

Social Security Programs Throughout the World: Europe, 2004



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Preface

This issue begins the second four-volume series of *Social Security Programs Throughout the World*. In this new format, each volume focuses on a specific region of the world: Europe, Asia and the Pacific, Africa, and the Americas. The volumes are published at 6-month intervals over a 2-year period.

The information contained in these volumes is crucial to our efforts, and those of researchers in other countries, to review different ways of approaching social security challenges that will enable us to adapt our social security systems to the evolving needs of individuals, households, and families. These efforts are particularly important as each nation faces major demographic changes, especially the increasing number of aged persons, as well as economic and fiscal issues.

Social Security Programs Throughout the World is the product of a cooperative effort between the Social Security Administration (SSA) and the International Social Security Association (ISSA). Founded in 1927, the ISSA is a nonprofit organization bringing together institutions and administrative bodies from countries throughout the world. The ISSA deals with all forms of compulsory social protection that by legislation or national practice are an integral part of a country's social security system.

Previous editions of this report, which date back to 1937, were issued as one volume and were prepared by SSA staff. With the introduction of the four-volume format, however, the research and writing has been contracted out to the ISSA. The ISSA has conducted the research largely through its numerous country-based correspondents, as well as its Social Security Worldwide Database and a myriad of other types of data that must be drawn together to update this report. Members of the ISSA's Information System and Databases Unit analyzed the information and revised the publication to reflect detailed changes to each social security program. *Social Security Programs Throughout the World* is based on information available to the ISSA and SSA with regard to legislation in effect in January 2004, or the last date for which information has been received.

Questions about the report should be sent to Barbara Kritzer at ssptw@ssa.gov. Corrections, updated information, and copies of relevant documentation and legislation are also welcome and may be sent to:

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This report is available at <http://www.socialsecurity.gov/policy>. For additional copies, please telephone 202-358-6274 or e-mail op.publications@ssa.gov.

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September 2004

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Guide to Reading the Country Summaries

This issue on Europe marks the beginning of the second four-volume series *Social Security Programs Throughout the World*. The combined findings of this and future reports—on Asia and the Pacific, Africa, and the Americas—produced at 6-month intervals over a 2-year period, highlight the principal features of social security programs throughout the world.

This guide serves as an overview of programs in all regions. A few political jurisdictions have been excluded because they have no social security system or have issued no information regarding their social security legislation. In this volume on Europe, the data reported are based on laws and regulations in force in January 2004 or on the last date for which information has been received.¹ Information for each country on types of social security programs, types of mandatory systems for retirement income, contribution rates, and demographic and other statistics related to social security is shown in Tables 1–4 beginning on page 16.

The country summaries show each system's major features. Separate programs in the public sector and specialized funds for such groups as agricultural workers, collective farmers, or the self-employed have not been described in any detail. Benefit arrangements of private employers or individuals are not described in any detail, even though such arrangements may be mandatory in some countries or available as alternatives to statutory programs.

The country summaries also do not refer to international social security agreements that may be in force between two or more countries. Those agreements may modify coverage, contributions, and benefit provisions of national laws summarized in the country write-ups. Since the summary format requires brevity, technical terms have been developed that are concise as well as comparable and are applied to all programs. The terminology may therefore differ from national concepts or usage.

Sources of Information

Most of the information in this report was collated from the Social Security Programs Throughout the World survey conducted by the International Social Security

¹The names of the countries in this report are those used by the U.S. Department of State. The term *country* has been used throughout the volume even though in some instances the term *jurisdiction* may be more appropriate.

Association (ISSA) under the sponsorship of the U.S. Social Security Administration (SSA). This information was supplemented by data collected from the ISSA's Developments and Trends Annual Survey. Empirical data were also provided by numerous social security officials throughout the world. (For a listing of countries and jurisdictions, see page 2.) Important sources of published information include the ISSA Documentation Center; the legislative database of the International Labour Office; and official publications, periodicals, and selected documents received from social security institutions. Information was also received from the Organization for Economic Cooperation and Development, the World Bank, the International Monetary Fund, and the United Nations Development Programme. During the compilation process, international analysts at both SSA and the ISSA examined the material for factual errors, ambiguous statements, and contradictions in material from different sources.

Types of Programs

The term social security in this report refers to programs established by statute that insure individuals against interruption or loss of earning power and for certain special expenditures arising from marriage, birth, or death. This definition also includes allowances to families for the support of children.

Protection of the insured person and dependents usually is extended through cash payments to replace at least a portion of the income lost as the result of old age, disability, or death; sickness and maternity; work injury; unemployment; or through services, primarily hospitalization, medical care, and rehabilitation. Measures providing cash benefits to replace lost income are usually referred to as income maintenance programs; measures that finance or provide direct services are referred to as benefits in kind.

Three broad approaches to coverage provide cash benefits under income-maintenance programs; namely, employment-related, universal, and means-tested systems. Under both the employment-related and the universal approaches, the insured, dependents, and survivors can claim benefits as a matter of right. Under means-tested approaches, benefits are based on a comparison of a person's income or resources against a standard measure. Some countries also provide other types of coverage.

Employment-Related

Employment-related systems, commonly referred to as social insurance systems, generally base eligibility for pensions and other periodic payments on length of employment or self-employment or, in the case of family allowances and work injuries, on the existence of the employment relationship itself. The amount of pensions (long-term payments, primarily) and of other periodic (short-term) payments in the event of unemployment, sickness, maternity, or work injury is usually related to the level of earnings before any of these contingencies caused earnings to cease. Such programs are financed entirely or largely from contributions (usually a percentage of earnings) made by employers, workers, or both and are in most instances compulsory for defined categories of workers and their employers.

The creation of notional defined contributions (NDC) is a relatively new method of calculating benefits. NDC schemes are a variant of contributory social insurance that seek to tie benefit entitlements more closely to contributions. A hypothetical account is created for each insured person that is made up of all contributions during his or her working life and, in some cases, credit for unpaid activity such as caregiving. A pension is calculated by dividing that amount by the average life expectancy at the time of retirement and indexing it to various economic factors. When benefits are due, the individual's notional account balance is converted into a periodic pension payment.

Some social insurance systems permit voluntary affiliation of workers, especially the self-employed. In some instances, the government subsidizes such programs to encourage voluntary participation.

The government is, pro forma, the ultimate guarantor of many benefits. In many countries, the national government participates in the financing of employment-related as well as other social security programs. The government may contribute through an appropriation from general revenues based on a percentage of total wages paid to insured workers, finance part or all of the cost of a program, or pay a subsidy to make up any deficit of an insurance fund. In some cases, the government pays the contributions for low-paid workers. These arrangements are separate from obligations the government may have as an employer under systems that cover government employees. Social security contributions and other earmarked income are kept in a dedicated fund and are shown as a separate item in government accounts. (For further details on the government's role in financing social security, see Source of Funds under Old Age, Disability, and Survivors.)

Universal

Universal programs provide flat-rate cash benefits to residents or citizens, without consideration of income, employment, or means. Typically financed from general revenues, these benefits may apply to all persons with sufficient residency. Universal programs may include

Countries in Europe that Responded to the Social Security Programs Throughout the World Survey

| | | |
|----------------|---------------|-----------------|
| Albania | Guernsey | Norway |
| Andorra | Hungary | Poland |
| Austria | Iceland | Portugal |
| Belarus | Ireland | Romania |
| Belgium | Isle of Man | Russia |
| Bulgaria | Italy | San Marino |
| Croatia | Jersey | Serbia |
| Cyprus | Latvia | Slovak Republic |
| Czech Republic | Liechtenstein | Slovenia |
| Denmark | Lithuania | Spain |
| Estonia | Luxembourg | Sweden |
| Finland | Malta | Switzerland |
| France | Moldova | Ukraine |
| Germany | Monaco | United Kingdom |
| Greece | Netherlands | |

old-age pensions for persons over a certain age; pensions for disabled workers, widow(er)s, and orphans; and family allowances. Most social security systems incorporating a universal program also have a second-tier earnings-related program. Some universal programs, although receiving substantial support from income taxes, are also financed in part by contributions from workers and employers.

Means-Tested

Means-tested programs establish eligibility for benefits by measuring individual or family resources against a calculated standard usually based on subsistence needs. Benefits are limited to applicants who satisfy a means test. The size and type of benefits awarded are determined in each case by administrative decision within the framework of the law.

