

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

Medical care, medicines, and appliances.

### ***Survivor Benefits***

**Survivor benefit:** A lump sum of 36 months' earnings, less any permanent disability benefits paid to the deceased.

The maximum lump sum in cases where disability benefit has been paid is SI\$9,000.

The maximum lump sum for a fatal work injury is SI\$80,000.

The courts determine the level and apportionment of the survivor benefit 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***

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### ***Regulatory Framework***

**First and current law:** 1981 (employment and labor).

Employers are required to pay a dismissal indemnity of 2 weeks' wages for each year of employment.

A statutory office assists the unemployed in seeking alternative employment by providing individual counseling and identifying suitable job vacancies.

## Sri Lanka

Exchange rate: U.S.\$1.00 equals 96 rupees.

### Old Age, Disability, and Survivors

#### Regulatory Framework

**First and current law:** 1958.

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

Note: This information is from 1999.

#### Coverage

Employed persons.

Exclusions: Family labor and employees covered by approved private provident funds.

Special pension system for public-sector and local government employees.

#### Source of Funds

**Insured person:** 8% of earnings; additional voluntary contributions.

**Employer:** 12% of payroll.

**Government:** None.

#### Qualifying Conditions

**Old-age grant:** Age 55 (men) or 50 (women) and retirement from covered employment. The grant is also payable at any age if emigrating permanently.

Early payment: For employed women who marry or if the government closes the place of employment.

**Disability grant:** Permanent and total incapacity for work.

**Survivor grant:** Death prior to retirement.

#### Old-Age Benefits

**Old-age grant:** A lump sum equal to total employee and employer contributions, plus interest.

#### Permanent Disability Benefits

**Disability grant:** A lump sum equal to total employee and employer contributions, plus interest.

#### Survivor Benefits

**Survivor grant:** A lump sum equal to total employee and employer contributions, plus interest. The grant is payable to the legal heir or named beneficiary.

### Administrative Organization

Ministry of Labor provides general supervision.

Department of Labor in the Ministry of Labor administers the program through district offices.

Central Bank of Sri Lanka 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.

Plantations have their own dispensaries and maternity wards and must provide medical care for their own employees.

#### Sickness and Maternity Benefits

**Maternity benefit:** 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. Factory employees receive 72 days' paid maternity leave for the first two childbirths and 36 days' paid leave 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.

### Administrative Organization

Department of Labor is responsible for the program.

### Work Injury

#### Regulatory Framework

**First law:** 1934.

**Current law:** 1990.

**Type of program:** Employer-liability system and voluntary insurance.

#### Coverage

All workers.

Exclusions: Members of the police and armed forces.



## Source of Funds

**Insured person:** None.

**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:** Cost of medical care.

## Qualifying Conditions

**Work injury benefits:** A minimum 3-day qualifying period for temporary disability.

## Temporary Disability Benefits

50% of wages after a 3-day waiting period, for up to 5 years.

The maximum monthly benefit is 5,000 rupees.

## Permanent Disability Benefits

**Permanent disability grant:** The minimum grant is 21,168 rupees. The maximum grant is 250,000 rupees.

Partial disability: A lump sum ranging from between 30% and 100% of compensation.

## Workers' Medical Benefits

Provided in government hospitals free of charge.

## Survivor Benefits

**Survivor grant:** A lump sum of between 2 and 5 years of the insured's wages, varying inversely according to wage class. The grant is distributed among dependent relatives.

The minimum grant is 19,404 rupees.

The maximum grant is 250,000 rupees.

## Administrative Organization

Ministry of Labor and Vocational Training provides general supervision.

Department of Workmens' Compensation administers the program.

## Unemployment

### Regulatory Framework

**Type of program:** Social assistance system (see Family Allowances, below).

## Family Allowances

### Regulatory Framework

**First law:** 1990.

**Current law:** 1995.

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

Note: The program is being implemented in stages.

## Source of Funds

**Insured person:** None.

**Employer:** None.

**Government:** Total cost.

## Qualifying Conditions

**Family allowances:** Family earnings are below 1,000 rupees a month.

## Family Allowance Benefits

The family allowance is 500 rupees a month.

## Administrative Organization

Ministry of Samurdhi, Youth Affairs, and Sports.

Commissioner of Poor Relief.

## Syria

Exchange rate: U.S.\$1.00 equals 46 pounds.

### Old Age, Disability, and Survivors

#### Regulatory Framework

**First and current laws:** 1959, with 1976 amendment, and 2001.

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

#### Coverage

Employees in industry and commerce and agricultural workers.

Exclusions: Domestic servants, temporary and casual employees, and those engaged in family labor.

Special system for public employees.

Voluntary coverage: Expatriate Syrian workers can opt to join the program.

#### Source of Funds

**Insured person:** 7% of earnings (plus an optional 1% of earnings for lump-sum benefits for partial and total disability or death).

**Employer:** 14% of payroll.

**Government:** None.

#### Qualifying Conditions

##### Old-age pension

Age 60 (men) or 55 (women) with 180 months of contributions; age 55 (men) or 50 (women) with 240 months of contributions.

Maximum pension: At any age (men and women) with 360 months of contributions.

Old-age pension increment: A lump sum for covered years beyond 30 years of coverage up to a maximum of 5 years.

Earnings test: The pension is reduced by the amount by which the sum of the pension plus current earnings exceeds prior earnings or by 500 pounds per month, whichever is greater.

Payments abroad are made at the discretion of the Social Insurance Institute.

**Old-age settlement:** Ineligible for old-age pension.

**Disability pension:** Loss of at least 80% working capacity. Contributions throughout the last 12 months, or for a total of 24 months including the last 3 months.

**Disability benefit:** Disability exceeds 35% and voluntarily insured for this additional benefit.

**Survivor pension:** The deceased met the contribution conditions for the disability pension or was a pensioner at the time of death.

**Death benefit:** Payable to a survivor of a person voluntarily insured for this additional benefit.

#### Old-Age Benefits

**Old-age pension:** 2.22% of average earnings during the last 2 years (or 5 successive years in the last 10 years if higher) times the number of years of service.

The minimum pension is 419 pounds a month.

The maximum pension is 3,450 pounds a month, or 75% of earnings if less.

Old-age pension increment: A lump sum equal to 1 month's pension for every covered year beyond 30 years of coverage.

The maximum lump-sum increment is 5 month's pension.

**Old-age settlement:** 11% to 15% of total covered earnings, if ineligible for the old-age pension.

#### Permanent Disability Benefits

**Disability pension:** A basis of 40% of average earnings plus 2% of average earnings for each year of covered employment.

The minimum pension is 419 pounds a month.

The maximum pension is 80% of average earnings.

Temporary disability pension: The minimum pension is 343 pounds a month, plus 25 pounds for each dependent.

**Disability benefit:** A lump sum equal to 50% of the insured's last year's wages. The benefit is increased by an additional 50% if the insured is totally disabled as a result of an employment accident.

#### Survivor Benefits

**Survivor pension:** The pension is equal to 37.5% of the insured's disability pension, payable to an unemployed widow at any age or a disabled widower.

**Orphan's pension:** The pension is equal to 25% of the insured's disability pension for the first orphan (under age 21; age 24 if disabled), or 37.5% for a full orphan; 12.5% for the second orphan.

**Dependent parents:** The pension is equal to 12.5% of the insured'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 survivor pension is equal to 75% of the disability pension.

