

Taiwan

Exchange rate: US\$1.00 equals
33.29 Taiwan dollars (NT\$).

Old Age, Disability, and Survivors

Regulatory Framework

First law: 1950.

Current law: 1958 (labor insurance), implemented in 1960, with 1988, 1994, 2000, and 2001 amendments.

Type of program: Social insurance system. Lump-sum benefits only.

Coverage

Employees between ages 15 and 60 in firms in industry and commerce, mines, and plantations with 5 or more workers; wage-earning public employees; public utility employees; fishermen; and some self-employed persons in service occupations.

Voluntary coverage for employees in firms with fewer than 5 workers, the self-employed (except for those in service occupations with compulsory coverage), employees older than age 60 working in covered employment, and persons involuntarily unemployed with 15 years of coverage.

Special systems for civil servants, farmers, salaried public employees, and the staff of private schools.

Source of Funds

Insured person: 1.1% of gross monthly earnings.

Self-employed person: 3.3% of gross monthly income.

Employer: 3.85% of monthly payroll.

Government: 0.55% of employee wages (self-employed, 2.2% of income) and the cost of administration.

The maximum monthly earnings for contribution and benefit purposes are NT\$42,000.

The monthly earnings for contribution purposes are adjusted according to changes in the minimum wage.

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

Qualifying Conditions

Old-age grant: Age 60 (men) or age 55 (women) with at least 1 year of coverage.

Age 55 for miners with at least 5 years of coverage.

Early old-age grant: Age 55 (men) with 15 years of coverage; age 50 with 25 years of coverage (men and women); at any age with 25 years of coverage working for one company (men and women).

Deferred old-age grant: May be deferred until age 65.

Retirement from covered employment or self-employment is necessary.

Disability grant: Permanent total or partial incapacity and the payment of any contributions. The insured must be assessed as permanently disabled by a hospital designated by the Bureau of National Health Insurance.

Survivor grant: The payment of any contributions.

Eligible survivors (in order of priority) are the spouse and children, parents, grandparents, dependent grandchildren, and brothers and sisters.

Funeral grant: Payable to survivors eligible for the survivor grant. If there are no eligible survivors, the grant is payable to the person who organizes the funeral.

Old-Age Benefits

Old-age grant: A lump sum equal to 1 month of the insured's average covered earnings in the 36 months before retirement per year of contributions for the first 15 years, plus 2 months of the insured's average covered earnings in the 36 months before retirement per year of contributions beyond 15 years.

The maximum grant is 45 months of the insured's average covered earnings in the 36 months before retirement.

Early old-age grant: A lump sum equal to 1 month of the insured's average covered earnings in the 36 months before retirement per year of contributions for the first 15 years, plus 2 months of the insured's average covered earnings in the 36 months before retirement per year of contributions beyond 15 years.

Deferred old-age grant: An increment of 1 month of the insured's average covered earnings in the 36 months before retirement is paid for each year of continued work and contributions after age 60, up to a maximum of 5 months' earnings.

Permanent Disability Benefits

Disability grant: If totally disabled, a lump sum equal to 40 months of the insured's average covered earnings in the 6 months before the onset of disability.

Partial disability: A lump sum varying from 1 to 33.3 months of the insured's average covered earnings in the 6 months before the onset of disability, according to the assessed degree of disability.

Survivor Benefits

Survivor grant: A lump sum equal to 30 months of the deceased's average covered earnings in the 6 months before death; 20 months' earnings if less than 2 years but more than 1 year of contributions; 10 months' earnings if less than 1 year of contributions.

Funeral grant: A lump sum equal to 5 months of the deceased's average covered earnings in the 6 months before death.

Administrative Organization

Labor Insurance Department of the Council of Labor Affairs (<http://www.cla.gov.tw>) provides general supervision.

Under the direction of the tripartite Labor Insurance Commission and its director general, the Bureau of Labor Insurance (<http://www.bli.gov.tw>) collects contributions and pays benefits.

Sickness and Maternity

Regulatory Framework

First law: 1950.

Current laws: 1958 (labor insurance), implemented in 1960, with 1988 amendment; and 1994 (national health insurance), implemented in 1995.

Type of program: Social insurance system.

Coverage

Cash benefits for sickness and maternity: Employees between ages 15 and 60 in firms in industry and commerce, mines, and plantations with 5 or more workers; wage-earning public employees; public utility employees; fishermen; and some self-employed persons in service occupations.

Voluntary coverage for employees in firms with fewer than 5 workers, the self-employed (except for those in service occupations with compulsory coverage), employees older than age 60 in covered employment, and persons made unemployed after 15 years of coverage.

Special systems for cash benefits for civil servants, farmers, salaried public employees, and the staff of private schools.