The specific character of means, needs, or income tests, as well as the weight given to family resources, differ considerably from country to country. Such programs, commonly referred to as social pensions or equalization payments, traditionally are financed primarily from general revenues.

Means-tested systems constitute the sole or principal form of social security in only a few jurisdictions. In other jurisdictions, contributory programs operate in tandem with income-related benefits. In such instances, means- or income-tested programs may be administered by social insurance agencies. Means-tested programs apply to persons who are not in covered employment or whose benefits under employment-related programs, together with other individual or family resources, are inadequate to meet subsistence or special needs. Although means-tested programs can be administered at the national level, they are usually administered locally.

In this report, when national means-tested programs supplement an employment-related benefit, the existence of a means-tested program is generally noted, but no details concerning it are given. When a means-tested program represents the only or principal form of social security, however, further details are provided.

Other Types of Programs

Three other types of programs are those delivered, in the main, through financial services providers (mandatory individual accounts, mandatory occupational pensions, and mandatory private insurance), publicly operated provident funds, and employer-liability systems.

Programs Delivered by Financial Services Providers

Mandatory individual accounts. Applies to a program where covered persons and/or employers must contribute

a certain percentage of earnings to the covered person's individual account managed by a contracted public or private fund manager. The mandate to establish membership in a scheme and the option to choose a fund manager lie with the individual. The accumulated capital in the individual account is normally intended as a source of income replacement for the contingencies of retirement, disability, ill health, or unemployment. It may also be possible for eligible survivors to access the accumulated capital in the case of the insured's death.

Contributions are assigned to an employee's individual account. The employee must pay administrative fees for the management of the individual account and usually purchase a separate policy for disability and survivors insurance.

Mandatory occupational pension. Applies to a program where employers are mandated by law to provide occupational pension schemes financed by employer, and in some cases, employee contributions. Benefits may be paid as a lump sum, annuity, or pension.

Mandatory private insurance. Applies to a program where individuals are mandated by law to purchase insurance directly from a private insurance company. (For example, in Switzerland, insurance for cash and medical benefits under Sickness and Maternity.)

Provident Funds. These funds, which exist primarily in developing countries, are essentially compulsory savings programs in which regular contributions withheld from employees' wages are enhanced, and often matched, by employers' contributions. The contributions are set aside and invested for each employee in a single, publicly managed fund for later repayment to the worker when defined contingencies occur. Typically, benefits are paid out in the form of a lump sum with accrued interest, although in certain circumstances drawdown provisions enable partial access to savings prior to retirement or other defined contingencies. On retirement, some provident funds also permit beneficiaries to purchase an annuity or opt for a pension. Some provident funds provide pensions for survivors.

Employer-Liability Systems. Under these systems, workers are usually protected through labor codes that require employers, when liable, to provide specified payments or services directly to their employees. Specified payments or services can include the payment of lump-sum gratuities to the aged or disabled; the provision of medical care, paid sick leave, or both; the payment of maternity benefits or family allowances; the provision of temporary or long-term cash benefits and medical care in the case of a work injury; or the payment of severance indemnities in the case of dismissal. Employer-liability

systems do not involve any direct pooling of risk, since the liability for payment is placed directly on each employer. Employers may insure themselves against liability, and in some jurisdictions such insurance is compulsory.

Format of Country Summaries

Each country summary discusses five types of programs:

- Old age, disability, and survivors;
- Sickness and maternity;
- Work injury;
- Unemployment; and
- Family allowances.

Old Age, Disability, and Survivors

Benefits under old age, disability, and survivor programs usually cover long-term risks, as distinct from short-term risks such as temporary incapacity resulting from sickness and maternity, work injury or unemployment. The benefits are normally pensions payable for life or for a considerable number of years. Such benefits are usually provided as part of a single system with common financing and administration as well as interrelated qualifying conditions and benefit formulas.

The laws summarized under Old Age, Disability, and Survivors focus first on benefits providing pensions or lump-sum payments to compensate for loss of income resulting from old age or permanent retirement. Such benefits are usually payable after attaining a specified statutory age. Some countries require complete or substantial retirement in order to become eligible for a pension; other countries pay a retirement pension at a certain age regardless of whether workers retire or not.

The second type of long-term risk for which pensions are provided is disability (referred to in some countries as invalidity). Disability may be generally defined as long-term and more or less total work impairment resulting from a nonoccupational injury or disease. (Disability caused by a work injury or occupational disease is usually compensated under a separate program; see Work Injury, below.)

The third type of pension is payable to dependents of insured workers or pensioners who die. (Pensions for survivors of workers injured while working are usually provided under a separate Work Injury program.)

Coverage. The extent of social security coverage in any given country is determined by a number of diverse factors, including the kind of system, sometimes the age of the system, and the degree of economic development. A program may provide coverage for the entire country or some portion of the workforce.

In principle, universal systems cover the entire population for the contingencies of old age, disability, and

survivorship. A person may have to meet certain conditions, such as long-term residence or citizenship. Many countries exclude aliens from benefits unless there is a reciprocal agreement with the country of which they are nationals.

The extent of employment-related benefits is usually determined by the age of the system. Historically, social security coverage was provided first to government employees and members of the armed forces, then to workers in industry and commerce, and eventually extended to the vast majority of wage earners and salaried employees through a general system. As a result, public employees (including military personnel and civil servants), teachers, and employees of public utilities, corporations, or monopolies are still covered by occupation-specific separate systems in many countries.

In many countries, special occupational systems have been set up for certain private-sector employees, such as miners, railway workers, and seamen. Qualifying conditions and benefits are often more liberal than under the general system. The risk involved in an occupation, its strategic importance for economic growth, and the economic and political strength of trade unions may have had a role in shaping the type and size of benefits offered by the particular program.

Groups that might be considered difficult to administer—family workers, domestics, day workers, agricultural workers, and the self-employed—were often initially excluded from coverage. The trend has been to extend coverage to these groups under separate funds or to bring them gradually under the general system. In some countries, noncovered workers become eligible for the right to an eventual pension if they make voluntary contributions at a specified level. Some systems also provide voluntary coverage for women who leave the labor force temporarily to have children or to raise a family, or for self-employed persons not covered by a mandatory program. Some developed countries with younger programs have constructed a unified national program, thus largely bypassing the need for developing separate industrial or agricultural funds.

Most developing countries have extended coverage gradually. Their first steps toward creating a social security system have commonly been to cover wage and salary workers against loss of income due to work injury, and then old age and, less commonly, disability.

In a number of developing countries, particularly in those that were once British colonies, this initial step has come via the institutional form of provident funds. Most provident funds provide coverage for wage and salary workers in the government and private sector. A few funds have exclusions based on the worker's earnings or the size of the firm. Funds that exclude employees with earnings above a certain level from compulsory coverage

may in some cases give them the option to affiliate or continue to participate voluntarily.

Source of Funds. The financing of benefits for old-age, disability, and survivor programs can come from three possible sources:

- A percentage of covered wages or salaries paid by the worker,
- A percentage of covered payroll paid by the employer, and
- A government contribution.

Almost all pension programs under social insurance (as distinct from provident funds or universal systems) are financed at least in part by employer and employee contributions. Many derive their funds from all three sources. Contributions are determined by applying a percentage to salaries or wages up to a certain maximum. In many cases the employer pays a larger share.

The government's contribution may be derived from general revenues or, less commonly, from special earmarked or excise taxes (for example, a tax on tobacco, gasoline, or alcoholic beverages). Government contributions may be used in different ways to defray a portion of all expenditures (such as the cost of administration), to make up deficits, or even to finance the total cost of a program. Subsidies may be provided as a lump sum or an amount to make up the difference between employer/employee contributions and the total cost of the system. A number of countries reduce or, in some cases, eliminate contributions for the lowest-paid wage earners, financing their benefits entirely from general revenues or by the employer's contribution.

The contribution rate apportioned between the sources of financing may be identical or progressive, increasing with the size of the wage or changing according to wage class. Where universal and earnings-related systems exist side by side, and the universal benefit is not financed entirely by the government, separate rates may exist for each program. In other instances, flat-rate weekly contributions may finance basic pension programs. These amounts are uniform for all workers of the same age and sex, regardless of earnings level. However, the self-employed may have to contribute at a higher rate than wage and salary workers, thereby making up for the employer's share.