**Death benefit:** A lump sum equal to 100% of the insured's last year's wages is payable to a survivor. The lump sum is increased by 50% if the insured's death was caused by an employment accident.

**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.

## **Work Injury**

### **Regulatory Framework**

**First law:** 1946.

**Current law:** 1959, with 1976 amendment.

**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.

**Employer:** 3% of payroll.

**Government:** None.

### **Qualifying Conditions**

**Work injury benefits:** No minimum qualifying period.

### **Temporary Disability Benefits**

80% of earnings during the first month; thereafter, 100% of earnings.

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 average monthly wage in the previous year, if 80% or more disabled.

The minimum pension is 458 pounds a month.

Work injury benefits can be combined with other pension entitlements.

Partial disability: For a degree of disability of 35% to 79%, a percentage of the full pension proportionate to the degree of disability. For a degree of disability less than 35%, a lump sum of 1 year's partial pension.

## **Workers' Medical Benefits**

General and specialist care, surgery, hospitalization, drugs, X-rays, appliances, and rehabilitation.

## **Survivor Benefits**

**Survivor pension:** 75% of the last year's wage of the deceased insured, divided among eligible survivors: 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 administers contributions and benefits.

## Taiwan

Exchange rate: U.S.\$1.00 equals  
33.95 Taiwan dollars (NT\$).

### Old Age, Disability, and Survivors

#### Regulatory Framework

**First law:** 1950.

**Current law:** 1958, with 1988, 1994, 2000, and 2001 amendments.

**Type of program:** Social insurance system providing lump-sum benefits only.

#### Coverage

Employees of 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 farmers, salaried public employees, and the staff of private schools.

Voluntary program for employees in firms with fewer than five workers and the self-employed (except for self-employed persons in service occupations with compulsory coverage, above).

#### Source of Funds

**Insured person:** 1.3% of earnings; the self-employed, 3.3%.

**Employer:** 4.55% of payroll.

**Government:** 0.65% of employee wages (self-employed, 2.2%) and the cost of administration.

Maximum monthly earnings for contribution and benefit purposes are NT\$42,000.

All of the above contributions also finance cash sickness and maternity benefits and part of the cost of unemployment benefits.

#### Qualifying Conditions

**Old-age grant:** Age 60 (men) or 55 (women) with at least 1 year of coverage; age 55 (men) with 15 years of coverage or age 55 (miner) with 5 years of coverage; age 50 with 25 years of coverage.

Retirement from covered employment is necessary.

**Disability grant:** Permanent total or partial incapacity and the payment of any contributions.

**Survivor grant:** The payment of any contributions.

#### Old-Age Benefits

**Old-age grant:** A lump sum equal to 1 month's average earnings in the 36 months before retirement per year of contributions for the first 15 years, plus 2 months' earnings per year of contributions beyond 15 years.

The maximum grant is 45 months' earnings.

**Old-age increment:** An increment of 1 month's earnings 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' average earnings in the 6 months before the onset of disability.

**Partial disability:** A lump sum varying from 1 to 33.3 months' earnings, according to the assessed degree of incapacity.

#### Survivor Benefits

**Survivor grant:** A lump sum equal to 30 months of the insured's average earnings in the 6 months before death; 20 months' earnings if less than 2 years but more than 1 year of contributions or 10 months' earnings if less than 1 year of contributions.

Eligible survivors (in order of priority): Spouse and children, parents, dependent grandparents, grandchildren, and brothers and sisters.

**Funeral grant:** A lump sum equal to 5 months of the insured's earnings.

#### Administrative Organization

Labor Insurance Department of the Council of Labor Affairs provides general supervision.

Under the direction of the tripartite Labor Insurance Commission and its director general, the Labor Insurance Bureau administers the program.

#### Sickness and Maternity

##### Regulatory Framework

**First law:** 1950.

**Current laws:** 1958 (cash benefits for sickness and maternity), with 1988 amendment, and 1994 (national health insurance), implemented in 1995.

**Type of program:** Social insurance system providing limited cash benefits.

##### Coverage

Resident for at least 4 months, including foreign nationals with a resident permit. Terms for employees and their dependents vary according to whether they are covered under labor

insurance (for employees in industry and commerce) or under plans for government service (including public- and private-school teachers), the self-employed, the unemployed, or other covered groups.

Special system for military personnel.

### Source of Funds

#### Insured person (labor insurance plan)

*Cash benefits for sickness and maternity:* See Old Age, Disability, and Survivors, above.

*Medical benefits:* 1.275% of wages, plus an additional 1.275% of wages for each dependent up to 6.375% of wages for five or more dependents.

Contribution rates vary for other plans.

#### Employer (labor insurance plan)

*Cash benefits for sickness and maternity:* See Old Age, Disability, and Survivors, above.

*Medical benefits:* 2.55% of payroll, plus an additional 2.244% of payroll for dependents, regardless of number.

Contribution rates vary for other plans.

#### Government (labor insurance plan)

*Cash benefits for sickness and maternity:* See Old Age, Disability, and Survivors, above.

*Medical benefits:* 0.425% of wages, plus any deficit.

Contribution rates vary for other plans.

### Qualifying Conditions

**Cash sickness benefit:** Incapacity due to a nonoccupational accident or illness. There is no specified minimum qualifying period.

**Cash maternity benefit:** 280 days of contributions before childbirth and 181 days of contributions for a premature childbirth.

**Medical benefits:** Nonoccupational accidents or sicknesses (excluding various infectious diseases and maternity care).

### Sickness and Maternity Benefits

**Sickness benefit (for nonoccupational accident or illness only):** 50% of earnings. Benefit is payable after a 3-day waiting period for up to 12 months; 6 months if less than 1 year of contributions.

**Maternity grant:** A lump sum equal to 1 month's earnings for normal and premature childbirths, payable to insured women.

### 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 preventive

and prenatal care, inpatient and outpatient hospital treatment, surgery, and medicines.

There is no limit to duration.

**Cost-sharing:** 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 and thereafter. There is no cost-sharing in the case of specified catastrophic illnesses.

### Dependents' Medical Benefits

Same as for the insured person.

### Administrative Organization

**Cash sickness and maternity benefits:** Labor Insurance Department of the Council of Labor Affairs provides general supervision. Labor Insurance Bureau administers the program.

**Medical benefits:** National Health Insurance Bureau administers the program. Medical care is provided by contracted private and public clinics and hospitals.

### Work Injury

#### Regulatory Framework

**First laws:** 1929 and 1950.

**Current law:** 1958, with 1988, 1994, 2000, and 2001 amendments.

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

#### Coverage

Employees of firms in industry and commerce, mines, and plantations with five or more workers; wage-earning public employees; public-utility employees; fishermen; and some self-employed persons in service occupations.

Special systems for salaried public employees and the staff of private schools.

### Source of Funds

**Insured person:** None.

#### Employer

*Cash benefits:* 0.07% to 3.0% of payroll, according to the assessed risk of the industry. The average rate is 0.33%.

*Medical care:* See medical benefits under Sickness and Maternity, above.



### **Government**

*Cash benefits:* None.

*Medical care:* See medical benefits under Sickness and Maternity, above.

### **Qualifying Conditions**

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

### **Temporary Disability Benefits**

70% of earnings for the first 12 months; 50% of earnings thereafter. Benefit is payable after a 3-day waiting period for up to 24 months.

