

Moldova

Exchange rate: U.S.\$1.00 equals 12.86 lei.

Old Age, Disability, and Survivors

Regulatory Framework

First laws: 1956 (state-sector employees) and 1964 (collective farmers).

Current law: 1998 (state social insurance benefits).

Type of program: Social insurance system.

Republics, local authorities, and employers can provide supplementary benefits out of their own budgets.

Coverage

Salaried citizens, agricultural workers, the self-employed, and elected or appointed officials in the government, parliament, and judicial system.

Source of Funds

Insured person: 1% of earnings; 23% of earnings for self-employed.

Employer: 29% of payroll for agriculture and industry, 30% for state budget-supported organizations, and 4.7% for charitable organizations and sheltered workshops.

Government: Ad hoc flat-rate payments to offset price increases as a result of government reductions in food and fuel subsidies. Total cost of the social pension and pensions for judges, prosecutors, and other specified categories.

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

Qualifying Conditions

Old-age pension: Age 62 with 32 years of insurance coverage (men) or age 57 with 26 years of work (women); the requirements are reduced for hazardous or dangerous work (men, aged 55 with 20 years of work, of which at least 10 years were in hazardous and arduous conditions, or aged 50 with 25 years of work of which at least 12 years and 6 months were in hardship conditions; women aged 50 with 15 years of work of which at least 7 years and 6 months were in hardship conditions, or women aged 45 with 20 years of work of which at least 10 years were in hardship conditions), and for mothers of three or more children or of disabled children.

Deferred pension: No age limit.

Disability pension: Total disability (incapacity for any work): Group I disability, requiring constant attendance; Group II disability, not requiring constant attendance.

Partial disability (incapacity for usual work): Group III disability. Insured has a minimum of 1 to 15 years of covered employment, depending on age at the onset of disability.

Survivor pension: The insured was a pensioner or met the requirements for the old-age (partial or full) or disability (Groups I, II, and III) pensions.

Eligible survivors: Widow or widower. If retirement age or disabled (Group I or II) at the time of the death of the insured or within a 5-year period, married to the deceased spouse for at least 15 years, or caring for a child younger than age 3 and not employed. Eligibility ceases on remarriage. Children must be under age 18 (age 25 if a student). There is no age limit for disabled children.

Other eligible survivors: If caring for a child younger than age 3, unemployed, and not receiving social security benefits.

Social pension: Nonworking or disabled citizens who meet the age requirements (age 62 for men or age 57 for women; a disabled person whose disability began in childhood; or disabled children under age 16), and who are not eligible for employment-related old-age, disability, or survivor pension.

Old-Age Benefits

Old-age pension: Pension is computed using years of coverage, effective date of retirement, and average monthly income plus 2% of wages for each year of coverage above 35 (men) and 20 (women). For work in hazardous conditions, benefit is increased by 1% per year, depending on the age and the number of years worked.

Maximum pension: 75% of the wage base, not to exceed two times the minimum pension.

Minimum pension: 100 lei (as of December 2001); 85 lei for agricultural workers.

Wage base equals gross average earnings in last year preceding retirement.

Partial pension: Paid to those with insufficient years of covered employment but with at least 20 years of covered employment. The monthly benefit is reduced in proportion to the number of years below the required number of years of coverage.

The minimum partial pension is 100% of the minimum old-age pension.

Supplement for disabled dependents: Monthly benefit at 2/3 of the minimum old-age pension for each disabled dependent of a nonworking pensioner.

Constant-attendance supplement: Paid for a pensioner aged 80 or older at the rate of 2/3 of the minimum old-age pension per month.

Social pension: 50% of the minimum old-age pension per month; 100% of minimum old-age pension for mothers of three or more children.

Benefit adjustment: Periodic review of pensions according to cost of living changes.

Permanent Disability Benefits

Disability pension: The total disability pension (Group I disability pension) is 75% of wage base (see old-age pension) plus a constant-attendance supplement; the Group II disability pension is 55% of the wage base.

Minimum pension for Groups I and II disability: 100% of the minimum old-age pension.

Partial pension for total disability: If the insured has insufficient years of covered employment, the entitlement is the same as under old-age pension.

Supplement for disabled dependents: Same as under old-age pension.

Constant-attendance supplement (Group I disabled and other medically certified pensioners): Same as under old-age pension.

Partial (Group III) disability, 30% of wage base; minimum, 50% of minimum old-age pension. Payable monthly.

Social pension: Social pension for Group I disabled, disabled children under age 16, or Group I and Group II disabled with a disability that began in childhood: 100% of the minimum old-age pension.

Social pension for partial (Group III) disability: 30% of the minimum old-age pension a month.

Benefit adjustment: Periodic review of pensions according to cost-of-living changes.

Survivor Benefits

Survivor pension: 50% of the deceased's pension for one survivor, 75% for two, and 100% for three or more.

Full orphans: 50% of the deceased's pension.

Other eligible survivors: The pension is split into equal parts.

Minimum pension: 50% of the minimum old-age pension.

Maximum pension: 100% of the deceased's pension for three or more survivors.

Partial pension: If the insured had an insufficient period of covered employment, the entitlement is the same as would have been the case under the old-age pension.

Entitlement for a spouse ceases on remarriage.

Social pension: 50% of the minimum old-age pension for each survivor.

Benefit adjustment: Periodic review of pensions according to cost-of-living changes.

Administrative Organization

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

Local social security departments administer the program.

Sickness and Maternity

Regulatory Framework

First law: 1993.

Current laws: 1995, 1997, 1998, 1999, and 2001.

Type of program: Social insurance system.

Coverage

Cash sickness and maternity benefits: Salaried citizens; agricultural workers; the self-employed; elected or appointed officials in the government, parliament, and judicial system; the disabled; and the unemployed.

