

Albania

Exchange rate: US\$1.00 equals 103.62 leks.

Old Age, Disability, and Survivors

Regulatory Framework

First law: 1947.

Current law: 1993 (social insurance), with 1995 amendment.

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, self-employed persons, and university students.

Voluntary coverage is possible.

Special systems for civil servants and military personnel.

Source of Funds

Insured person: 8% of gross monthly earnings.

Voluntarily insured persons contribute 3,742 leks.

The minimum earnings for contribution purposes are equal to the minimum monthly wage (11,800 leks).

The maximum earnings for contribution purposes are equal to five times the minimum monthly wage.

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

Self-employed person: 39.2% of the minimum monthly wage.

The minimum earnings for contribution purposes are equal to the minimum monthly wage (11,800 leks).

The maximum earnings for contribution purposes are equal to five times the minimum monthly wage.

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

Employer: 19.1% of monthly payroll.

The minimum earnings for contribution purposes are equal to the minimum monthly wage (11,800 leks).

The maximum earnings for contribution purposes are equal to five times the minimum monthly wage.

Government: Any deficit; pays contributions for persons in compulsory military service and credits contributions on behalf of the unemployed; 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 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: Incapable of any work, blind, or severely disabled.

The minimum insurance coverage period 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. At pensionable age, the claimant may choose to take the old-age pension if the amount is greater.

Partial disability pension: Incapacity to perform work in the last job but capable of work under special working conditions as determined by the Medical Experts Committee.

The minimum insurance coverage period 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.

Disability benefits are not payable abroad.

Survivor pension: The deceased was an old-age pensioner or disability pensioner or was insured at the time of death or insurance 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; an aged spouse (aged 50 or older for a widow or aged 60 or older for a 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 basic flat-rate pension (equal to the minimum standard of living) is payable to all insured persons, plus an earnings-related pension for employed persons equal to 1% for each year of insurance coverage multiplied by the insured's average assessed wage for which contributions were paid.

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

The maximum monthly pension is twice the basic 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, corresponding to the number of years worked.

The minimum 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 basic flat-rate pension is indexed annually according to price changes of selected commodities.

Permanent Disability Benefits

Disability pension: A basic flat-rate pension (equal to the minimum standard of living) is payable 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 assessed wage for which contributions were paid.

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

The maximum monthly pension is twice the basic 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 basic 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 assessed earnings for contribution purposes.

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

The maximum monthly pension is equal to 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 basic flat-rate old-age pension is paid.

Administrative Organization

Ministry of Labor, Social Affairs, and Equal Opportunities 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; 1.5% of earnings for medical benefits; persons living in urban areas contribute 1.7% of earnings.

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

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

The minimum earnings for contribution purposes are equal to the minimum monthly wage (11,800 leks).

The maximum earnings for contribution purposes are equal to five times the minimum monthly wage.

Government: 1.7% of 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 (11,800 leks).

The maximum earnings for contribution purposes are equal to five times the minimum monthly wage.

Qualifying Conditions

Cash sickness benefits: Must be currently insured.

Cash maternity benefits: Must have 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 average daily wage in the last calendar year if the insured has less than 10 years of contributions; 80% with 10 or more years. The benefit is payable from the 15th day of medical certification (the first 14 days are paid by the employer) for up to 6 months. The benefit 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 average daily wage during periods of hospitalization, provided there are no dependents. Income compensation is also available for changes of employment due to health reasons.

Maternity benefit: Employees are entitled to 365 days of paid maternity leave (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 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 payable for the adoption of a child. Compensation is payable for changes of employment due to pregnancy.

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

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

The minimum monthly wage is 11,800 leks.

Workers' 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 Labor, Social Affairs, and Equal Opportunities and Ministry of Health Protection provide general supervision.

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

Health Insurance Institute 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 average daily wage in the last 3 years and is payable for up to 12 months.

Permanent Disability Benefits

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, the benefit is a lump sum set by regulations. 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.

The maximum orphan's pension is 50% of the deceased's pension.

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

The maximum total pension is 100% of the deceased's pension.

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

Administrative Organization

Ministry of Labor, Social Affairs, and Equal Opportunities 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: 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: 5% of the unemployment benefit is paid for each dependent child younger than age 15, 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 payable 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 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 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 provides general supervision.

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