

Albania

Exchange rate: US\$1.00 equals 82.02 leks.

Old Age, Disability, and Survivors

Regulatory Framework

First law: 1947.

Current law: 1993 (social insurance), with 1995 and 2007 amendments.

Type of program: Social insurance system.

Note: Means-tested social assistance benefits are payable to persons who are not eligible for social insurance benefits.

Coverage

Employed persons and self-employed persons.

Voluntary coverage is possible.

Special systems for civil servants and military personnel.

Source of Funds

Insured person: 8% of covered monthly earnings.

Voluntarily insured persons contribute 3,140 leks.

The minimum earnings for contribution purposes are equal to the minimum monthly wage (13,140 leks).

The maximum earnings for contribution purposes are equal to five times the minimum monthly wage (65,700 leks).

The insured's earnings also finance sickness and maternity benefits.

Self-employed person: 33.2% of the minimum monthly wage.

The minimum earnings for contribution purposes are equal to the minimum monthly wage (13,140 leks).

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

Employer: 21.7% of covered monthly payroll.

The minimum earnings for contribution purposes are equal to the minimum monthly wage (13,140 leks).

The maximum earnings for contribution purposes are equal to five times the minimum monthly wage (65,700 leks).

Government: Any deficit; pays contributions for persons in compulsory military service and credits contributions on behalf of unemployed persons; contributes as an employer; covers the costs of the special state pensions for those who have contributed to the political and cultural development of Albania.

Qualifying Conditions

Old-age pension: Age 65 (men) or age 60 (women) with at least 35 years of contributions. Retirement from economic activity is necessary.

Age 50 with at least 30 years of contributions for a mother with six or more children older than age 8.

Partial pension: Age 65 (men) or age 60 (women) with between 15 and 35 years of contributions.

Early pension: There is no early pension.

Deferred pension: A deferred pension is possible.

Old-age benefits are not payable abroad.

Disability pension: The insured must be assessed as blind, severely disabled, or incapable of performing any work.

The minimum coverage period for eligibility varies according to age but must be equal to at least 50% of the difference in years between the claimant's age and age 20.

The degree of disability is assessed by the Medical Experts Committee.

Partial disability pension: The insured must be assessed as incapable of performing work in the last job but capable of work under special working conditions as determined by the Medical Experts Committee.

The minimum qualifying period for eligibility varies according to age but must be equal to at least 50% of the difference in years between the claimant's age and age 20.

At the pensionable age, the claimant may choose to replace the disability pension with the old-age pension if the amount payable is greater.

Disability benefits are not payable abroad.

Survivor pension: The deceased was an old-age or disability pensioner, was insured at the time of death, or coverage ceased not more than 1 year before death.

Eligible survivors include a surviving spouse caring for a dependent child younger than age 8; a disabled spouse; a spouse aged 50 or older (widow) or aged 60 or older (widower); dependent orphans younger than age 18 (age 25 if a student, no limit if disabled from childhood); dependent parents and grandparents aged 65 or older who lived with the deceased for the last 12 months; and dependent grandchildren.

Survivor benefits are not payable abroad.

Old-Age Benefits

Old-age pension: A flat-rate pension (equal to the minimum standard of living) is paid to all insured persons, plus an earnings-related pension for employed persons equal to 1% for each year of coverage multiplied by the insured's average covered earnings for contribution purposes.

The minimum standard of living is 3,960 leks a month (2003).

The maximum monthly pension is equal to twice the flat-rate pension amount or 75% of the insured's average net earnings in 3 of the last 10 years of employment, whichever is less.

Partial pension: A percentage of the full pension is paid, according to the number of years worked.

The minimum monthly pension is 7,850 leks.

Early pension: There is no early pension.

Deferred pension: The pension is increased by 0.34% for each month of deferral after the normal retirement age.

The maximum deferred pension is equal to 80% of the insured's average net earnings in 3 of the last 10 years of employment.

Benefit adjustment: The flat-rate pension is indexed annually according to price changes of selected commodities.

Permanent Disability Benefits

Disability pension: A flat-rate pension (equal to the minimum standard of living) is paid to all insured persons, plus an earnings-related pension for employed persons equal to 1% for each year of coverage multiplied by the insured's average covered earnings for contribution purposes.

The minimum standard of living is 3,960 leks a month (2003).

The maximum monthly pension is equal to twice the flat-rate pension or 80% of the insured's last average net earnings, whichever is less.

Partial disability pension: 50% of the insured's full disability pension (the flat-rate pension plus the insured's earnings-related pension) is paid.

Constant-attendance supplement: The monthly supplement is equal to 15% of the insured's average covered earnings for contribution purposes.

