

## Moldova

Exchange rate: US\$1.00 equals 12.95 lei.

### Old Age, Disability, and Survivors

#### Regulatory Framework

**First laws:** 1956 (state pensions) and 1964 (pensions and allowances for collective farmers).

**Current law:** 1998 (state pension social insurance).

**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 government, parliament, and the judicial system.

#### Source of Funds

**Insured person:** 2% of earnings.

**Self-employed person:** 10% of net monthly income (entrepreneurs). Agricultural landowners contribute flat-rate amounts according to the area of farmed land.

**Employer:** 28% of payroll (industrial sector); 20% of payroll (agricultural sector); 4.5% of payroll for pensioners and disabled persons employed in public organizations and unions.

**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.

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

#### Qualifying Conditions

**Old-age pension:** Age 62 with 31 years of insurance coverage (men) or age 57 with 31 years of work (women).

Age 59 and 6 months with 31 years of work, including at least 10 years in hazardous or arduous conditions (men) or age 54 and 6 months with 31 years of work, including at least 7 years and 6 months in hazardous or arduous conditions (women); mothers aged 54 and 6 months with 31 years of insurance coverage who have raised three or more children.

Deferred pension: There is no age limit for deferral.

**Social pension (old age):** Payable to citizens meeting the age requirement but not meeting contributory conditions for an old-age pension.

**Disability pension:** Total disability (incapacity for any work) is classified as Group I (requiring constant attendance) or Group II (not requiring constant attendance).

Partial disability (incapacity for usual work): The insured has a minimum of 1 to 5 years of covered employment, depending on age at the onset of disability (Group III disability).

**Social pension (disability):** Payable to a disabled person whose disability began in childhood or disabled children under age 16 and who are not eligible for a contributory disability pension.

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

Eligible survivors include widow(er)s and orphans. The surviving spouse must be of retirement age (or within 5 years of retirement) or disabled (Group I or II) at the time of the insured's death; 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 23 if a student, no limit if disabled).

**Social pension (survivors):** Payable to survivors who are not eligible for a contributory survivor pension.

#### Old-Age Benefits

**Old-age pension:** The pension is based on the number of years of coverage, the effective date of retirement, and average monthly income plus 2% of wages for each year of coverage above 31 years.

The required coverage period is gradually increasing. From 2008, the full pension is 1.2% of insurable earnings for every year of established coverage up to a maximum of 35 years plus 2% of insurable earnings for every year above 35 years.

Insurable earnings for benefit calculation purposes must not exceed three times the average monthly wage.

The minimum pension is 135 lei; 120 lei for agricultural workers.

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

Deferred pension: A deferred pension is possible.

**Social pension (old age):** 65 lei.

Benefit adjustment: Benefits are adjusted periodically according to cost-of-living changes.

#### Permanent Disability Benefits

**Disability pension:** The pension is based on monthly average insurable income, the number of years of coverage, and a coefficient related to the group of assessed disability.

The coefficient for a Group I disability is 0.42; Group II, 0.35; and Group III, 0.2.

The minimum pension is 140 lei (Group I), 135 lei (Group II), or 95 lei (Group III).

**Partial pension (total disability):** The monthly benefit is reduced in proportion to the number of years below the required number of years of coverage.

Insurable earnings for benefit calculation purposes must not exceed two times the average monthly national wage in the year before the claim.

**Social pension (disability):** 65 lei (Group I), 56 lei (Group II), or 33 lei (Group III); disabled children under age 16 receive 100 lei (Group I) or 85 lei (Groups II and III); for a disability that began in childhood, 100 lei (Group I), 85 lei (Group II), or 50 lei (Group III).

**Benefit adjustment:** Benefits are adjusted periodically according to cost-of-living changes.

### Survivor Benefits

**Survivor pension:** The minimum pension is 50% of the insured's pension for one survivor, 75% for two, and 100% for three or more.

**Full orphan's pension:** At least 50% of the insured's minimum old-age pension.

**Partial pension:** If the insured had an insufficient period of covered employment, the monthly benefit is reduced in proportion to the number of years below the required number of years of coverage.

The survivor pension ceases on remarriage.

**Social pension (survivors):** 49 lei for one orphan; 98 lei for two or more orphans. The pension is doubled for full orphans.

**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.

National Office of Social Insurance and local social security departments administer the program.

