

Solomon Islands

Exchange rate: US\$1.00 equals
6.96 Solomon Islands dollars (SI\$).

Old Age, Disability, and Survivors

Regulatory Framework

First and current law: 1973 (provident fund), implemented in 1976, with amendments.

Type of program: Provident fund system.

Coverage

All employed workers aged 14 or older, including domestic servants and cooperative members, and casual workers earning at least SI\$20 a month and working regularly at least 6 days a month.

Exclusions: Prisoners and persons detained in a mental hospital or leper institution.

Employees covered by equivalent private plans may contract out.

Voluntary coverage for unemployed and self-employed persons aged 16 to 25 as well as former employees who have previously contributed for at least 12 consecutive months, regardless of age.

Special system for public-sector employees.

Source of Funds

Insured person: 5% of wages.

Voluntary additional contributions by the insured person are permitted up to a combined monthly maximum of SI\$100.

SI\$5 is deducted annually from the member's provident fund account to finance death benefits.

Self-employed person: Not applicable.

Employer: 7.5% of monthly payroll.

Government: None.

Qualifying Conditions

Old-age benefit: Age 50, regardless of employment status; at any age if emigrating permanently.

Contributions must be paid after age 50 if the member continues to be an employee or starts a new job after retirement that is covered by the provident fund. If the member has withdrawn any of the amount in his or her account at age 50 and makes further contributions from employment, no further withdrawal can be made for 5 years.

Early withdrawal: Age 40 if permanently retired from covered employment.

Drawdown payment: Unemployed fund members may withdraw funds from their individual account after 3 months of continuous unemployment.

Disability benefit: Must be assessed with a permanent physical or mental incapacity to work.

Survivor benefit: The death of the fund member before retirement. The benefit is paid to the next-of-kin or to one or more named survivors.

Old-Age Benefits

A lump sum is paid equal to total employee and employer contributions plus accumulated 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 at the discretion of the individual fund member. (See also Unemployment, below.)

Interest rate adjustment: The interest rate is set by the National Provident Fund Board at the end of each fiscal year.

Permanent Disability Benefits

A lump sum is paid equal to total employee and employer contributions plus accumulated interest.

Interest rate adjustment: The interest rate is set by the National Provident Fund Board at the end of each fiscal year.

Survivor Benefits

Survivor benefit: A lump sum is paid equal to total employee and employer contributions plus accumulated interest.

Interest rate adjustment: The interest rate is set by the National Provident Fund Board at the end of each fiscal year.

Death benefit: The maximum benefit is SI\$2,500.

Administrative Organization

National Provident Fund Board administers the program.

An independent tripartite body appointed by the Minister of Finance, the National Provident Fund Board comprises two representatives each of government, employers, and employees.

Sickness and Maternity

Regulatory Framework

No statutory sickness and maternity benefits are provided.

The Labor Act requires employers to provide up to 12 weeks' maternity leave to women employees (including up to at least 6 weeks after childbirth).

Work Injury

Regulatory Framework

First and current laws: 1952 (workmen's compensation), with 1969, 1979, and 1982 amendments; and 1981 (employment).

Type of program: Employer-liability system, involving compulsory 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.

Self-employed person: Not applicable.

Employer: The 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. No benefit is paid if the incapacity or death occurs more than a year after the worker has ceased to be employed.

Temporary Disability Benefits

The benefit ranges from 50% to 100% of earnings, according to the insured's monthly wage and the assessed degree of disability. If the incapacity lasts for more than 3 days, the benefit is paid from the first day until recovery, certification of permanent disability, or death.

The maximum monthly benefit is SI\$160.

Workers with a temporary disability may undergo periodic medical examination by a doctor named and paid for by the employer.

Permanent Disability Benefits

A lump sum is paid equal to 48 months' earnings.

The maximum lump sum is SI\$9,000.

Partial disability: A lump sum is paid based on 48 months' earnings, according to the assessed degree of disability. In cases of multiple injuries, individual benefit awards may be aggregated but must not exceed the permanent disability benefit.

Workers' Medical Benefits

Medical benefits include care, medicines, and appliances.

Appliances, including artificial limbs, dental appliances, and artificial eyes, that benefit the earning capacity of an injured worker are provided at the employer's expense. In such cases, the benefit will be subject to an earnings test.

Survivor Benefits

Survivor benefit: A lump sum is paid based on 36 months' earnings minus any permanent disability benefits paid to the deceased.

The maximum lump sum in cases in which the disability benefit has been paid is SI\$9,000.

The maximum lump sum for a fatal work injury is SI\$80,000.

Eligible survivors include members of the family living with the deceased at the time of his or her death who were totally or mainly dependent on the deceased's earnings. The courts determine how the survivor benefit is split 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

Regulatory Framework

A statutory office assists the unemployed in seeking alternative employment by providing individual counseling and identifying suitable job vacancies.

Under the National Provident Fund Act, unemployed fund members may drawdown up to 1/3 of savings in case of unfair dismissal or if laid off, provided that the member's savings in the fund are greater than SI\$10,000 and he or she is not reemployed within 3 months after dismissal. The amount left in the account can also be withdrawn later under certain provisions.

Employers are required to pay a dismissal benefit of 2 weeks' wages for each year of employment, provided that the employee has been in continuous employment with the same employer for 26 weeks or more and is younger than age 50.