Child's supplement: Each dependent child younger than age 15 receives 5% of the flat-rate old-age pension. The maximum supplement is equal to 20% of the flat-rate old-age pension.

Benefit adjustment: Benefits are adjusted annually according to changes to the old-age pension.

Survivor Benefits

Survivor pension: The surviving spouse receives 50% of the deceased's old-age pension; each orphan and each other dependent receives 25% of the deceased's old-age pension.

The survivor pension for a spouse ceases on remarriage.

All survivor benefits combined must not exceed 100% of the deceased's old-age pension; 50% if the surviving spouse is working or receiving a pension in his or her own right.

Full orphan's pension: 50% of the deceased's old-age pension is paid for a single full orphan provided there are no other eligible dependents. Full orphans are eligible for the pension entitlements of both parents.

Death benefit: A lump sum equal to 1 month's flat-rate old-age pension is paid.

Administrative Organization

Ministry of Finance (<http://www.minfin.gov.al>) and a tripartite Administrative Council provide general supervision.

Social Insurance Institute (<http://www.iss.gov.al>) administers the program.

Sickness and Maternity

Regulatory Framework

First law: 1947.

Current laws: 1963 (medical care), with 1993 amendment; and 1993 (social insurance).

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

Coverage

Cash sickness benefits: Employed persons.

Voluntary coverage is possible.

Cash maternity benefits: Employed persons, employers, and self-employed persons.

Voluntary coverage is possible.

Medical benefits: All persons residing in Albania.

Source of Funds

Insured person: For cash benefits, see source of funds under Old Age, Disability, and Survivors, above. For medical benefits, 1.5% of covered earnings; 1.7% of covered earnings for persons living in urban areas.

The minimum earnings for contribution purposes are equal to the minimum monthly wage (13,140 leks).

The maximum earnings for contribution purposes are equal to five times the minimum monthly wage (65,700 leks).

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

Employer: 0.8% of covered payroll (sickness benefits), 2.3% of covered payroll (maternity benefits), and 1.5% of covered payroll for medical benefits.

The minimum earnings for contribution purposes are equal to the minimum monthly wage (13,140 leks).

The maximum earnings for contribution purposes are equal to five times the minimum monthly wage (65,700 leks).

Government: 1.7% of covered payroll for employees (medical benefits). The total cost of medical benefits for persons not currently in the labor force.

The minimum earnings for contribution purposes are equal to the minimum monthly wage (13,140 leks).

The maximum earnings for contribution purposes are equal to five times the minimum monthly wage (65,700 leks).

Qualifying Conditions

Cash sickness benefits: Must be currently insured.

Cash maternity benefits: The insured must have at least 12 months of contributions.

Medical benefits: There is no minimum qualifying period.

Sickness and Maternity Benefits

Sickness benefit: The benefit is equal to 70% of the insured's average daily wage in the last calendar year if the insured has less than 10 years of contributions; 80% with 10 years or more. The benefit is paid from the 15th day of medical certification (the first 14 days are paid by the employer) for up to 6 months; may be extended for an additional 3 months if the Medical Experts Committee certifies the likelihood of recovery in that period. The benefit is equal to 50% of the insured's average daily wage during periods of hospitalization, provided there are no dependents. Compensation is also paid for a loss of income resulting from a change of employment because of health reasons.

Maternity benefit: Up to 365 days of paid maternity leave is provided (with a minimum of 35 days before the expected date of childbirth and 42 days after). The monthly benefit is equal to 80% of the insured's average daily wage in the last calendar year for the leave period taken before childbirth and for 150 days after; the benefit is equal to 50% of the average daily wage for the remainder of the entitlement period. For multiple births, the paid leave period is extended to 390 days, including a minimum of 60 days before and 42 days after the expected date of childbirth. Benefits are also paid for the adoption of a child. Compensation is also paid for a loss of income resulting from a change of employment because of the pregnancy.

For employers and self-employed persons, the benefit is equal to the flat-rate old-age pension.

Birth grant: A lump sum equal to 50% of the minimum wage set by the Council of Ministers is paid to either insured parent with a minimum of 1 year's contributions.

The minimum monthly wage is 13,140 leks.

Workers' Medical Benefits

Medical benefits: All general medical services are free.

Cost sharing: The insured is reimbursed from 35% to 100% of the cost of various essential medicines.

The Health Insurance Institute pays 90% and the insured pays 10% of the cost for some types of examinations.

There is no limit to duration.

Dependents' Medical Benefits

All general medical services are free.

Cost sharing: The insured is reimbursed from 35% to 100% of the cost of various essential medicines.