### **Permanent Disability Benefits**

If totally disabled, a lump sum equal to 60 months' earnings. Partial disability: A lump sum equal to 1.5 to 50 months' earnings, according to the assessed degree of disability.

### **Workers' Medical Benefits**

See workers' medical benefits under Sickness and Maternity, above.

### **Survivor Benefits**

**Survivor benefit:** A lump sum equal to 40 months of the insured's earnings.

Eligible survivors (in order of priority): Spouse and children, parents, dependent grandparents, grandchildren, and brothers and sisters.

**Funeral grant:** A lump sum equal to 5 months of the insured's earnings.

### **Administrative Organization**

Labor Insurance Department of the Council of Labor Affairs provides general supervision.

Labor Insurance Bureau administers contributions, cash benefits, and medical benefits for employment injury.

National Health Insurance Bureau administers medical benefits.

## **Unemployment**

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### **Regulatory Framework**

**First and current law:** 1968, implemented in 1999, with 2000 and 2001 amendments.

**Type of program:** Social insurance system providing limited cash benefits.

### **Coverage**

Employees between ages 15 and 60 of firms in industry and commerce, mines, and plantations with five or more workers; wage-earning public employees; public-utility employees; and fishermen.

Exclusion: Self-employed persons.

### **Source of Funds**

**Insured person:** 0.2% of earnings.

**Employer:** 0.7% of payroll.

**Government:** 0.1% of employee wages; the cost of administration.

Funds are allocated also from contributions paid under Old Age, Disability, and Survivors insurance, above.

### **Qualifying Conditions**

**Unemployment benefit:** At least 1 year of coverage; unemployment is not due to voluntary leaving; currently registered at a public employment office as being capable of, and willing to, work; no suitable job offer or not recommended for occupational training.

### **Unemployment Benefits**

60% of covered earnings. Benefit is payable after a 7-day waiting period for up to 6 months.

### **Administrative Organization**

Labor Insurance Department of the Council of Labor Affairs provides general supervision.

Under the direction of the tripartite Labor Insurance Commission and its director general, the Labor Insurance Bureau administers the program.

## Thailand

Exchange rate: U.S.\$1.00 equals 43.32 baht.

### Old Age, Disability, and Survivors

#### Regulatory Framework

**First and current laws:** 1990, revised in 1994 and 1999; disability and death benefits, implemented in 1991; old-age benefits, implemented in 1998.

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

#### Coverage

Employees of firms with one or more workers.

Voluntary coverage for the self-employed.

Special programs for civil servants and private-school teachers.

Exclusions: Employees of foreign governments or international organizations and Thais working abroad.

#### Source of Funds

**Insured person:** 1% of wages.

**Employer:** 1% of payroll.

**Government:** 1% of wages.

All of the above contributions finance old-age benefits and child allowance only.

For the contributions for disability and survivor benefits, see Sickness and Maternity, below.

Note: The contribution rates for the insured person and the employer have been temporarily reduced to 1% in response to economic recession. The contribution rates were 3%.

#### Qualifying Conditions

**Old-age pension:** Age 55 with 180 months of contributions.

**Disability benefit:** Three months of contributions in the 15 months before the onset of disability. The benefit is payable after any entitlement to sickness benefit ceases.

**Survivor benefit:** The benefit is payable if an old-age pensioner dies within 60 months of entitlement to the old-age pension.

**Funeral grant:** One month of contributions in the 6 months prior to death. The death must have resulted from a nonoccupational injury or illness (for a death that resulted from an occupational injury or illness, see Work Injury, below).

#### Old-Age Benefits

**Old-age pension:** 15% of the average wage of the last 60 months. If the insured person has paid contributions for over

180 months, the rate of the average wage will increase by 1% for each 12-month period of contributions over 180 months.

**Old-age lump sum:** A refund of the employee's contribution is paid in a lump sum if the insured person has less than 12 months of contributions. If the insured person has more than 12 months but less than 180 months of contributions, a lump-sum refund consisting of the employer's and the employee's contributions plus interest is paid.

#### Permanent Disability Benefits

50% of the wage prior to the onset of disability is payable until death. The maximum daily benefit is 250 baht.

#### Survivor Benefits

A lump sum equal to 10 times the deceased's monthly old-age pension.

**Funeral grant:** 30,000 baht.

#### Administrative Organization

Ministry of Labor and Social Welfare provides general supervision.

Social Security Office administers the program.

### Sickness and Maternity

#### Regulatory Framework

**First and current law:** 1990, revised in 1994 and 1999.

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

#### Coverage

Employees of firms with one or more workers.

Voluntary coverage for the self-employed.

Special programs for civil servants and private-school teachers.

Exclusions: Employees of foreign governments or international organizations and Thais working abroad.

#### Source of Funds

**Insured person:** 1% of wages.

**Employer:** 1% of payroll.

**Government:** 1% of wages.

Minimum earnings for contribution purposes are 1,650 baht a month; maximum earnings, 15,000 baht a month.

All of the above contributions also finance disability and survivor benefits.

### **Qualifying Conditions**

**Cash sickness and medical benefits:** Three months of contributions in the 15 months before the date of treatment.

**Cash maternity and medical benefits:** Seven months of contributions in the 15 months before the date of treatment. Benefits are limited to two childbirths.

### **Sickness and Maternity Benefits**

**Sickness benefit:** 50% of wages, up to a maximum of 250 baht a day. The benefit is payable for up to 90 days for each illness but for not more than 180 days in any calendar year; benefit for each incidence of chronic disease is payable for not more than a total of 365 days.

**Maternity benefit:** 50% of wages is payable for up to 90 days for each childbirth.

**Childbirth grant:** A lump sum of 4,000 baht to cover the cost of medical treatment during childbirth.

### **Workers' Medical Benefits**

Medical examination and treatment, hospitalization, medicines, ambulance fees, rehabilitation, and other necessary expenses under the capitation system.

### **Dependents' Medical Benefits**

A lump sum of 4,000 baht to cover the cost of medical treatment during childbirth.

### **Administrative Organization**

Ministry of Labor and Social Welfare provides general supervision.

Social Security Office administers the program.

### **Work Injury**

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#### **Regulatory Framework**

**First law:** 1972.

**Current law:** 1994.

**Type of program:** Compulsory insurance with a public carrier.

#### **Coverage**

Employees of industrial and commercial firms with one or more workers.

Exclusions: Employees working in agriculture, forestry, and fishing; employees of state enterprises; employees of private schools; and government employees.

### **Source of Funds**

**Insured person:** None.

**Employer:** 0.2% to 1.0% of payroll, according to the risk classification of the employer.

**Government:** None.

### **Qualifying Conditions**

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

### **Temporary Disability Benefits**

60% of wages. The benefit is payable after a 3-day waiting period; it is paid retroactively if the incapacity lasts more than 3 days. The minimum monthly benefit is 2,000 baht; the maximum is 9,000 baht.

### **Permanent Disability Benefits**

For total disability, 60% of the average monthly wage is payable for a maximum of 15 years.

Permanent partial disability benefit: 60% of the average monthly wage. The benefit is payable for up to 10 years according to the assessed degree of incapacity or as a lump sum.

### **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; up to 50,000 baht in certain specified cases, depending on the determination of a medical committee.

### **Survivor Benefits**

**Survivor pension:** 60% of the average monthly wage. The benefit is payable for up to 8 years or as a lump sum.

Eligible survivors: The spouse, parents, and children under age 18 (no age limit if a student or if disabled). Each survivor receives an equal amount.