For administrative purposes, a number of countries assess a single overall social security contribution covering several contingencies. Benefits for sickness, work injury, unemployment, and family allowances as well as pensions may be financed from this single contribution. General revenue financing is the sole source of income in some universal systems. The contribution of the resident or citizen may be a percentage of taxable income under a national tax program. General revenues finance all or

part of the means-tested supplementary benefits in many countries.

Contribution rates, as a rule, are applied to wages or salaries only up to a statutory ceiling. A portion of the wage of highly paid workers will escape taxation but will also not count in determining the benefit. In a few cases, an earnings ceiling applies for the determination of benefits but not for contribution purposes. In some countries, contribution rates are applied not to actual earnings but to a fixed amount that is set for all earnings falling within a specified range or wage class.

Qualifying Conditions. Qualifying to receive an old-age benefit is usually conditional on two requirements: attainment of a specified age and completion of a specified period of contributions or covered employment. Another common requirement is total or substantial withdrawal from the labor force. In some instances, eligibility is determined by resident status or citizenship.

Old-age benefits generally become payable between ages 60 and 65. In some countries, length-of-service benefits are payable at any age after a certain period of employment, most commonly between 30 and 40 years. In recent years, several countries have increased the age limit for entitlement, in part because of budgetary constraints arising as a consequence of demographic aging.

Many programs require the same pensionable age for women as for men. Others permit women to draw a full pension at an earlier age, even though women generally have a longer life expectancy. Although the norm has been for the differential to be about 5 years, there is now an emerging international trend toward equalizing the statutory retirement age.

Many programs offer optional retirement before the statutory retirement age is reached. A reduced pension, in some instances, may be claimed up to 5 years before the statutory retirement age. Some countries pay a full pension before the regular retirement age if the applicant meets one or more of the following conditions: work in an especially arduous, unhealthy, or hazardous occupation (for example, underground mining); involuntary unemployment for a period near retirement age; physical or mental exhaustion (as distinct from disability) near retirement age; or, occasionally, an especially long period of coverage. Some programs award old-age pensions to workers who are older than the statutory retirement age but who cannot satisfy the regular length-of-coverage requirement. Other programs provide increments to workers who have continued in employment beyond the normal retirement age.

Universal old-age pension systems usually do not require a minimum period of covered employment or contributions. However, most prescribe a minimum period of prior residence.

Some old-age pension systems credit periods during which persons, for reasons beyond their control, were not in covered employment. Credits can be awarded for reasons such as disability, involuntary unemployment, military service, education, child rearing, or training. Other systems disregard these periods and may proportionately reduce benefits for each year below the required minimum. Persons with only a few years of coverage may receive a refund of contributions or a settlement in which a proportion of the full benefit or earnings is paid for each year of contribution.

The majority of old-age pensions financed through social insurance systems require total or substantial withdrawal from covered employment. Under a retirement test, the benefit may be withheld or reduced for those who continue working, depending on the amount of earnings or, less often, the number of hours worked. Universal systems usually do not require retirement from work for receipt of a pension. Provident funds pay the benefit only when the worker leaves covered employment or emigrates.

Some countries provide a number of exemptions that act to eliminate the retirement condition for specified categories of pensioners. For instance, the retirement test may be eliminated for workers who reached a specified age above the minimum pensionable age or for pensioners with long working careers in covered employment. Occupations with manpower shortages may also be exempted from the retirement test.

The principal requirements for receiving a disability benefit are loss of productive capacity after completing a minimum period of work or having met the minimum contribution requirements. Many programs grant the full disability benefit for a two-thirds loss of working capacity in the worker's customary occupation, but this requirement may vary from one-third to 100 percent.

The qualifying period for a disability benefit is usually shorter than for an old-age benefit. Periods of 3 to 5 years of contributions or covered employment are most common. A few countries provide disability benefits in the form of an unlimited extension of ordinary cash sickness benefits.

Entitlement to disability benefits may have age limitations. The lower limit in most systems is in the teens, but it may be related to the lowest age for social insurance or employment or to the maximum age for a family allowance benefit. The upper age limit is frequently the statutory retirement age, when disability benefits may be converted to old-age benefits.

For survivors to be eligible for benefits, most programs require that the deceased worker was a pensioner, completed a minimum period of covered employment, or satisfied the minimum contribution conditions. The

qualifying contribution period is often the same as that for the disability benefit. The surviving spouse and orphans may also have to meet certain conditions, such as age requirements.

Old-Age Benefits. The old-age benefit in most countries is a wage-related, periodic payment. However, some countries pay a universal fixed amount that bears no relationship to any prior earnings; others supplement their universal pension with an earnings-related pension.

Provident fund systems make a lump-sum payment, usually a refund of employer and employee contributions plus accrued interest. In programs that have mandatory individual accounts, options for retirement include purchasing an annuity, making withdrawals from an account regulated to guarantee income for an expected lifespan (programmed withdrawals), or a combination of the two (deferred annuity).

Benefits that are related to income are almost always based on average earnings. Some countries compute the average from gross earnings, including various fringe benefits; other countries compute the average from net earnings. Alternatively, some countries have opted to use wage classes rather than actual earnings. The wage classes may be based on occupations or, for administrative convenience, on earnings arranged by size using the midpoint in each step to compute the benefit.

Several methods are used to compensate for averages that may be reduced by low earnings early in a worker's career or by periods without any credited earnings due, for example, to unemployment or military service, and for the effects of price and wage increases due to inflation. One method is to exclude from consideration a number of periods with the lowest (including zero) earnings. In many systems the period over which earnings are averaged may be shortened to the last few years of coverage, or the average may be based on years when the worker had his or her highest earnings. Other systems revalue past earnings by applying an index that usually reflects changes in national average wages or the cost of living. Some assign hypothetical wages before a certain date. Alternatively, others have developed mechanisms for automatic adjustment of workers' wage records based on wage or price changes.

A variety of formulas are used in determining the benefit amount. Instead of a statutory minimum, some systems pay a percentage of average earnings—for instance, 35 percent or 50 percent—that is unchanged by length of coverage once the qualifying period is met. A more common practice is to provide a basic rate—for example, 30 percent of average earnings—plus an increment of 1 percent or 2 percent of earnings either for each year of coverage or for each year in excess of a

minimum number of years. Several countries have a weighted benefit formula that returns a larger percentage of earnings to lower-paid workers than to higher-paid workers.

Most systems limit the size of the benefit. Many do so by establishing a ceiling on the earnings taken into account in the computation. Others establish a maximum cash amount or a maximum percentage of average earnings set, for example, at 80 percent. Some systems combine these and other, similar methods.

Most systems supplement the benefit for a wife or child. The wife's supplement may be 50 percent or more of the basic benefit, although in some countries the supplement is payable only for a wife who has reached a specified age, has children in her care, or is disabled. It may also be payable for a dependent husband.

Minimum benefits are intended to maintain a minimum standard of living in many countries, although that objective is not always achieved. A maximum that reduces the effect large families have on benefits is commonly used to limit total benefits, including those of survivors, in the interest of the financial stability of the program.

In some countries, benefits are automatically adjusted to reflect price or wage changes. In other countries, the process is semiautomatic—the adequacy of pensions is reviewed periodically by an advisory board or other administrative body that recommends a benefit adjustment to the government, usually requiring legislative approval.

Disability Benefit. Under most programs, provisions for disability benefits for persons who are permanently disabled as the result of nonoccupational causes are very similar to those for the aged. The same basic formula usually applies for total disability as for old age—a cash amount usually expressed as a percentage of average earnings. Increments and dependents' supplements are generally identical under the total disability and old-age programs. For the totally disabled, a constant-attendance supplement, usually 50 percent of the benefit, may be paid to those who need help on a daily basis. Partial disability benefits, if payable, are usually reduced, according to a fixed scale. The system may also provide rehabilitation and training. Some countries provide higher benefits for workers in arduous or dangerous employment.

Survivor Benefit. Most systems provide periodic benefits for survivors of covered persons or pensioners, although some pay only lump-sum benefits. Survivor benefits are generally a percentage of either the benefit paid to the deceased at death or the benefit to which the insured would have been entitled if he or she had attained pensionable age or become disabled at that time.

Survivor benefits are paid to some categories of widows under nearly all programs. The amount of a widow's benefit usually ranges from 50 percent to 75 percent of the deceased worker's benefit or, in some cases, 100 percent. In some countries, lifetime benefits are payable to every widow whose husband fulfills the necessary qualifying period. More commonly, the provision of widows' benefits is confined to widows who are caring for young children, are above a specified age, or are disabled.