### Sickness and Maternity

#### Regulatory Framework

**First law:** 1993.

**Current laws:** 1995, 1997, 1998, 1999, 2001, 2002, and 2003.

**Type of program:** Social insurance system.

#### Coverage

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

**Medical care:** All residents.

#### Source of Funds

**Insured person:** See source of funds under Old Age, Disability, and Survivors, above.

**Employer:** See source of funds under Old Age, Disability, and Survivors, above.

**Government:** See source of funds under Old Age, Disability, and Survivors, above. Total cost of medical care.

#### Qualifying Conditions

**Cash sickness and maternity benefits:** Resident in the country.

**Medical benefits:** Resident in the country.

#### Sickness and Maternity Benefits

**Sickness benefit:** The benefit depends on the length of covered employment. For less than 5 years, the benefit is 60% of earnings; between 5 years and 8 years, 80%; and for more than 8 years, the benefit is 100%. The benefit is payable from the first day of sickness for up to 4 months; may be extended in certain cases.

**Death grant:** A lump sum of 360 lei.

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

#### Workers' Medical Benefits

Medical care is provided by the state. Free hospital treatment is provided for a limited number of days.

**Cost sharing:** The insured makes a minimal contribution toward the cost of some medical care.

There is no limit to duration.

#### Dependents' Medical Benefits

Same as for the insured.

#### Administrative Organization

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

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

## Work Injury

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### Regulatory Framework

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

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

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

### Coverage

**Cash and medical benefits:** Employees, members of cooperatives, and school pupils and students undergoing professional training.

### Source of Funds

**Insured person:** None.

**Employer:** See source of funds under Old Age, Disability, and Survivors, above.

**Government:** None.

### Qualifying Conditions

**Work injury benefits:** The worker must be insured.

### Temporary Disability Benefits

**Temporary disability benefit:** 100% of average earnings in the last 6 months before the onset of disability. The benefit is 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:** The pension is paid according to three groups of disability (Group I total disability, requiring constant attendance; Group II disability, not requiring constant attendance; and Group III, incapacity for usual work) and depends on insured income before 1999.

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

### Workers' Medical Benefits

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

## Survivor Benefits

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

**Full orphan's pension:** At least 50% of the insured's minimum old-age pension.

**Partial pension:** If the insured had an insufficient period of covered employment, the monthly benefit is reduced in proportion to the number of years below the required number of years of coverage.

The survivor pension ceases on remarriage.

The maximum pension must not be more than 24 times the national average monthly wage.

### Administrative Organization

Enterprises and employers pay temporary disability benefits for their employees.

National Office of Social Insurance provides coordination and supervises the Work Injury Fund.

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

Ministry of Health and health departments of local governments provide general supervision and coordinate medical benefits.

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

## Unemployment

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### Regulatory Framework

**First and current laws:** 1997 (work injury), 1999 (work injury and occupational diseases insurance), and 2003.

**Type of program:** Social insurance system.

### Coverage

Citizens aged 16 to 62 (men) or aged 16 to 57 (women) with a permanent address who are capable of work.

### Source of Funds

**Employee:** None.

**Employer:** See source of funds under 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 filing fraudulent claims.

Claimants must have no income and have been salaried for at least 12 months in the last 24 months before unemployment. Waiting periods apply for some categories of worker: 2 months for the nonvoluntarily unemployed, 60 days for recently graduated students, or 30 days for ex-servicemen on the completion of military service.

### **Unemployment Benefits**

If employed previously for up to 5 years, the benefit is equal to 50% of the national average wage and is paid for a maximum of 6 months; for those who have been employed for 5 to 10 years, the benefit is 55% and is paid for a maximum of 9 months; for those with more than 10 years of employment, the benefit is 60% and is paid for a maximum of 12 months.

**Benefit adjustment:** Benefits are adjusted every January according to changes in 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 laws:** 2001, 2002, and 2003.

**Type of program:** Social insurance and social assistance system.

### **Coverage**

Families with children resident in Moldova.

### **Source of Funds**

**Insured person:** None.

**Employer:** See source of funds under 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 18 months, the benefit 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, 54 lei.

### **Family Allowance Benefits**

**Family allowances:** For an insured person's child up to age 18 months, 100 lei a month; for a noninsured person's child up to age 18 months, 75 lei a month; for children older than 18 months, 25 lei a month (means-tested).

**Birth grant:** A lump sum of 420 lei for the first child of an insured person and 280 lei for each subsequent child; a lump sum of 300 lei for the first child of a noninsured person and 200 lei for each subsequent child.

### **Administrative Organization**

Ministry of Labor and Social Protection provides general supervision.

Local departments of social security administer benefits to nonworking parents.

Enterprises and employers award benefits and provide payments to their own employees.