**Funeral grant:** 100 times the minimum daily wage (165 baht).

### **Administrative Organization**

Ministry of Labor and Social Welfare provides general supervision.

Social Security Office administers the program through the Office of Workmen's Compensation Fund.

### **Unemployment**

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#### **Regulatory Framework**

**First law:** 1990 (social security act), not yet implemented.

## ***Family Allowances***

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### ***Regulatory Framework***

**First and current law:** 1990, revised in 1994 and 1999; implemented in 1998.

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

### ***Coverage***

Employees of firms with one or more workers.

Voluntary coverage for the self-employed.

Special programs for civil servants and private-school teachers.

Exclusions: Employees of foreign governments or international organizations and Thais working abroad.

### ***Source of Funds***

**Insured person:** See Old Age, Disability, and Survivors, above.

**Employer:** See Old Age, Disability, and Survivors, above.

**Government:** See Old Age, Disability, and Survivors, above.

### ***Qualifying Conditions***

**Child allowance:** Twelve months of contributions in the 36 months before the month of entitlement. The child must be under age 6.

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

**Child allowance:** A monthly allowance of 200 baht per child under age 6. The allowance is payable for not more than two children at a time. If the insured person becomes disabled or dies while the child is under age 6, the allowance is paid until the child is age 6.

### ***Administrative Organization***

Ministry of Labor and Social Welfare provides general supervision.

Social Security Office administers the program.

## Turkey

Exchange rate: U.S.\$1.00 equals 1,436,300 liras.

### Old Age, Disability, and Survivors

#### Regulatory Framework

**First laws:** 1949 (old age) and 1957 (disability and survivors).

**Current laws:** 1964 and 1983 (agricultural workers).

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

Note: This information is more than 4 years old.

#### Coverage

Employees in industry, commerce, and the service sector. Coverage is optional for citizens of other countries who work for a foreign employer.

Special systems cover public-sector employees; the self-employed; farmers; agricultural workers; and bank, insurance company, and stock exchange employees.

#### Source of Funds

**Insured person:** 9% of earnings.

**Employer:** 11% of payroll (13% for arduous employment).

**Government:** None.

Minimum earnings for contribution and benefit purposes are 93,366,000 liras a month.

Maximum earnings for contribution and benefit purposes are 150,223,500 liras a month.

#### Qualifying Conditions

**Old-age pension:** Age 55 (men) or age 50 (women) with 5,000 days of contributions or 15 years of insurance and 3,600 days of contributions. There is no age limit with 25 years of insurance and 5,000 days of contributions.

**Disability pension:** Loss of 2/3 of working capacity. The insured is entitled to the old-age pension or has 5 years of coverage with an average of 180 contribution days a year, or 1,800 days of contribution.

**Survivor pension:** The insured met the contribution requirements for a disability pension or was a pensioner.

#### Old-Age Benefits

**Old-age pension:** 50% of average indexed earnings during the last 5 years or 59.9% of average indexed earnings during the last 10 years.

**Reduced pension:** The full pension is reduced by 1% for each period of 240 contribution days less than 5,000.

**Deferred pension:** An increment of 1% of the pension for each year of deferral beyond the normal retirement age or for each 240-day period of contributions in excess of 5,000, up to a maximum 85% of average earnings.

The minimum pension is 70,046,200 liras a month.

The maximum pension is 132,379,975 liras a month.

**Refund of contributions:** If the insured is ineligible for a pension, all employee and employer contributions are refunded.

**Means-tested pension:** If age 65 or older and disabled and ineligible for the old-age pension.

**Social support supplement:** All retirees receive a monthly flat-rate supplement of 4,690,000 liras.

**Benefit adjustment:** Pensions are adjusted periodically according to changes in prices and wages.

#### Permanent Disability Benefits

**Disability pension:** The pension is calculated as 70% of average indexed earnings during the 5 years before the onset of disability.

**Social support supplement:** All pensioners receive a monthly flat-rate supplement of 4,690,000 liras.

**Constant-attendance supplement:** The pension is increased to 80% of average indexed earnings.

The minimum monthly pension is 70,046,200 liras; if the insured needs constant care, 124,868,800 liras.

The maximum monthly pension is 109,846,450 liras.

**Benefit adjustment:** Pensions are adjusted periodically according to changes in prices and wages.

#### Survivor Benefits

**Survivor pension:** A widow with no dependent children receives 75% of the pension paid or accrued to the insured; 50% of the pension if there are dependent children. A pension is also payable to a dependent disabled widower.

**Orphan's pension:** 25% of the insured's pension (50% if a full orphan) for each orphan under age 18 (age 25 if a student in higher education, age 20 if a student in secondary education, no age limit if an unmarried daughter or disabled).

The minimum pension is 56,974,960 liras a month for one survivor or 63,510,580 liras for two survivors.

The maximum survivor pension is 100% of the insured's pension.

**Parents pension:** If the value of the other survivor pensions is below the maximum, eligible parents can receive the difference.

**Refund of contributions:** If the insured was ineligible for a pension, the total employee and employer contributions are refunded on the following basis: 75% to a widow with no dependent children or 50% to a widow with dependent children; 25% to each child.

**Funeral grant:** A lump sum of 49,875,000 liras.



## Administrative Organization

Ministry of Labor and Social Security provides general supervision.

Social Insurance Institution, managed by a tripartite governing body and a director general, administers the program.

## Sickness and Maternity

### Regulatory Framework

**First laws:** 1945 (maternity) and 1950 (sickness).

**Current law:** 1964.

**Type of program:** Social insurance system. Cash and medical benefits.

### Coverage

Employees in industry, commerce, and the service sector. Pensioners and dependents are also covered for medical benefits.

Special systems for public-sector employees and agricultural workers.

### Source of Funds

**Insured person:** 5% of earnings; 2% for apprentices.

**Employer:** 6% of payroll (2% for apprentices) and 1% of payroll for maternity.

**Government:** None.

Minimum earnings for contribution and benefit purposes are 93,366,000 liras a month.

Maximum earnings for contribution and benefit purposes are 150,223,500 liras a month.

### Qualifying Conditions

**Cash sickness benefits:** 120 days of contributions during the last 12 months.

**Cash maternity and medical benefits:** For medical benefits, the insured must be currently covered or a pensioner. For maternity care, 90 days of contributions (wife) or 120 days (husband) during the last 12 months; for other dependents, 120 days of contributions during the last 12 months.

### Sickness and Maternity Benefits

**Sickness benefit:** The benefit for an inpatient is 50% of earnings. The benefit for outpatient treatment is 2/3 of earnings. The benefit is payable after a 2-day waiting period, usually for up to 6 months; sometimes up to 18 months.

There is no waiting period for pensioners.

**Maternity benefit:** Two-thirds of earnings, payable for up to 6 weeks before and 6 weeks after the expected date of childbirth.

Nursing grant: A lump sum of 500,000 liras.

## Workers' Medical Benefits

Medical services ordinarily provided directly to patients through facilities of the Social Insurance Institution. Benefits include general and specialist care, hospitalization, laboratory services, medicines, maternity care, appliances, and transportation.

**Cost-sharing:** The insured person shares 20% (10% for pensioners) of the cost of outpatient medicines, except for chronic illnesses.

### Dependents' Medical Benefits

Same as for the insured person.

### Administrative Organization

Ministry of Labor and Social Security provides general supervision.