Lifetime benefits are ordinarily payable to aged and disabled widows. Those awarded to younger mothers, however, are usually terminated when all children have passed a certain age, unless the widow has reached a specified age or is disabled. Most widows' benefits also terminate on remarriage, although a final lump-sum grant may be payable under this circumstance. Special provisions govern the rights of the divorced. Age limits for orphan's benefits are in many cases the same as for children's allowances. Many countries fix a somewhat higher age limit for orphans attending school or undergoing an apprenticeship or for those who are incapacitated. The age limit is usually removed for disabled orphans as long as their incapacity continues. Most survivor programs distinguish between half orphans (who have lost one parent) and full orphans (who have lost both parents), with the latter receiving benefits that are 50 percent to 100 percent larger than those for half orphans. Special payments are also made to orphans under the family allowance programs of some countries.

Benefits are payable under a number of programs to widowers of insured workers or pensioners. A widower usually must have been financially dependent on his wife and either disabled or old enough to receive an old-age benefit at her death. A widower's benefit is usually computed in the same way as a widow's benefit.

Many systems also pay benefits to other surviving close relatives, such as parents and grandparents, but only in the absence of qualifying widows, widowers, or children. The maximum total benefit to be divided among survivors is usually between 80 percent and 100 percent of the benefit of the deceased.

Administrative Organization. Responsibility for administration generally rests with semiautonomous institutions or funds. These agencies are usually subject to general supervision by a ministry or government department but otherwise are largely self-governing, headed by a tripartite board that includes representatives of workers, employers, and the government. Some boards are bipartite with representatives of workers and employers only or of workers and the government. Where coverage is organized separately for different occupations, or for wage earners and salaried employees

or self-employed workers, each program usually has a separate institution or fund. In a few cases, the administration of benefits is placed directly in the hands of a government ministry or department.

Sickness and Maternity

Sickness benefit programs are generally of two types: cash sickness benefits, which are paid when short-term illnesses prevent work, and health care benefits, which are provided in the form of medical, hospital, and pharmaceutical benefits. Some countries maintain a separate program for cash maternity benefits, which are paid to working mothers before and after childbirth. In most countries, however, maternity benefits are administered as part of the cash sickness program. (Benefits provided as a result of work injury or occupational disease are provided either under work injury or sickness programs. Details of the benefits are discussed under Work Injury.)

Cash sickness and maternity benefits as well as health care are usually administered under the same branch of social security. For this reason, these programs are grouped together in the country summaries.

An important reason for grouping these numerous benefits together is that each deals with the risk of temporary incapacity. Moreover, in most instances, such benefits are furnished as part of a single system with common financing and administration. Most countries provide medical care services for sickness and maternity as an integral part of the health insurance system and link those services directly with the provision of cash benefits. In some instances, however, maternity cash grants are covered under family allowance programs. Occasionally, medical care services are provided under a public health program, independent of the social insurance system. Where this dual approach is followed, it has been indicated in the summaries.

Where health care is dispensed directly by the government or its agencies and the principal source of funds is general revenue, the cash benefit program usually continues to be administered on an insurance basis, funded by payroll contributions, and merged in some instances with other aspects of the social insurance system such as old age and disability. However, countries that deliver health care primarily through private facilities and private funding are also likely to have developed separate programs. Where the social security program operates its own medical facilities, both types of benefits are usually administered jointly.

Benefits designed to assist in the provision of long-term care, often at home, are generally supported by a special tax. Benefit levels are normally set to the level of

care required. These benefits may be payable in cash, as care services, or as a combination of the two.

Coverage. The proportion of the population covered by sickness programs varies considerably from country to country, in part because of the degree of economic development. Coverage for medical care and cash benefits is generally identical in countries where both types of benefits are provided through the same branch of social insurance. In a number of systems, particularly in developing countries, health care insurance extends only to employees in certain geographic areas. A common procedure is to start the program in major urban centers, then extend coverage gradually to other areas. Both cash sickness and health care programs may exclude agricultural workers, who, in some countries, account for a major proportion of the working population. Where a health insurance system (as distinguished from a national health service program) exists, most workers earning below a certain ceiling participate on a compulsory basis. Others, such as the self-employed, may be permitted to affiliate on a voluntary basis. In several countries, higher-paid employees are specifically excluded from one or both forms of sickness insurance, although some voluntary participation is usually permitted.

Many countries include pensioners as well as other social security beneficiaries under the medical care programs, in some cases without cost to the pensioner. Elsewhere, pensioners pay a percentage of their pension or a fixed premium for all or part of the medical care coverage. Special sickness insurance systems may be maintained for certain workers, such as railway employees, seamen, and public employees.

Where medical care coverage is provided through a national health service rather than social insurance, the program is usually open in principle to virtually all residents. However, restrictions on services to aliens may apply.

Source of Funds. Many countries have merged the financing of sickness programs with that of other social insurance benefits and collect only a single contribution from employees and employers. More commonly, however, a fixed percentage of wages, up to a ceiling, is contributed by employees and employers directly to a separate program that administers both health care and cash benefits for sickness and maternity. Some countries also provide a government contribution. Where medical care is available to residents, generally through some type of national health service, the government usually bears at least the major part of the cost from general revenues.

Qualifying Conditions. Generally, a person becoming ill must be gainfully employed, incapacitated for work, and

not receiving regular wages or sick-leave payments from the employer to be eligible for cash sickness benefits. Most programs require claimants to meet a minimum period of contribution or to have some history of work attachment prior to the onset of illness to qualify. Some countries, however, have eliminated the qualifying period.

The length of the qualifying period for cash sickness benefits may range from less than 1 month to 6 months or more and is ordinarily somewhat longer for cash maternity benefits. Usually the period must be fairly recent, such as during the last 6 or 12 months. In the case of medical benefits, a qualifying period is usually not required. In instances where such a requirement does exist, it is generally of a short duration. Most programs providing medical services to dependents of workers, as well as to the workers themselves, do not distinguish in their qualifying conditions between the two types of beneficiaries. A few programs require a longer period of covered employment before medical services are provided to dependents.

Cash Benefits. The cash sickness benefit is usually 50 percent to 75 percent of current average earnings, frequently with supplements for dependents. Most programs, however, fix a maximum benefit amount or do so implicitly through a general earnings ceiling for contributions and benefits. Benefits may be reduced when beneficiaries are hospitalized at the expense of the social insurance system.

A waiting period of 2 to 7 days is imposed under most cash sickness programs. As a result, benefits may not be payable if an illness or injury lasts for only a few days. Similarly, in the case of a prolonged inability to work, benefits may not be payable for the first few days. Under some programs, however, benefits are retroactively paid for the waiting period when the disability continues beyond a specified time, commonly 2 to 3 weeks. A waiting period reduces administrative and benefit costs by excluding many claims for short illnesses or injuries during which relatively little income is lost and can also help reduce the potential for the inappropriate use of the system by workers.

The period during which a worker may receive benefits for a single illness or injury, or in a given 12-month period, is ordinarily limited to 26 weeks. In some instances, however, benefits may be drawn for considerably longer and even for an unlimited duration. A number of countries permit the agency to extend the maximum entitlement period to 39 or 52 weeks in specific cases. In most countries, when cash sickness benefits are exhausted, the recipient is paid a disability benefit if the incapacity continues.

Cash maternity benefits are usually payable for a specified period, both before and after childbirth. A

woman is almost always required to stop working while receiving maternity benefits, and usually she must use the prenatal and postnatal medical services provided by the system. In some countries, cash maternity benefits are also payable to working men who stay home to care for a newborn child while the mother returns to work. Cash payments may also be available for a parent, usually the mother, who is absent from work to care for a sick child under a specified age.

The proportion of earnings payable as a cash maternity benefit differs considerably from country to country but, like cash sickness benefits, is usually between 50 percent and 75 percent of current earnings. However, in a number of countries, maternity benefits are set at 100 percent of wages. Benefit payments usually start approximately 6 weeks before the expected date of childbirth and end 6 to 8 weeks afterward.

A nursing allowance—usually 20 percent or 25 percent of the regular maternity benefit and payable for up to 6 months or longer—may be provided in addition to the basic cash maternity benefit. A grant for the purchase of a layette—clothes and other essentials for the new-born baby—or the provision of a layette itself is furnished under some programs. Finally, a lump-sum maternity grant may be paid on the birth of each child. The wives of insured men may be eligible for this grant. Similar benefits may be provided under the family allowance program.