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. The entire cost of medical care.

Qualifying Conditions

Cash sickness and maternity benefits: Must be resident.

Medical care: Must be resident.

Sickness and Maternity Benefits

Sickness benefit: The level of benefit depends on the length of covered employment. For less than 5 years, the benefit is 60% of the reference salary; between 5 years and 8 years, 80%; and for more than 8 years, the benefit is 100%. Benefit is payable from the third day of sickness for up to 4 months.

Death grant: A lump sum of 360 lei.

Maternity benefit: Maternity leave starting from the 30th day of pregnancy for 126 days. Additional leave of 14 days is provided for cases of multiple births or complications resulting from childbirth. The benefit is 100% of the average wage during the last 2 months. In cases of adoption, benefit is paid for 56 days after the date of adoption.

Workers' Medical Benefits

Medical care is provided by the state. The insured make a minimal contribution toward the cost of medical care above the minimum rate. There is no limit to duration. Free hospital treatment is provided for a limited number of days according to social category.

Dependents' Medical Benefits

Same as for the insured, above.

Administrative Organization

Ministry of Labor and Social Protection provides general supervision of benefits.

Ministry of Health, in conjunction with local authorities and the trade unions, supervises the provision of medical care.

Ministry of Health and local health departments administer medical services provided through clinics, hospitals, and other facilities.

Work Injury

Regulatory Framework

First and current laws: 1993, 1997 (work injury), 1999 (work injury and occupational diseases insurance), and 2001 (pensions).

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

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

Coverage

Cash benefits: Employed persons, members of cooperatives, pupils and students undergoing professional training.

Medical care: All residents.

Source of Funds

Insured person: None.

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

Government: None.

Qualifying Conditions

Work injury benefits: Insurance coverage.

Temporary Disability Benefits

Temporary disability benefit: At least a 25% loss of working capacity. The benefit is 100% of average earnings in the last 6 months before the onset of disability, payable from the first day of incapacity until recovery or until the award of a disability pension.

Employment transfer reimbursement: The difference between the average monthly wage in the last 6 months and the average wage received in the new position of employment. The benefit is paid for 90 days.

Permanent Disability Benefits

Permanent disability pension: Benefit is paid according to three groups of disability and is based on covered annual wage in the last 6 months.

Death grant: A fixed award depending on the category and number of dependents, but not more than 24 national average monthly wages.

Workers' Medical Benefits

Medical services provided directly to patients by governmental health providers include general and specialist care, hospitalization, laboratory services, transportation, plus the full cost of appliances and medicines.

Survivor Benefits

Survivor pension: Same as for survivor pension under Old Age, Disability, and Survivors, above.

Maximum pension: Not more than 24 national average monthly wages.

Administrative Organization

Enterprises and employers pay temporary disability benefits for their employees.

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

Ministry of Health and health departments of local governments provide general supervision and coordination of medical care.

Ministry of Health and local health departments administer medical services provided through clinics, hospitals, and other facilities.

Unemployment

Regulatory Framework

First and current laws: 1997 (work injury) and 1999 (work injury and professional disease insurance).

Type of program: Social insurance system.

Coverage

Citizens aged 18 to 59 years (men) or 18 to 54 years (women). All registered citizens with a permanent address capable of work, including Group III disabled persons.

Source of Funds

Employee: None.

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

Government: None.

Qualifying Conditions

Unemployment benefit: Registered at an employment office and willing and able to work. Benefits may be reduced, postponed, 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.

Claimants must have no income and have been salaried for at least 6 months in the last 12 months preceding unemployment. Waiting periods apply for some categories of worker: 2 months for the nonvoluntarily unemployed, 60 days for recently graduated students, and 30 days for ex-servicemen on the completion of military service.

Unemployment Benefits

The benefit for persons who have been employed for 6 months to 10 years is equal to 50% of the national average wage; for 10 years to 15 years of employment, the benefit is 55%; for 15 years and more, the benefit is 60%.

The benefit amount is reduced by 15% every 3 months but cannot be less than the minimum salary (18 lei).

Family supplement: For one or two children, 10%; for three or more children, 20%.

Benefit adjustment: Every January, in accordance with changes to the average national wage of the previous year.

Administrative Organization

Department of Employment within the Ministry of Labor and Social Protection provides general supervision.

State Employment Service administers the program.

Family Allowances

Regulatory Framework

First law: 1977.

Current law: 2001.

Type of program: Dual universal and social assistance system.

Coverage

Families with children resident in Moldova.

Source of Funds

Insured person: None.

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

Government: None.

Qualifying Conditions

Family allowances: Children under age 16 (age 18 if a student). Other qualifying conditions vary according to benefits. For children older than age 15, entitlement is means-tested. The monthly income for each family member, including children, should not exceed 18 lei; for families with at least three children, 27 lei; for single mothers, 57 lei.

Family Allowance Benefits

Family allowances: For children up to age 15, 75 lei a month for an insured person and 50 lei for a noninsured person. For a child aged 15 and older, 25 lei a month.

Birth grant: A lump sum of 370 lei for the first child of an insured person and 250 lei for each subsequent child. A lump sum of 245 lei for the first child of a noninsured person and 165 lei for each subsequent child.

Benefit adjustment: Periodic benefit adjustments for allowances to children under age 6 are based on changes in the minimum wage, plus ad hoc flat-rate payments to offset price increases as a result of the government's cutbacks in food and fuel subsidies. Adjustments of allowances to children aged 6 and older are subject to changes that are not necessarily indexed to changes in the minimum wage.

Administrative Organization

Ministry of Labor and Social Protection provides general oversight of the program.

Local departments of social security administer benefit awards and payments to nonworking parents.

Enterprises and employers make benefit awards and provide payments to their own employees.