Social Insurance Institution administers the program through its branch offices.

Social Insurance Institution operates its own dispensaries, hospitals, sanatoria, and pharmacies and contracts with private-sector service suppliers in localities where it has no facilities.

## Work Injury

### Regulatory Framework

**First law:** 1945.

**Current law:** 1964.

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

**Note:** There is no separate work injury program. Work accidents and occupational illnesses are separately provided for, but benefits are paid under the general system.

### Coverage

Employees in industry, commerce, and the service sector.

Applicants for apprenticeships, apprentices, and students in technical schools (paid by the government).

**Exclusions:** Domestic employees.

Special systems for public-sector employees and agricultural workers.

### Source of Funds

**Insured person:** None.

**Employer:** Between 1.5% and 7% of payroll, according to the assessed degree of risk. The average contribution rate is 2.5% of payroll.

**Government:** None.

Minimum earnings for contribution and benefit purposes are 93,366,000 liras a month.

## Turkey

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Maximum earnings for contribution and benefit purposes are 150,223,500 liras a month.

### **Qualifying Conditions**

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

### **Temporary Disability Benefits**

50% of earnings; 1/3 of earnings if hospitalized. The benefit is payable from the first day of incapacity.

There is no limit on duration.

### **Permanent Disability Benefits**

**Permanent disability pension:** 70% of average earnings, multiplied by the assessed percentage degree of disability.

Total disability is assessed as the loss of 60% of working capacity.

Constant-attendance supplement: Equal to 50% of the pension.

Partial disability: If more than 10% disabled, a percentage of the full pension proportionate to the assessed degree of disability. The pension may be converted to a lump sum if the assessed degree of disability is less than 25%.

### **Workers' Medical Benefits**

Medical treatment, surgery, hospitalization, medicines, appliances, and transportation.

There is no limit on duration.

### **Survivor Benefits**

**Survivor pension:** See Old Age, Disability, and Survivors, above.

### **Administrative Organization**

Ministry of Labor and Social Security provides general supervision.

Social Insurance Institution administers the program through its branch offices and health facilities.

### **Unemployment**

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### **Regulatory Framework**

Note: The labor code requires employers to pay a dismissal payment equal to 30 days' wages for each year of service.

### **Coverage**

Employees in industry, commerce, and the service sector.

### **Administrative Organization**

Ministry of Labor and Social Security and the Manpower Employment Organization are responsible for enforcing the labor code.

## Turkmenistan

Exchange rate: U.S.\$1.00 equals  
5,250 manat (TM).

### Old Age, Disability, and Survivors

#### Regulatory Framework

**First law:** 1956.

**Current laws:** 1998 (pensions) and 1998 (allowances).

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

Local governments and employers may provide supplementary benefits out of their own budgets.

#### Coverage

**Social insurance:** All employed persons.

**Social assistance:** Persons not eligible for benefits under the 1998 pension law.

#### Source of Funds

**Insured person:** A voluntary old-age pension contribution of at least 4% of earnings to a personal bank account. No contributions are made for disability and survivor pensions.

**Employer:** 20% of payroll for social insurance benefits.

**Government:** Subsidies as needed. Total cost of social allowances.

All of the above employer and government contributions also finance 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 with disabled children.

For military personnel, age 58 (men) or age 55 (women); for pilots and flight crew, age 50 (men) or age 48 (women); for contracted military personnel, age 52 (men) or age 47 (women).

**Disability allowance:** The allowance is awarded according to three groups of assessed disability: totally disabled, incapable of any work, and requiring constant attendance at all times (Group I); disabled persons with reduced working capacity and requiring constant attendance sometimes (Group II); disabled persons with reduced working capacity (Group III).

Eligible persons include persons disabled while conducting military service, disabled children under age 16, or persons disabled since childhood.

**Survivor allowance:** The allowance is payable to surviving dependent family members regardless of whether the deceased was insured.

**Social allowance:** For the elderly at age 67 (men) or age 62 (women) and for persons not eligible for the old-age pension or the disability allowance.

#### Old-Age Benefits

**Old-age pension:** The monthly pension is calculated as follows: 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.

**Personal pension coefficient:** The ratio of assessed earnings to gross national average earnings. Assessed earnings are equal to the insured's gross average earnings based on the highest 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 allowance:** 100% of the minimum benefit a month.

#### Permanent Disability Benefits

**Disability allowance:** For a Group I total disability, 60% of the personal coefficient (Group II, 50%; Group III, 40%) multiplied by gross national average earnings. The pension is payable monthly.

**Personal coefficient:** The ratio of assessed earnings to gross national average earnings. Assessed earnings are equal to the insured's gross average earnings based on the highest 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 allowance is 40% of the national minimum wage.

The maximum allowance is 75% of the national minimum wage.

Eligibility for one benefit 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.

**Benefit adjustment:** Periodic benefit adjustments according to changes in the national average wage.

**Social allowance:** The allowance is payable to disabled children and disabled persons not satisfying the conditions for covered employment: 150% of the minimum benefit a month if the onset of disability was after childhood (Groups I and II) or for disabled children under 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 allowance:** 100% of the minimum benefit for one dependent; if more than one dependent survivor, 30% of the personal coefficient (40% for military personnel) multiplied by gross national average earnings each.

**Personal coefficient:** The ratio of assessed earnings to gross national average earnings. Assessed earnings are equal to the insured's gross average earnings based on the highest 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 allowance is 100% of the 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

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#### Regulatory Framework

**First law:** 1955.

**Current law:** 1998 (allowances).

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

#### Coverage

**Cash benefits:** Employed citizens and nonworking citizens.

**Medical care:** All residents.

#### Source of Funds

**Insured person:** Voluntary contributions for medical insurance only.

**Employer:** See Old Age, Disability, and Survivors, above.

### Government

**Cash benefits:** Total cost for nonworking citizens.

**Medical care:** 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 over 8 years (or if with three or more children under age 16; age 18 if a student), 100%.

Insured persons have 5 days paid leave to care for a sick family member; 7 days in exceptional cases or 14 days if caring for child under age 14 (or for the duration if the sick child is in hospital).

Fourteen days of unpaid leave is provided to women caring for children under age 3, to a woman or a single parent raising two or more children under age 14, and for a man whose wife is on maternity leave. Disabled workers are entitled to 30 days unpaid leave.

**Maternity benefit:** 100% of earnings are payable for 56 calendar days before and 56 days after the expected date of childbirth (extended by 16 days for a difficult childbirth, or by 40 days for multiple births).

**Child care allowance:** 100% of the minimum benefit (rural areas) or 125% of the minimum benefit (urban areas).

### 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 head of the household.

### 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 care:** Ministry of Health 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 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

### Regulatory Framework

**First law:** 1955.

**Current law:** 1998 (allowances).

**Type of program:** Dual 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:** See Old Age, Disability, and Survivors, above.

**Employer:** See Old Age, Disability, and Survivors, above.

**Government:** See Old Age, Disability, and Survivors, above; and the cost of medical care.

### Qualifying Conditions

**Work injury benefits:** There is no minimum qualifying period. Work injuries must be assessed and confirmed as such by the competent authority.

### 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, employers pay compensation to the insured person.

### Permanent Disability Benefits

**Permanent disability pension:** See permanent disability benefits under Old Age, Disability, and Survivors, above.

### 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 allowance:** See survivor benefits under Old Age, Disability, and Survivors, above.