Medical Benefits. Medical services usually include at least general practitioner care, some hospitalization, and essential drugs. Services of specialists, surgery, maternity care, some dental care, a wider range of medicines, and certain appliances are commonly added. Transportation of patients and home-nursing services may be included.

There are three principal methods of meeting the cost of health care: direct payment to providers by the public system or its agents, reimbursement of patients, and direct provision of medical care. These methods may be used in different combinations and may be varied for different kinds of services.

Under direct payment, the social security or public medical care system pays providers directly for services. Patients usually have little or no direct financial dealings with the care provider. Payments for care are commonly made on the basis of contracts with service providers or the professional groups representing them, such as practitioner or hospital associations. Remuneration may take the form of a specified fee for each service, a capitation payment in return for providing all necessary services to a given group of persons, or a salary.

Under the reimbursement method, the patient makes the initial payment and is reimbursed by social security

for at least part of the cost. A maximum is sometimes placed on the refund, expressed as a percentage of the bill or a flat amount that can vary with the nature of the service as stipulated in a schedule of fees. The ceiling on medical bills can be placed on the provider when presenting the bill or on the patient when applying for reimbursement. In the latter case, the patient may be reimbursed for only a small portion of the bill.

Under the direct-provision method, the social security system or the government owns and operates its own medical facilities, largely manned by salaried staff. Countries using this method may contract for services of public or private providers. The patient normally pays no fee for most of these services, except insofar as part of the social security contribution may be allotted toward health care funding.

Regardless of the funding method used, all national health care programs provide for at least a small degree of cost-sharing by patients, usually on the assumption that such charges discourage overuse. Thus, the patient either pays part of the cost to the provider or social security agency or receives less than full reimbursement. Even under the direct-provision method, with its emphasis on basically free medical services to the whole population, patients are generally required to pay a small fixed fee per medical treatment or prescription or per day of hospitalization.

Some health care systems have no limit on how long medical care may be provided. Other systems fix a maximum, such as 26 weeks, for services provided for any given illness. Some set limits only on the duration of hospitalization paid for by social security. Where time limits are imposed, they may be extended.

Maternity Care. Prenatal, obstetric, and postnatal care for working women is provided in most countries under the medical services program. Obstetric care is sometimes limited to the services of a midwife, although a doctor is usually available in case of complications. Care in a maternity home or hospital, as well as essential drugs, are ordinarily furnished where necessary.

Medical Care for Dependents. When medical benefits for insured workers are provided through social insurance, similar services are typically furnished to their spouse and young children (and, in some cases, other adults or young relatives living with and dependent on the insured). Maternity care is generally provided to the wife of an insured man.

In some countries, however, medical services available to dependents are more limited than those provided to insured workers or heads of families. Dependents may be subject to a shorter maximum duration for hospital stays, for example, and may have to pay a larger percentage of the cost of certain services such as medicines.

Administrative Organization. The administrative organization for the sickness and maternity program is similar to that of the old-age, disability, and survivor program in many countries. Most commonly, such programs are administered by some form of national social security institution. Under some systems, social security agencies own and operate their own medical facilities, furnishing at least part of the services available under their programs.

In most countries with a national health insurance program, responsibility for detailed administration lies with semiautonomous, nongovernment health funds or associations. All workers covered by the program must join one of these funds.

Each health fund usually requires government approval and must satisfy certain requirements. Workers and, in some countries, employers participate in the election of governing bodies. The funds normally collect contributions within minimum and maximum limits. Funds may also receive government subsidies related to their expenditures or to the number of affiliated members.

National law usually prescribes the minimum (and, in some cases, the maximum) cash benefits and medical services the health funds may provide. In a few countries, individual funds may determine what specific health care benefits and services to provide and arrange to furnish medical care to their members. This arrangement can involve delivery through contracts with care and service providers in the region.

Less commonly, government departments are responsible for the actual provision of medical services, usually through a national health service program. The administrative responsibility for delivering medical services in some countries is often separated from the administration of cash benefit programs, which tend to be linked with other types of social security benefits.

Work Injury

The oldest type of social security—the work injury program—provides compensation for work-connected injuries and occupational illnesses. Such programs usually furnish short- and long-term benefits, depending on both the duration of the incapacity and the age of survivors. Work injury benefits nearly always include cash benefits and medical services. Most countries attempt to maintain separate work injury programs that are not linked directly with other social security measures. In some countries, however, work injury benefits are paid under special provisions of the general social security programs. Both types of programs are dealt with under Work Injury.

Types of Systems. There are two basic types of work injury systems: social insurance systems that use a public fund, and various forms of private or semiprivate arrangements required by law. In most countries, work injury programs operate through a central public fund, which may or may not be part of the general social insurance system. All employers subject to the program must pay contributions to the public carrier, which in turn pays the benefits.

Countries that rely primarily on private arrangements require employers to insure their employees against the risk of employment injury. However, in some of these countries, only private insurance is available. In the remainder, a public fund does exist, but employers are allowed the option of insuring with either a private carrier or the public fund.

The premiums charged by private or mutual insurance companies for work injury protection usually vary according to the experience of work accidents in different undertakings or industries, and the cost of protection may vary widely. In some countries, however, experience rating has been eliminated, and all employers contribute to the program at one rate.

In other instances, workers' compensation laws simply impose on employers a liability to pay direct compensation to injured workers or their survivors. Employers covered under such laws may simply pay benefits from their own funds as injuries occur or may voluntarily purchase a private or mutual insurance contract to protect themselves against risk.

Coverage. Work injury programs commonly cover wage and salary workers and exclude the self-employed. The programs of some of the more highly industrialized nations cover practically all employees. However, many countries either exclude all agricultural employees or cover only those who operate power-driven machinery. Some programs also exclude employees of small enterprises.

Source of Funds. Work injury benefits are financed primarily by employer contributions, reflecting the traditional assumption that employers should be liable when their employees suffer work injuries. Where certain elements of the work injury program are meshed with one or more of the other branches of the social insurance system, however, financing usually involves contributions from employees, employers, and the government. Another exception occurs in countries that provide medical treatment for work-connected illnesses under their ordinary public medical care programs.

Work Injury Benefits. Work injury programs provide cash benefits and medical benefits. Cash benefits under work injury programs may be subdivided into three types:

benefits for temporary disability, those for permanent total disability, and those for permanent partial disability. No qualifying period of coverage or employment is ordinarily required for entitlement to work injury benefits. The concept of work-connected injury has gradually been liberalized in a number of countries to cover injuries occurring while commuting to and from work.

Temporary disability benefits are usually payable from the start of an incapacity caused by a work injury, though some programs require a waiting period of 1 to 3 days. Benefits normally continue for a limited period, such as 26 to 52 weeks, depending on the duration of incapacity. If incapacity lasts longer, the temporary disability benefit may be replaced by a permanent disability benefit. In some systems, temporary benefits may continue for an extended period, particularly if the temporary and permanent benefit amounts are identical.

The temporary benefit is nearly always a fraction of the worker's average earnings during a period immediately before injury, usually at least one-third to one-half. A ceiling may be placed on the earnings considered in computing a benefit. Temporary benefits under work injury programs may be significantly higher than in the case of ordinary sickness. Benefits are reduced under some programs when a worker is hospitalized.

The second type of cash work injury benefit is provided in cases of permanent total disability. Generally, it becomes payable immediately after the temporary disability benefit ceases, based on a medical evaluation that the worker's incapacity is both permanent and total. The permanent total disability benefit is usually payable for life, unless the worker's condition changes. A minority of programs, however, pay only a single lump-sum grant equal to several years' wages.

The permanent total disability benefit usually amounts to two-thirds to three-fourths of the worker's average earnings before injury, somewhat higher than for ordinary disability benefits. In addition, unlike ordinary disability benefits, the rate usually does not vary based on the length of employment before the injury. Supplements may be added for dependents and for pensioners requiring the constant attendance of another person, in which case benefits may exceed former earnings. In some countries, the benefits of apprentices or new labor force entrants who become permanently disabled as a result of work-connected injury or disease are based on hypothetical lifetime wages or on the wage of an average worker in the particular industry. This mechanism overcomes the problem of establishing a lifetime benefit based on a very low starting wage.