The Health Insurance Institute pays 90% and the insured pays 10% of the cost for some types of examinations.

Free benefits are provided for children up to age 12 months, disabled persons, WWII invalids and veterans, and persons diagnosed with certain serious illnesses.

There is no limit to duration.

Administrative Organization

Ministry of Finance (<http://www.minfin.gov.al>) and Ministry of Health Protection provide general supervision.

Social Insurance Institute (<http://www.issksh.gov.al>) administers sickness and maternity benefits.

Health Insurance Institute (<http://www.isksh.com.al>) administers medical benefits.

Work Injury

Regulatory Framework

First law: 1947.

Current law: 1993 (social insurance).

Type of program: Social insurance system.

Coverage

Employed persons, apprentices, and students in vocational training.

There is no voluntary coverage.

Exclusions: Self-employed persons.

Source of Funds

Insured person: None.

Self-employed person: Not applicable.

Employer: 0.5% of payroll.

Government: None.

Qualifying Conditions

Work injury benefits: There is no minimum qualifying period. Occupational diseases are defined by the Ministry of Health's Medical Commission for Determining Incapacity for Work.

Temporary Disability Benefits

The benefit is equal to 100% of the insured's average daily wage in the last 3 years and is paid for up to 12 months.

Permanent Disability Benefits

Permanent disability benefit: For an assessed loss of working capacity of at least 67%, the benefit is equal to 80% of the insured's average monthly earnings in the last 3 years but not less than the minimum standard of living.

Partial permanent disability: For an assessed loss of at least 33% of working capacity, the benefit is equal to between 50% and 80% of the insured's average monthly earnings in the last 3 years, depending on the degree of loss of working capacity.

Minor permanent disability: For an assessed loss of between 10% and 33% of working capacity, a lump sum is paid according to the schedule in law. Material damages incurred by the insured person are compensated in full.

Workers' Medical Benefits

Compensation is available for additional medical care and the cost of rehabilitation.

Survivor Benefits

Survivor pension: A surviving spouse receives 50% of the deceased's pension.

Orphan's pension: Each orphan receives 25% of the deceased's pension, up to a maximum of 50% of the deceased's pension.

Other eligible survivors: 25% of the deceased's pension is paid for each parent, grandchild, and grandparent.

All survivor benefits combined must not exceed 100% of the deceased's pension.

Death benefit: A lump sum is paid equal to 1 month's flat-rate old-age pension.

Administrative Organization

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

Social Insurance Institute (<http://www.isshe.gov.al>) administers the program.

Unemployment

Regulatory Framework

First and current law: 1993 (social insurance).

Type of program: Social insurance system.

Coverage

Employed persons.

Exclusions: Self-employed persons.

Source of Funds

Insured person: None.

Self-employed person: Not applicable.

Employer: 6% of payroll.

Government: Covers any deficit.

Qualifying Conditions

Unemployment benefit: The insured must have at least 1 year's contributions, not be receiving any other benefits (except for partial disability), be registered at an unemployment office, and be willing to undergo training.

Unemployment Benefits

A flat-rate benefit is paid for up to 12 months or for a total of 365 calendar days if the insured has temporary periods of employment. The benefit must be at least equal to the minimum standard of living, as decided by the Council of Ministers (3,960 leks a month in 2003).

Child's supplement: Each dependent child younger than age 15 receives 5% of the unemployment benefit, up to a maximum of 20% (the supplement is reduced by 50% if one parent is employed or receiving a pension).

For persons attending training courses but not receiving a grant or wages, benefits are paid for up to 18 months.

Benefit adjustment: Benefits are indexed annually according to price changes of selected commodities.

Administrative Organization

Ministry of Labor, Social Affairs, and Equal Opportunities (<http://www.mpcs.gov.al>) provides general supervision.

National Employment Service administers benefits.

Social Insurance Institute (<http://www.isshe.gov.al>) collects contributions.

Family Allowances

Regulatory Framework

First and current law: 1993 (financial aid and social services).

Type of program: Social assistance system.

Coverage

Families residing in Albania.

Source of Funds

Insured person: None.

Self-employed person: None.

Employer: None.

Government: The total cost.

Qualifying Conditions

Family allowances (social assistance): Families residing in Albania with low or inadequate income or with a family member who is disabled or blind.

Family Allowance Benefits

Family allowances (social assistance): Financial aid is provided to eligible families.

Administrative Organization

Ministry of Labor, Social Affairs, and Equal Opportunities (<http://www.mpcs.gov.al>) provides general supervision.

General Administration of Social Assistance and Services administers the program at district level.