## Administrative Organization

**Temporary disability benefits:** Enterprises and employers pay benefits to their own employees using funds from the Social Insurance Fund.

**Medical care:** Ministry of Health 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.

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

### Coverage

Permanent residents of working-age.

### Source of Funds

**Insured person:** None.

**Employer:** 2% of payroll.

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

### Qualifying Conditions

**Unemployment benefit:** Registered at an employment office, able and willing to work, and receiving no income from employment. Benefits may be reduced, suspended, or terminated if the insured is discharged for violating work discipline, leaving employment without good cause, violating the conditions for the job placement or vocational training, or for filing fraudulent claims.

### Unemployment Benefits

Equal to 3 months' benefit (three times the employee's gross average earnings).

### Administrative Organization

State Employment Service and local employment offices regulate and administer the program.

Employers pay cash benefits.

### Family Allowances

See child care allowance under Sickness and Maternity, above.



## Uzbekistan

Exchange rate: U.S.\$1.00 equals 1,380 soms.

### Old Age, Disability, and Survivors

#### Regulatory Framework

**First law:** 1956.

**Current law:** 1994.

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

Local authorities and employers may provide supplementary benefits out of their own budgets.

Note: Program provisions and rates are as of January 1995 unless noted otherwise.

#### Coverage

**Social insurance:** All employed persons residing in Uzbekistan.

**Social assistance:** Needy and certain other categories of resident.

#### Source of Funds

**Insured person:** 1% of earnings (including bonuses).

**Employer:** 32.5% of payroll (including wages and bonuses for part-time and temporary employees).

**Government:** Subsidies as needed. Total cost of social pensions.

The above contributions also finance benefits for cash sickness, maternity, work injury, 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). The qualifying conditions are reduced for hazardous or arduous work, work in ecologically damaged areas, unemployed older workers, teachers with at least 25 years of service, and other categories of worker. Retirement from employment is necessary.

**Disability pension:** The disability pension is awarded 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.

**Survivor pension:** The insured completed between 1 and 15 years of work, depending on age at the time of death. The pension is payable to surviving children whether or not they were dependents of the insured and to nonworking dependents (including the spouse; either parent, if disabled and not yet of pensionable age; and grandparents, if no other support is available).

#### Old-Age Benefits

**Old-age pension:** The pension is paid according to two income-based tiers of eligibility.

**First tier (high-waged):** Insured persons receive 55% of average earnings a month.

**Average earnings:** The average wage over any 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 200 soms (September 1994).

**Second tier:** Insured persons receive 1% of average earnings a month for every year of service; special pensions are awarded to war veterans and to persons in other categories.

**Benefit adjustment:** Periodic benefit adjustments according to cost-of-living changes.

#### Permanent Disability Benefits

**Disability pension:** For a Group I disability, 55% of average earnings; 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 under 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 adjustment according to cost-of-living changes.

## Survivor Benefits

**Survivor pension:** The monthly pension is 30% of earnings for each dependent survivor.

The minimum pension is 100% of minimum wage; 200% for a full orphan or the death of a single mother.

**Social pension:** A social pension is paid to each orphan under age 16 (or older if disabled since childhood). The monthly pension is 50% of the minimum pension.

**Benefit adjustment:** Periodic benefit adjustment according to cost-of-living changes.

## Administrative Organization

Ministry of Social Protection provides general supervision and coordination.

Regional departments of social protection administer the program.

## Sickness and Maternity

### Regulatory Framework

**First and current law:** 1955, with 1984, 1990, and 1992 amendments.

**Type of program:** Dual social insurance (sickness and maternity benefits) and universal (medical care) 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:** See Old Age, Disability, and Survivors, above.

**Employer:** See Old Age, Disability, and Survivors, above.

### Government

**Cash benefits:** See Old Age, Disability, and Survivors, above.

**Medical care:** Total cost.

### Qualifying Conditions

**Cash and medical benefits:** Sickness benefits according to length of service. There is no minimum qualifying period for medical care and maternity benefits.

### 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 (the latter may be extended to 70 calendar days in cases of a difficult birth or multiple births). Working mothers are entitled to 3 years of unpaid leave. Mothers caring for children under age 2 are entitled to paid leave at the rate of 20% of the minimum wage a month.

## 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 head of the household.

## Administrative Organization

**Cash sickness and maternity benefits:** Ministry of Social Protection provides general supervision. Cash benefits are provided directly by the enterprises and by local departments of social protection.

**Medical care:** 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

### Regulatory Framework

**First and current laws:** 1955 (short-term benefits) and 1991 (pensions).

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

Local authorities and employers can provide supplementary pension benefits out of their own budgets.

### Coverage

**Cash benefits:** Employed persons.

**Medical care:** All residents.

### Source of Funds

**Insured person:** See Old Age, Disability, and Survivors, above.

**Employer:** See Old Age, Disability, and Survivors, above.

**Government:** See Old Age, Disability, and Survivors, above; and the cost of medical care.

## **Qualifying Conditions**

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

## **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.

## **Permanent Disability Benefits**

**Permanent disability pension:** See permanent disability benefits under Old Age, Disability, and Survivors, above.

## **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:** See survivor benefits under Old Age, Disability, and Survivors, above.

## **Administrative Organization**

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

**Pensions:** Ministry of Social Protection provides general supervision and coordination. Regional departments of social protection administer the program.

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

## **Unemployment**

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### **Regulatory Framework**

**First and current law:** 1991.

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

### **Coverage**

Working-age citizens.

### **Source of Funds**

**Employee:** None.

**Employer:** 3% of payroll.

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

## **Qualifying Conditions**

**Unemployment benefit:** 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**

Benefit is payable monthly at 50% of previous average earnings for 26 weeks to insured persons with at least 12 weeks of work in the last 12 months.

The minimum benefit is 100% of the minimum wage (200 soms, September 1994).

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 who have less than 12 weeks of employment in the last 12 months but who have at least 1 year of total employment 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 seekers: 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 under age 16.

**Early retirement pension:** For 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**

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Information is not available.

## Vanuatu

Exchange rate: U.S.\$1.00 equals 135 vatu.

### Old Age, Disability, and Survivors

#### Regulatory Framework

**First and current law:** 1986, implemented in 1987, with 1989, 1998, 2000, and 2001 amendments.

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

#### Coverage

Employees over age 14 in regular employment.

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.

#### Source of Funds

**Insured person:** 6% of earnings.

**Employer:** 6% of payroll.

**Government:** None.

Minimum monthly earnings for contribution purposes are 3,000 vatu.

#### Qualifying Conditions

**Old-age benefit:** Age 55 or at any age if emigrating permanently.

**Disability benefit:** Permanently incapable of any employment due to a physical or mental disability.

**Survivor benefit:** Death of the fund member prior to retirement.

#### Old-Age Benefits

A lump sum equal to total employee and employer contributions, plus compound interest.

Drawdown payments: Members may take small loans from the Provident Fund for certain contingencies, including the payment of education fees. All loans are to be reimbursed to the Provident Fund.

Compound interest rate: 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.

Compound interest rate: 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.

Compound interest rate: 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 grant.

#### 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.

## Vietnam

Exchange rate: U.S.\$1.00 equals 15,247 dong.

### Old Age, Disability, and Survivors

#### Regulatory Framework

**First law:** 1961.

**Current law:** 1995.

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

Note: The program has not yet been fully implemented.