The third type of cash work injury benefit is provided when permanent partial disability results in a worker's loss of partial working or earning capacity. It is usually equal to a portion of the full benefit corresponding to the

percentage loss of capacity. Alternatively, permanent partial disability benefits may be paid in the form of a lump-sum grant. Partial disability payments are generally smaller and are usually stipulated in a schedule of payments for particular types of injuries. Some systems pay the benefit as a lump sum when the extent of disability is below a stated percentage, such as 20 percent.

Medical and hospital care and rehabilitation services are also provided to injured workers. Nearly always free, they may include a somewhat wider range of services than the general sickness program. Ordinarily, they are available until the worker recovers or the condition stabilizes. In some countries, however, free care is limited, the amount being based on the duration of services or their total cost.

Survivor Benefits. Most work injury programs also provide benefits to survivors. These benefits are customarily payable to a widow, regardless of her age, until her death or remarriage; to a disabled widower; and to orphans below specified age limits. If the benefit is not exhausted by the immediate survivors' claims, dependent parents or other relatives may be eligible for small benefits. No minimum period of coverage is required.

Survivor benefits are computed as a percentage of either the worker's average earnings immediately before death or the benefit payable (or potentially payable) at death. These percentages are typically larger than those for survivor benefits under the general program and do not normally vary with the length of covered employment. They are usually about one-third to one-half of the worker's average earnings for a widow, about half as much for each half orphan, and about two-thirds as much for each full orphan. A limit is commonly placed on the combined total of survivor benefits.

Not all countries, however, provide work injury benefits to survivors, and some do not differentiate between survivors in this category and survivors entitled to benefits under other social insurance programs. Some schemes pay only a lump sum equal to the worker's earnings over a specified number of years. Most systems also pay a funeral grant equivalent to a fixed sum or a percentage of the worker's earnings.

Administrative Organization. The functions involved in administering work injury programs differ widely between countries in which employers are not required to insure or can insure with private carriers and those in which a public agency or fund has sole responsibility for both collecting contributions and paying benefits.

Unemployment

Benefits in this category provide compensation for the loss of income resulting from involuntary unemployment. In some countries, these programs are independent of other social security measures and may be closely linked with employment services. In other countries, the unemployment programs are included with social security measures covering other short-term risks, although employment services may continue to verify unemployment and assist in a job search.

Unemployment programs, which exist mainly in industrialized countries, are compulsory and fairly broad in scope in many countries. Some countries restrict benefits to those who satisfy a means or income test. In addition to the programs offering scheduled payments, a number of countries provide lump-sum grants, payable by either a government agency or the employer; other countries provide mandatory individual severance accounts, providing total benefits equal to the value of accumulated capital in the individual account. In addition, employers in many instances are required to pay lump-sum severance indemnities to discharged workers.

Coverage. About half of the compulsory unemployment programs cover the majority of employed persons, regardless of the type of industry. Coverage under the remaining programs is limited to workers in industry and commerce. A few exclude salaried employees earning more than a specified amount. Some have special provisions covering temporary and seasonal employees. Several countries have special occupational unemployment programs, most typically for workers in the building trades, dockworkers, railway employees, and seafarers.

Voluntary insurance systems are limited to industries in which labor unions have established unemployment funds. Membership in these funds is usually compulsory for union members in a covered industry and may be open on a voluntary basis to nonunion employees. Noninsured workers, such as recent school graduates or the self-employed, for example, may be eligible for a government-subsidized assistance benefit when they become unemployed.

Source of Funds. The methods used to finance unemployment insurance are usually based on the same contributory principles as for other branches of social insurance—contributions amounting to a fixed percentage of covered wages are paid on a scheduled basis. In many cases, the government also grants a subsidy, particularly for extended benefits.

Unemployment insurance contributions are shared equally between employees and employers in many

countries. Alternatively, the entire contribution may be made by the employer. However, government subsidies may be quite large, amounting to as much as two-thirds of the program's expenditures. Means-tested unemployment assistance programs are financed entirely by governments, with no employer or employee contribution.

Qualifying Conditions. To be entitled to unemployment benefits, a worker must be involuntarily unemployed and have completed a minimum period of contributions or covered employment. The most common qualifying period is 6 months of coverage within the year before employment ceased. In a number of industrialized countries, however, students recently out of school who are unable to find jobs may be eligible for unemployment benefits, even without a work record. This benefit provides a transition from school to work, particularly in periods of recession.

Nearly all unemployment insurance programs, as well as those providing unemployment assistance, require that applicants be capable of, and available for, work. An unemployed worker, therefore, is usually ineligible for unemployment benefits when incapacitated or otherwise unable to accept a job offer. Usually, the unemployed worker must register for work at an employment office and report regularly for as long as payments continue. This close linkage between unemployment benefits and placement services ensures that benefits will be paid only after the person has been informed of any current job opportunities and been found unsuitable.

An unemployed worker who refuses an offer of a suitable job without good cause usually will have benefits temporarily or permanently suspended. Most programs stipulate that the job offered must have been suitable for the worker. The definitions of suitable employment vary considerably. Generally, the criteria include the rate of pay for the job being offered in relation to previous earnings; distance from the worker's home; relationship to the worker's previous occupation, capabilities, and training; and the extent to which the job may involve dangerous or unhealthy work. In some countries, long-term unemployed workers may also be obliged to undertake employment retraining programs. Some countries also provide the unemployed with access to educational placements. If an unemployed worker refuses a place on a retraining program or fails, without good cause, to attend an educational placement, benefits can be temporarily or permanently suspended.

An unemployed worker may satisfy all of the qualifying conditions for a benefit but still be temporarily or permanently disqualified. Nearly all unemployment systems disqualify a worker who left voluntarily without good cause, was dismissed because of misconduct, or participated in a labor dispute leading to a work stoppage

that caused the unemployment. The period of disqualification varies considerably, from a few weeks to permanent disqualification.

Unemployment Benefits. Weekly benefits are usually a percentage of average wages during a recent period. A system of wage classes rather than a single fixed percentage is used in some countries. The basic rate of unemployment benefits is usually between 40 percent and 75 percent of average earnings. However, a ceiling on the wages used for benefit computations or maximum benefit provisions may considerably narrow the range within which the basic percentage of wages applies.

Flat-rate amounts are sometimes payable instead of graduated benefits that vary with past wages and customarily differ only according to the family status or, occasionally, the age of the worker. Supplements for a spouse and children are usually added to the basic benefit of unemployed workers who are heads of families. These supplements are either flat-rate amounts or an additional percentage of average earnings.

Most countries have a waiting period of several days before unemployment benefits become payable to reduce the administrative burden of dealing with a very large number of small claims. Most waiting periods are between 3 and 7 days. Some programs have a waiting period for each incident of unemployment, and others limit eligibility to once a year. Longer waiting periods may be prescribed for certain workers, such as the seasonally employed.

Most countries place a limit on the period during which unemployment benefits may be continuously drawn. Typically, this limit varies from 8 to 36 weeks but may be longer in certain cases.

Duration of benefits may also depend on the length of the preceding period of contribution or coverage under the program. That criterion may reduce the maximum duration of unemployment benefits for workers with brief work histories. However, workers with a long history of coverage may, under some programs, have their benefit period extended well beyond the ordinary maximum.

Many unemployed workers who exhaust the right to ordinary benefits continue to receive some assistance, provided their means or incomes are below specified levels. Recipients are usually required to continue registering and reporting at an employment exchange. Some countries that have unemployment assistance but no insurance program do not place any limit on the duration of payments. A number of countries require that insured workers approaching retirement age who have been out of work for a specified period be removed from the unemployment rolls and granted a regular old-age benefit.

Administrative Organization. Unemployment insurance systems may be administered by government departments or self-governing institutions that are usually managed by representatives of insured persons, employers, and the government.

Unemployment insurance and placement service programs usually maintain a close administrative relationship that ensures that benefits are paid only to workers who are registered for employment. At the same time, this liaison increases the effectiveness of the placement services by providing an incentive, through payment of benefits, for unemployed persons to register and report regularly.

Some countries have merged the administration of unemployment insurance and employment service programs, especially at the lower administrative levels where claims are received and benefits are paid by the local employment office. Other countries require persons to register with a local employment office, but the receipt of claims and payment of benefits are handled by a separate insurance office.

In addition to providing an income for the unemployed, many governments have elaborate measures to prevent or counteract unemployment. The typical procedure is for government employment services to work with industry to promote occupational and geographic mobility of labor and to minimize unemployment caused by economic or technological developments; they do that by subsidizing the retraining and relocation of workers in industries that are declining or being restructured. Governments may grant tax and other incentives to industry to locate in areas of high unemployment, or they may allocate funds to create jobs in anticipation of periods of seasonal unemployment.