Medical benefits: Resident for at least 4 months, including foreign nationals with a resident permit.

Source of Funds

Insured person

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

Medical benefits: Contribution rates vary according to 38 wage classes. Employees of public or private companies contribute 1.365% of gross monthly earnings, plus an additional 1.365% of gross monthly earnings for each dependent up to 4.095% of monthly earnings for three or more dependents.

Self-employed person

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

Medical benefits: Contribution rates vary according to 38 wage classes: 4.55% of gross monthly income for higher earners or 2.73% of income for lower earners, plus an additional 2.73% of gross monthly income for each dependent up to a

maximum of 8.19% of monthly income for three or more dependents.

Employer

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

Medical benefits: Contribution rates vary according to 38 wage classes: 3.185% of monthly payroll for employees of public or private firms, plus an additional 2.482% of monthly payroll for dependents, regardless of number.

Government

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

Medical benefits: Contribution rates vary according to 38 wage classes: 0.455% of employee wages for employees of public and private firms, none for higher-earning self-employed, 1.82% of income for lower-earning self-employed. The average contribution of all insured persons for the dependents of military personnel and the heads of low-income families, plus any deficit. Contributes for the dependents of insured persons. Pays for the cost of administration.

The minimum monthly earnings for contribution purposes for medical benefits are NT\$15,840 (equal to the minimum monthly wage).

The maximum monthly earnings for contribution purposes for medical benefits are NT\$87,600.

The monthly earnings for contribution purposes are adjusted according to changes in the minimum wage.

Qualifying Conditions

Cash sickness benefit: The incapacity must be due to a nonoccupational injury or illness. There is no specified minimum qualifying period. The insured must provide medical certification.

Cash maternity grant: 280 days of contributions before childbirth (181 days of contributions for a premature childbirth; 84 days of contributions in the case of a miscarriage).

Lump-sum supplement: A cash supplement to help meet costs associated with childbirth may be payable to an insured woman or an insured man for his spouse.

Medical benefits: Provided for a nonoccupational injury or illness.

Sickness and Maternity Benefits

Sickness benefit: 50% of the insured's average covered earnings in the 6 months before the onset of sickness. The benefit is payable after a 3-day waiting period for up to 12 months; 6 months with less than 1 year of contributions.

Maternity grant: A lump sum equal to 1 month of the insured's average covered earnings in the last 6 months before maternity leave for a normal or premature childbirth.

Lump-sum supplement: Equal to 1 month of the insured's average covered earnings in the last 6 months for a normal or premature childbirth; 50% of this amount in the case of a miscarriage.

Benefits are increased for multiple births.

Workers' Medical Benefits

Medical care is provided by private and public clinics and hospitals under contract with, and paid directly by, the Bureau of National Health Insurance. Benefits include preventive and prenatal care, inpatient and outpatient hospital treatment, surgery, and medicines.

There is no limit to duration.

The government provides free maternity medical care.

Cost sharing: For ambulatory and emergency care at clinics, 20% of scheduled fees; between 30% and 50% for hospital visits (according to the type of hospital and if without a doctor's referral); for inpatient care for short-term illnesses, from 10% of the cost for the first 30 days up to 30% from the 61st day and thereafter, depending on the duration of hospitalization; for inpatient care for chronic long-term illnesses, from 5% for the first 30 days up to 30% from the 181st day.

Exemption from cost sharing: Preventive health care, certain specific catastrophic illnesses, ambulatory services in mountainous areas and remote islands, and for all care for veteran or low-income household.

Dependents' Medical Benefits

Same as for the insured.

Eligible dependents include the nonemployed spouse, nonemployed parents or grandparents, and nonemployed children and grandchildren younger than age 20 (no limit if disabled). For low-income households, all relatives living with the insured.

Administrative Organization

Cash sickness and maternity benefits: Labor Insurance Department of the Council of Labor Affairs (<http://www.cla.gov.tw>) provides general supervision.

Under the direction of the tripartite Labor Insurance Commission and its director general, the Bureau of Labor Insurance (<http://www.bli.gov.tw>) collects contributions and pays benefits.

Medical benefits: Under the direction of a Supervisory Board, the Bureau of National Health Insurance (<http://www.nhi.gov.tw>) collects contributions and contracts with private and public clinics and hospitals to provide medical care.

Work Injury

Regulatory Framework

First laws: 1929 and 1950.

Current laws: 1958 (labor insurance), implemented in 1960, with 1988, 1994, 2000, and 2001 amendments; and 2001 (occupational accident labor protection), implemented in 2002.

Type of program: Social insurance system.

Coverage

Employees between ages 15 and 60 in firms in industry and commerce, mines, and plantations with 5 or more workers; wage-earning public employees; public utility employees; fishermen; and some self-employed persons in service occupations.