#### Coverage

Compulsory coverage for state employees, employees of nonstate enterprises with more than 10 workers, employees of foreign-invested enterprises, employees working in special processing and industrial zones, and employees of foreign organizations or international organizations in Vietnam.

Special programs for government civil servants and employees in the armed forces, from central to district level only.

#### Source of Funds

**Insured person:** 5% of wages.

**Employer:** 10% of payroll.

**Government:** Government partly subsidizes the total cost of benefit expenditures for employees in covered employment until the full implementation of the program by all employers.

#### Qualifying Conditions

**Old-age pension:** Age 60 (men) or 55 (women) with 20 years of covered employment; age 55 (men) or 50 (women) with 20 years of covered employment in which the employee had 15 years of employment in hazardous or arduous working conditions; or 15 years' regional allowance with a coefficient of over 0.7; or with 10 years of work in South Vietnam, Laos, or Kampuchea before April 30, 1975; or whose employment started after the war against the French colonial government.

Covered employment in the state sector includes employment up to the enactment of the current regulations.

**Old-age grant:** Age 60 (men) or 55 (women) with less than 20 years of contributions.

**Disability grant:** Permanent total or partial disability at any age with an assessed degree of incapacity of 61% or more and in covered employment.

**Survivor benefit:** The deceased had more than 15 years of covered employment or was a pensioner. The benefit is payable to a maximum of four dependent survivors (including the spouse, children under age 16, and aged parents).

**Survivor grant:** The deceased had less than 15 years of covered employment or no eligible dependent survivors.

#### Old-Age Benefits

**Old-age pension:** The pension depends on the length of the contribution period.

The minimum benefit is equal to the government-set minimum wage.

The maximum benefit is 75% of the average wage in the last 10 years before retirement.

**Old-age grant:** A lump-sum payment (not yet defined by legislation).

#### Permanent Disability Benefits

**Disability grant:** A lump-sum payment (not yet defined by legislation).

#### Survivor Benefits

**Survivor benefit:** Benefit is calculated according to a formula (not yet defined by legislation).

**Survivor grant:** A lump sum that is not to exceed 12 months of the recipient's wages.

**Funeral grant:** A lump sum equal to 8 months' minimum wage in the state sector.

#### Administrative Organization

Vietnam Social Security Organization administers the program.

### Sickness and Maternity

#### Regulatory Framework

**First law:** 1961.

**Current law:** 1995.

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

#### Coverage

Compulsory coverage for state employees, employees of nonstate enterprises with more than 10 workers, employees of foreign-invested enterprises, employees working in processing and industrial zones, and employees of foreign organizations or international organizations in Vietnam.

Special programs for government civil servants and employees in the armed forces, from central to district level only.

No voluntary coverage.



## Source of Funds

### Insured person

*Cash sickness and maternity benefits:* None.

*Medical benefits:* 1% of average wages.

### Employer

*Cash sickness and maternity benefits:* 5% of payroll. This contribution also finances work injury benefits.

*Medical benefits:* 2% of payroll.

### Government

*Cash sickness and maternity benefits:* Partly subsidizes the total cost of benefit expenditures for employees in covered employment until the full implementation of the program by all employers.

*Medical benefits:* Administrative costs for staff salaries and accommodation.

## Qualifying Conditions

**Cash sickness benefits:** Incapacity not due to work-related causes. No minimum qualifying period is specified.

**Cash maternity benefits:** No minimum qualifying period is specified.

**Medical benefits:** Nonoccupational accident or illness. A minimum of 45 days of contributions.

## Sickness and Maternity Benefits

### Sickness benefit (nonoccupational accident or illness):

75% of wages. Benefit is payable for up to 30 days in a calendar year if the insured has less than 15 years in covered employment; 45 days if more than 15 years (40 days and 60 days, respectively, if in hazardous or arduous work). Benefit is payable for up to 180 days in a calendar year for prolonged hospitalization due to a specified illness.

Sickness benefit is payable to female employees caring for a sick child. The benefit is awarded for care given to the employee's first and second child only. The benefit is 75% of wages and is paid for up to 20 days for a child under age 3; 15 days for a child between ages 3 and 7. Benefit is also payable to the father under special circumstances.

**Maternity benefit:** 100% of wages for prenatal care and childbirth. The benefit is paid for three periods of 1-day leave (or 2-day leave in special cases) for prenatal care, including for a pregnancy test. Benefit is also paid for maternity leave totaling 120 days before and after childbirth (150 days if working in hazardous or arduous employment); 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 or a 30-day leave period if the miscarriage occurs beyond 3 months.

Maternity leave is also payable to female employees who have adopted a newborn child. The leave period ceases when the child reaches 120 days of age. Unpaid maternity leave may be

granted, at the employer's discretion, to female employees for up to 180 days.

**Birth grant:** Equal to the female employee's monthly wage.

## Workers' Medical Benefits

Outpatient and inpatient services. Services include medical consultation, diagnosis and treatment, X-rays and laboratory tests, functional tests, medicines and appliances listed by the Ministry of Health, transfusions, surgery, and hospital accommodation.

Treatment for various infectious diseases and for maternity care is excluded.

Cost-sharing: 20% copayment for the cost of medical treatment, up to an annual ceiling; old-age pensioners, people living in certain communes in mountainous and remote areas, and persons with low income are exempt from making copayments.

## Dependents' Medical Benefits

Individual coverage is available.

## Administrative Organization

Vietnam Social Security Organization is responsible for administering cash sickness and maternity benefits.

Vietnam Health Insurance Agency is responsible for administering medical benefits.

## Work Injury

### Regulatory Framework

**First laws:** 1929 and 1950.

**Current law:** 1995.

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

## Coverage

Compulsory coverage for state employees, employees of nonstate enterprises with more than 10 workers, employees of foreign-invested enterprises, employees working in processing and industrial zones, employees of foreign organizations or international organizations in Vietnam.

Special programs for government civil servants and employees in the armed forces, from central to district level only.

No voluntary coverage.

## Source of Funds

**Insured person:** None.

**Employer:** See Sickness and Maternity, above.

**Government:** Partly subsidizes the total cost of benefit expenditures for employees in covered employment until the full implementation of the program by all employers.

### ***Qualifying Conditions***

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

### ***Temporary Disability Benefits***

100% of earnings during treatment and until the determination of disability. Benefit is payable from the first day.

### ***Permanent Disability Benefits***

The monthly benefit depends on the assessed degree of disability. For an assessed incapacity of between 91% and 100% (Class I), 80% of wages; between 81% and 90% (Class II), 70% of wages; between 71% and 80% (Class III), 60% of wages; between 61% and 70% (Class IV), 50% of wages.

Disability grant: A lump sum of between 2 and 12 months' wages for an assessed incapacity of up to 60%.

Constant-attendance supplement: The supplement is available to Class I and II disabled persons who are unable to live independently.

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

Inpatient and outpatient treatment including surgery, medicines, and rehabilitation.

### ***Survivor Benefits***

The benefit is calculated in the same way as the survivor benefit under Old Age, Disability, and Survivors (above), plus a lump-sum grant equal to 12 months' average wage for state employees.

### ***Administrative Organization***

Vietnam Social Security Organization administers the program.

## Western Samoa

Exchange rate: U.S.\$1.00 equals 3.26 tala.