Family Allowances

The general purpose of family allowance programs is to provide additional income for families with young children in order to meet at least part of the added costs of their support. These programs may either be integrated with other social security measures or kept entirely separate. In this report, family allowances primarily include regular cash payments to families with children. In some countries, they also include school grants, birth grants, maternal and child health services, and allowances for adult dependents.

Most industrialized countries have family allowance programs that originated in Europe in the 19th century when some large companies began paying premiums to workers with large families. The idea spread gradually, and several European countries enacted programs during

the 1920s and 1930s. Most programs in operation today, however, have been in place since 1945.

Types of Systems and Coverage. Family allowance programs are of two types: universal and employment-related. The first category, in principle, provides allowances to all resident families with a specified number of children. The second category provides allowances to all wage and salary workers and, in some cases, the self-employed. A few systems cover some categories of nonemployed persons as well. Most employment-related programs continue to pay family allowances to insured persons with dependent children in their care when they retire or are temporarily off the job and receiving sickness, unemployment, work injury, disability, or other benefits. Employment-related family programs also pay allowances to widows of social security beneficiaries.

Source of Funds. The differences in family allowance programs are reflected in the methods used for financing. In universal systems, the entire cost is usually covered by general revenue. By contrast, countries linking eligibility with employment meet the cost of allowances entirely or in considerable part from employer contributions, usually at a uniform percentage-of-payroll rate. If employer contributions do not cover the entire cost, the remainder is usually met from a government subsidy. Few countries require an employee contribution toward family allowances, although some require self-employed persons to contribute.

Eligibility. Eligibility is commonly related to the size of the family and, in some cases, to family income. Many countries pay allowances beginning with the first child. In addition, some countries pay an allowance for a nonemployed wife or other adult dependent, even if there are no children.

In some countries, families with only one child are ineligible. Age requirements vary but are usually tied to the last year of school or the minimum working age, which are often the same and fall somewhere between ages 14 and 18. Under most programs, the continuation of schooling, apprenticeship, or vocational training qualifies a child for an extension of the age limit. In the case of disabled children, many countries extend the age limit beyond that for continued education or pay allowances indefinitely.

Benefits. Whether a program pays a uniform rate for all children or an increasing or decreasing amount for each additional child may reflect the history or the intent of the program. The allowance structure may vary, for

example, depending on whether the primary intent is to provide assistance or stimulate population growth. The allowance in most countries is a uniform amount for every child, regardless of the number of children in a family. The allowance in most of the other countries increases for each additional child; the payment for a fifth child, for example, may be considerably larger than that for the first or second child. In a few countries, the allowance per child diminishes or ceases with the addition of children beyond a certain number. In some countries, family allowances (and tax exemptions for dependent family members) have been replaced or supplemented by credits or other forms of a negative income tax.

Administrative Organization. In countries where family allowances are available to all families and financed from general revenues, the program is usually administered by a government department. Where allowances are payable mainly to families of employed persons and financed primarily from employer contributions, the administration may be by a semiautonomous agency under public supervision. Equalization funds may handle the program's financial operations. Each employer pays family allowances to its employees with their wages. The firm then settles with the local fund only the surplus or deficit of contributions due, after deducting allowances the firm has paid. A similar procedure of settling only surpluses or deficits is followed by the local funds in relation to the regional equalization funds under whose supervision they operate. The equalization process makes it possible to fix a uniform contribution rate for all employers, regardless of the number of children in their employees' families. It also eliminates any effect allowances might have in inducing employers to discriminate in hiring workers with children.

Table 1.
Types of social security programs

| Country | Old age, disability, survivors | Sickness and maternity | | Work injury | Unemployment | Family allowances |
|----------------|--------------------------------|------------------------|--|----------------|--------------|-------------------|
| | | Cash benefits for both | Cash benefits plus medical care ^a | | | |
| Albania | X | X | X | X | X | X |
| Andorra | X | X | X | X | b | b |
| Austria | X | X | X | X | X | X |
| Belarus | X | X | X | X | X | X |
| Belgium | X | X | X | X | X | X |
| Bulgaria | X | X | X | X | X | X |
| Croatia | X | X | X | b | X | X |
| Cyprus | X | X | X | X | X | X |
| Czech Republic | X | X | X | X | X | X |
| Denmark | X | X | X | X | X | X |
| Estonia | X | X | X | X | X | X |
| Finland | X | X | X | X | X | X |
| France | X | X | X | X | X | X |
| Germany | X | X | X | X | X | X |
| Greece | X | X | X | X | X | X |
| Guernsey | X | X | X | X | X | X |
| Hungary | X | X | X | X | X | X |
| Iceland | X | X | X | X | X | X |
| Ireland | X | X | X | X | X | X |
| Isle of Man | X | X | X | X | X | X |
| Italy | X | X | X | X | X | X |
| Jersey | X | X | X | X | X | X |
| Latvia | X | X | X | X | X | X |
| Liechtenstein | X | X | X | X | X | X |
| Lithuania | X | X | X | X | X | X |
| Luxembourg | X | X | X | X | X | X |
| Malta | X | X | X | X | X | X |
| Moldova | X | X | X | X | X | X |
| Monaco | X | X | X | X ^o | d | X |
| Netherlands | X | X | X | b | X | X |
| Norway | X | X | X | X | X | X |

(Continued)

Table 1.
Continued

| Country | Old age, disability, survivors | Sickness and maternity | | Work injury | Unemployment | Family allowances |
|-----------------|--------------------------------|------------------------|--|-------------|--------------|-------------------|
| | | Cash benefits for both | Cash benefits plus medical care ^a | | | |
| Poland | X | X | X | X | X | X |
| Portugal | X | X | X | X | X | X |
| Romania | X | X | X | X | X | X |
| Russia | X | X | X | X | X | X |
| San Marino | X | X | X | X | X | e |
| Serbia | X | X | X | X | X | X |
| Slovak Republic | X | X | X | X | X | X |
| Slovenia | X | X | X | X | X | X |
| Spain | X | X | X | X | X | X |
| Sweden | X | X | X | X | X | X |
| Switzerland | X | X | X | X | X | X |
| Ukraine | X | X | X | X | X | X |
| United Kingdom | X | X | X | X | X | X |

SOURCE: Based on information in the country summaries in this volume.

- a. Coverage is provided for medical care, hospitalization, or both.
- b. Coverage is provided under other programs or through social assistance.
- c. Mandatory private insurance.
- d. Coverage is provided through France's program.
- e. Not available.

Table 2.
Types of mandatory systems for retirement income

| Country | Flat-rate | Earnings-related | Means-tested | Flat-rate universal | Provident funds ^a | Occupational retirement schemes | Individual retirement schemes |
|----------------|----------------|------------------|--------------|---------------------|------------------------------|---------------------------------|-------------------------------|
| Albania | X ^b | X ^b | | | | | |
| Andorra | | X | | | | | |
| Austria | | X | X | | | | |
| Belarus | | X | X | | | | |
| Belgium | | X | X | | | | |
| Bulgaria | | X | X | | | | X |
| Croatia | | X | | | | | X |
| Cyprus | | X | X | | | | |
| Czech Republic | X ^b | X ^b | | | | | |
| Denmark | | X | | X | | | X |
| Estonia | X | X | | | | | X |
| Finland | | X | X | | | | |
| France | | X | X | | | X | |
| Germany | | X | | | | | |
| Greece | | X | | | | | |
| Guernsey | X | | X | | | | |
| Hungary | | X | | | | | X |
| Iceland | | | X | | | X | |
| Ireland | X | | X | | | | |
| Isle of Man | X | X | X | | | | |
| Italy | | X | X | | | | |
| Jersey | X | | | | | | |
| Latvia | | X | | | | | X |
| Liechtenstein | | X | | | | X | |
| Lithuania | X ^b | X ^b | | | | | |
| Luxembourg | X ^b | X ^b | | | | | |
| Malta | X ^c | X ^c | X | | | | |
| Moldova | | X | X | | | | |
| Monaco | | X | | | | | |
| Netherlands | X | | X | | | | |
| Norway | X | X | | | | | |

(Continued)

Table 2.
Continued

| Country | Flat-rate | Earnings-related | Means-tested | Flat-rate universal | Provident funds ^a | Occupational retirement schemes | Individual retirement schemes |
|-----------------|----------------|------------------|--------------|---------------------|------------------------------|---------------------------------|-------------------------------|
| Poland | X ^b | X ^b | | | | | X ^d |
| Portugal | | X | X | | | | |
| Romania | | X | | | | | |
| Russia | X ^b | X ^b | | X | | | X ^e |
| San Marino | | X | | | | | |
| Serbia | | X | | | | | |
| Slovak Republic | | X | | | | | |
| Slovenia | | X | | | | | |
| Spain | | X | | | | | |
| Sweden | | X | X | | | | X |
| Switzerland | X ^b | X ^b | X | | | X | |
| Ukraine | | X | X | | | | |
| United Kingdom | X | X | X | | | | |

SOURCE: Based on information in the country summaries in this volume.