Special systems for civil servants, salaried public employees, and the staff of private schools.

Source of Funds

Insured person: None.

Self-employed person: None.

Employer

Cash benefits: 0.07% to 3.0% of monthly payroll, according to the assessed risk of the industry. The average rate is 0.33%. The contribution rate for employers with more than 70 employees is adjusted on a yearly basis according to the claims rate of the company.

Medical benefits: See source of funds under Sickness and Maternity, above.

Government

Cash benefits: The cost of administration.

Medical benefits: See source of funds under Sickness and Maternity, above.

Qualifying Conditions

Work injury benefits: There is no minimum qualifying period.

Temporary Disability Benefits

70% of the insured's average covered earnings in the last 6 months before the onset of disability is payable for the first 12 months; thereafter, 50% of earnings. The benefit is payable after a 3-day waiting period for up to 24 months.

Permanent Disability Benefits

The worker must be assessed as permanently disabled by a hospital designated by the Bureau of National Health Insurance.

If totally disabled (Group 1), a lump sum equal to 60 months of the insured's average covered earnings in the last 6 months before the onset of disability.

Constant-attendance allowance: A monthly allowance of NT\$8,000 is paid if totally disabled and in need of constant medical care, supervision, or help for daily living.

Partial disability: A lump sum equal to 1.5 to 50 months of the insured's average covered earnings in the last 6 months before the onset of disability, according to the assessed degree of disability (Groups 2 to 15).

Living allowance: After receiving the lump-sum benefit, a monthly allowance of between NT\$1,000 and NT\$6,000 is paid to insured persons with a partial or total permanent disability, according to the assessed degree of disability (Groups 1 to 15).

Workers' Medical Benefits

Medical care is provided by private and public clinics and hospitals under contract with, and paid directly by, the National Health Insurance Bureau. Benefits include inpatient and outpatient hospital treatment, surgery, and medicines.

There is no limit to duration.

Survivor Benefits

Survivor benefit: A lump sum equal to 40 months of the deceased's average covered earnings in the 6 months before death.

Eligible survivors (in order of priority) are the spouse and children, parents, grandparents, dependent grandchildren, and brothers and sisters.

Survivor grant (income-tested): A lump sum of NT\$10,000 may also be paid to the dependent spouse, children, and parents.

Funeral grant: A lump sum equal to 5 months of the deceased's average covered earnings in the 6 months before death is payable to eligible survivors. If there are no eligible survivors, the grant is payable to the person who organizes the funeral.

Administrative Organization

Labor Insurance Department of the Council of Labor Affairs (<http://www.cla.gov.tw>) provides general supervision.

Under the direction of the tripartite Labor Insurance Commission and its director general, the Bureau of Labor Insurance (<http://www.bli.gov.tw>) collects contributions and pays cash benefits.

Under the direction of a Supervisory Board, Bureau of National Health Insurance (<http://www.nhi.gov.tw>) contracts with private and public clinics and hospitals to provide medical care.

Unemployment

Regulatory Framework

First law: 1968, implemented in 1999, with 2000 and 2001 amendments.

Current law: 2002 (employment insurance), implemented in 2003.

Type of program: Social insurance system.

Coverage

Private- and public-sector employees between ages 15 and 60.

Exclusions: Self-employed persons, civil servants, teachers, and military personnel.

Source of Funds

Insured person: 0.2% of gross monthly earnings.

Self-employed person: Not applicable.

Employer: 0.7% of monthly payroll.

Government: 0.1% of employee wages and the cost of administration.

Qualifying Conditions

Unemployment benefit: The insured must have at least 1 year of coverage; unemployment must be involuntary; must be currently registered at a public employment office as being capable of, and willing to, work; must not have declined a suitable job offer; and must not be in occupational training.

The benefit is suspended if a suitable job offer, counseling, or vocational training is refused or the beneficiary fails to report to a public employment office once a month.

Early reemployment award: Payable if the unemployed person starts work before the maximum unemployment benefit payment period has expired.

Unemployment Benefits

Unemployment benefit: 60% of average monthly earnings during the 6 months before unemployment. The benefit is payable after a 14-day waiting period for up to 6 months; for up to 3 months for a new claim within 2 years of last receiving unemployment benefits for 6 months.

Early reemployment award: A lump sum equal to 50% of the total unpaid benefit that would have been payable for the maximum duration of the benefit.

Administrative Organization

Labor Insurance Department of the Council of Labor Affairs (<http://www.cla.gov.tw>) provides general supervision.

Under the direction of the tripartite Labor Insurance Commission and its director general, the Bureau of Labor Insurance (<http://www.bli.gov.tw>) collects contributions and pays benefits.