### Old Age, Disability, and Survivors

#### Regulatory Framework

**First and current law:** 1972, with 1990 amendment.

**Type of program:** Dual provident fund and universal social assistance old-age pension system.

#### Coverage

**Provident fund:** Employed persons.

**Senior citizen benefit scheme:** Resident Western Samoan citizens aged 65 and older.

#### Source of Funds

##### Provident fund

**Insured person:** 5% of earnings.

**Employer:** 5% of payroll.

**Government:** None.

##### Senior citizen benefit scheme

**Insured person:** None.

**Employer:** None.

**Government:** Total cost.

#### Qualifying Conditions

##### Provident fund

**Old-age pension:** Aged 55 and retired from covered employment.

**Disability pension:** Incapacity of fund member for work in covered employment.

**Survivor pension:** The death of the fund member.

**Senior citizen benefit scheme:** Aged 65 and a resident Western Samoan citizen.

#### Old-Age Benefits

**Old-age pension:** 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.

**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.

#### Permanent Disability Benefits

**Disability pension:** 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.

#### Survivor Benefits

**Survivor pension:** 50% of the pension of the deceased fund member.

**Death benefit:** A lump sum of 2,500 tala.

#### Administrative Organization

Provident fund, managed by a tripartite board, provides general supervision.

The government administers the senior citizen benefit scheme.

#### Sickness and Maternity

##### Regulatory Framework

Some medical services are provided free of charge to the population through government health centers.

Other hospital and medical services are provided under the work injury program.

#### Work Injury

##### Regulatory Framework

**First law:** 1960.

**Current laws:** 1978 and 1989.

**Type of program:** Compulsory insurance with a private carrier.

#### Coverage

Employed persons in the event of a work-related accident and the entire population in the event of an injury resulting from an accident involving a motor vehicle or a boat traveling within Western Samoa.

#### Source of Funds

**Insured person:** None.

**Employer:** 1% of payroll for work-related accidents.

**Government:** None.

Note: An earmarked tax of 0.05 tala per gallon on motor fuel finances the cost of benefits for victims of motor vehicle and boat accidents.

### ***Qualifying Conditions***

**Work injury benefits:** No minimum qualifying period.

### ***Temporary Disability Benefits***

60% of earnings. Benefit is payable for up to 4 years after a 5-day waiting period. The benefit covers temporary disability resulting from injuries sustained at work or in motor vehicle or boat accidents.

The minimum benefit is 35 tala a week.

The maximum benefit is 100 tala a week.

### ***Permanent Disability Benefits***

A lump sum of up to 4,000 tala, according to the assessed degree of incapacity.

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

Reasonable medical expenses, including the costs of artificial aids and rehabilitation.

### ***Survivor Benefits***

**Survivor grant:** A lump sum of 20,000 tala is payable to dependents of earners, plus a weekly payment of up to 200 tala payable for a period of up to 4 years; a lump sum of 20,000 tala is payable to dependents of nonearners.

**Funeral grant:** Up to 1,000 tala. The grant covers deaths caused by work accidents and motor vehicle accidents.

### ***Administrative Organization***

Accident Compensation Board administers the law.

Labor Department provides general supervision.

## Yemen

Exchange rate: U.S.\$1.00 equals 175.00 rials.

### Old Age, Disability, and Survivors

#### Regulatory Framework

**First law:** 1980.

**Current Law:** 1991, with 2000 amendment.

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

#### Coverage

**Public-sector system:** Permanent employees of government agencies and all public or mixed-sector 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.

*Employer:* 6% of payroll.

*Government:* None, except for payroll contributions as an employer.

Earnings for contribution purposes include the basic salary plus all allowances paid to an employee.

##### Private-sector system

*Insured person:* 6% of earnings.

*Employer:* 9% of payroll for the old-age pension and 4% of payroll for the disability pension.

*Government:* None.

Earnings for contribution purposes include the basic salary plus all allowances paid to an employee.

#### Qualifying Conditions

##### Public-sector system

*Old-age benefit:* Age 60 with at least 15 years of contributions (men) or age 55 with at least 10 years of contributions (women).

Early retirement: Age 50 (men) with more than 25 years of contributions or age 46 (women) with 10 years of contributions; at any age (men and women) with 30 years of contributions.

Early retirement is possible regardless of age (men and women) with 25 years of contributions if the insured is dismissed.

*Disability benefit:* Permanent total or partial disability.

*Survivor benefit:* Death of the insured prior to retirement.

##### Private-sector system

*Old-age benefit:* Age 60 (men) or age 55 (women) with at least 15 years of contributions.

Early retirement: A pension is awarded if age 50 (men) with 25 years of contributions or age 46 (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% if age 50 with 20 years of contributions.

*Disability benefit:* Permanent disability.

*Survivor benefit:* Death of the insured prior to retirement.

#### Old-Age Benefits

##### Public-sector system

*Old-age benefit:* The pension is equal to the final month's salary multiplied by the number of months of contributions, divided by 420.

The maximum pension is received with 35 years of contributions; 43% for 15 years.

The minimum pension is 7,000 rials a month.

Benefit adjustment: Benefits are adjusted by 50% of the value of any salary increases granted to active civil servants.

##### Private-sector system

*Old-age benefit:* The pension is equal to the final month's salary multiplied by the number of months of contributions, divided by 420.

The minimum pension is 50% of the final total salary.

#### Permanent Disability Benefits

##### Public-sector system

*Work-related disability benefit:* 100% of the last total salary plus a cash lump sum of 39,000 rials.

Permanent partial disability: A reduced pension and a lump sum calculated in relation to the assessed degree of disability according to the schedule of law.

*Non-work-related disability benefit:* The maximum benefit is dependent on the number of years of contributions. The minimum benefit is the minimum wage or 50% of the final total salary, whichever is greater.

**End-of-service payment:** A lump sum calculated on the basis of 9% of the last month's salary times the number of months of contributions.

Benefit adjustment: Benefits are adjusted by 50% of the value of any salary increases granted to active civil servants.



### Private-sector system

*Work-related disability benefit:* For total disability, 100% of the last year's covered salary.

*Non-work-related disability benefit:* For total disability, 50% of the final total salary or the value of the old-age pension, whichever is greater.

*Lump-sum payment:* A lump sum equal to 12% of the average final salary times the number of years of contributions, if ineligible for the work or non-work-related disability benefit but with at least 1 year of contributions.

### Survivor Benefits

**Public- and private-sector systems:** The benefit is based on the insured's entitlement to either the old-age pension or the disability pension. The pension is divided equally among named survivors.

*Eligible survivors:* Spouse(s), sons, daughters, parents, brothers, sisters, and dependent nephews and nieces.

*Benefit adjustment:* Public-sector system benefits are adjusted by 50% of the value of any salary increases granted to active civil servants.

### Administrative Organization

**Public-sector system:** Supervised by a board of directors, the General Authority for Pensions and Social Security administers the program.

**Private-sector system:** Supervised by a tripartite board of directors, the General Corporation for Social Insurance administers the program.

### Sickness and Maternity

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#### Regulatory Framework

Health insurance program for public-sector employees.

### Work Injury

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#### Regulatory Framework

**First and current law:** 1991.

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

#### Coverage

Permanent employees of government agencies and all public or mixed-sector entities.

#### Source of Funds

**Insured person:** None.

**Employer:** 4% of total payroll (private-sector entities).

**Government:** None, except 1% of payroll as employer (public and mixed-sector entities).

Note: For additional information for Work Injury, see permanent disability benefits under Old Age, Disability, and Survivors, above.