NOTE: The types of mandatory systems for retirement income are defined as follows:

Flat-rate pension: A pension of uniform amount or one based on years of service or residence but independent of earnings. It is financed by payroll tax contributions from employees, employers, or both.

Earnings-related pension: A pension based on earnings. It is financed by payroll tax contributions from employees, employers, or both.

Means-tested pension: A pension paid to eligible persons whose own or family income, assets, or both fall below designated levels. It is generally financed through government contributions, with no contributions from employers or employees.

Flat-rate universal pension: A pension of uniform amount normally based on residence but independent of earnings. It is generally financed through government contributions, with no contributions from employers or employees.

Provident funds: Employee and employer contributions are set aside for each employee in publicly managed special funds. Benefits are generally paid as a lump sum with accrued interest.

Occupational retirement schemes: Employers are required by law to provide private occupational retirement schemes financed by employer and, in some cases, employee contributions. Benefits are paid as a lump sum, annuity, or pension.

Individual retirement schemes: Employees and, in some cases, employers must contribute a certain percentage of earnings to an individual account managed by a public or private fund manager chosen by the employee. The accumulated capital in the individual account is used to purchase an annuity, make programmed withdrawals, or a combination of the two and may be paid as a lump sum.

a. No country in Europe has provident funds. The column is in this table to facilitate comparisons with countries in other regions.

b. The benefit formula contains a flat-rate component as well as an earnings-related element.

c. The benefit formula contains a flat-rate component as well as an earnings-related element. Earnings-related benefits are awarded only to those with entitlements since January 22, 1979.

d. The government provides a guaranteed minimum pension.

e. The benefit from the individual account is to be paid beginning 2013.

Table 3.
Demographic and other statistics related to social security, 2004

| Country | Total population (millions) | Percentage 65 or older | Dependency ratio ^a | Life expectancy at birth | | Statutory pensionable age | | Early pensionable age ^b | | GDP per capita (US\$) |
|----------------|-----------------------------|------------------------|-------------------------------|--------------------------|-------|---------------------------|-----------------|------------------------------------|-------|-----------------------|
| | | | | Men | Women | Men | Women | Men | Women | |
| Albania | 3.1 | 5.9 | 55.9 | 70.9 | 76.7 | 65 | 60 | c | c | 3,680 |
| Andorra | 0.7 | 13.2 | 39.4 | 80.5 | 86.5 | 65 | 65 | c | c | 19,000 |
| Austria | 8 | 15.6 | 47.4 | 75.4 | 81.5 | 65 | 60 | 61.5 | 56.5 | 26,730 |
| Belarus | 10.1 | 13.3 | 47.1 | 62.8 | 74.4 | 60 | 55 | c | c | 7,620 |
| Belgium | 10.2 | 17 | 52.2 | 75.7 | 81.9 | 65 | 63 | 60 | 60 | 25,520 |
| Bulgaria | 7.9 | 16.1 | 46.8 | 67.1 | 74.8 | 62.5 | 57.5 | c | c | 6,890 |
| Croatia | 4.6 | 14.1 | 47.5 | 70.3 | 78.1 | 63 | 58 | 58 | 53 | 9,170 |
| Cyprus | 0.8 | 11.5 | 52.9 | 76 | 80.5 | 65 | 65 | 63 | 63 | 21,190 |
| Czech Republic | 10.2 | 13.8 | 43.4 | 72.1 | 78.7 | 61.5 | 56 | 58.5 | 53 | 14,720 |
| Denmark | 5.3 | 15 | 49.8 | 74.2 | 79.1 | 65 ^d | 65 ^d | 60 | 60 | 29,000 |
| Estonia | 1.4 | 14.4 | 47.2 | 65.8 | 76.4 | 63 | 59 | c | c | 10,170 |
| Finland | 5.1 | 14.9 | 49.2 | 74.4 | 81.5 | 65 | 65 | 60 | 60 | 24,430 |
| France | 59.2 | 16 | 53.2 | 75.2 | 82.8 | 60 | 60 | c | c | 23,990 |
| Germany | 82 | 16.4 | 46.9 | 75 | 81.1 | 65 | 65 | 60 | 60 | 25,350 |
| Greece | 10.6 | 17.6 | 48.4 | 75.9 | 81.2 | 65 | 60 | 60 | 55 | 17,440 |
| Guernsey | 0.06 | 17.4 | 49.7 | 77 | 83.1 | 65 | 65 | c | c | 20,000 |
| Hungary | 9.9 | 14.6 | 46.2 | 67.8 | 76.1 | 62 | 59 | 60 | 57 | 12,340 |
| Iceland | 0.3 | 11.7 | 53.7 | 77.1 | 81.8 | 67 | 67 | c | c | 29,990 |
| Ireland | 3.8 | 11.3 | 49 | 74.4 | 79.6 | 66 | 66 | c | c | 32,410 |
| Isle of Man | 0.07 | 17.1 | 52.9 | 74.6 | 81.5 | 65 | 60 | c | c | 21,000 |
| Italy | 57.5 | 18.1 | 47.8 | 75.5 | 81.9 | 65 | 60 | c | c | 24,670 |
| Jersey | 0.09 | 15 | 48.8 | 76.4 | 81.5 | 65 | 65 | 63 | 63 | 24,800 |
| Latvia | 2.4 | 14.8 | 47.4 | 65.7 | 76.2 | 62 | 59.5 | 60 | 57.5 | 7,730 |
| Liechtenstein | 0.03 | 11.3 | 41.6 | 75.6 | 82.8 | 64 | 63 | 60 | 60 | 25,000 |
| Lithuania | 3.7 | 13.4 | 48.9 | 67.6 | 77.7 | 62.5 | 59 | 57.5 | 54 | 8,470 |
| Luxembourg | 0.4 | 14.4 | 49.4 | 74.6 | 80.9 | 65 | 65 | 60 | 60 | 53,780 |
| Malta | 0.4 | 12.4 | 48.2 | 75.9 | 81 | 61 | 60 | c | c | 13,160 |
| Moldova | 4.3 | 9.3 | 48 | 62.8 | 70.3 | 62 | 57 | c | c | 2,150 |
| Monaco | 0.03 | 22.4 | 61 | 75.3 | 83.3 | 65 | 65 | 60 | 60 | 27,000 |
| Netherlands | 15.8 | 13.6 | 46.9 | 75.6 | 81 | 65 | 65 | c | c | 27,190 |
| Norway | 4.5 | 15.4 | 54.2 | 76 | 81.9 | 67 | 67 | c | c | 29,620 |

(Continued)

Table 3.
Continued

| Country | Total population (millions) | Percentage 65 or older | Dependency ratio ^a | Life expectancy at birth | | Statutory pensionable age | | Early pensionable age ^b | | GDP per capita (US\$) |
|---------------------|-----------------------------|------------------------|-------------------------------|--------------------------|-------|---------------------------|-------|------------------------------------|-------|-----------------------|
| | | | | Men | Women | Men | Women | Men | Women | |
| Poland | 38.6 | 12.1 | 45.5 | 69.8 | 78 | 65 | 60 | c | c | 9,450 |
| Portugal | 10 | 15.6 | 47.7 | 72.6 | 79.6 | 65 | 65 | 55 | 55 | 18,150 |
| Romania | 22.4 | 13.3 | 46.1 | 66.5 | 73.3 | 65 | 60 | 55 | 55 | 5,830 |
| Russia | 145.5 | 12.5 | 43.8 | 60 | 72.5 | 60 | 55 | c | c | 7,100 |
| San Marino | 0.03 | 16.6 | 33.8 | 77.9 | 85.2 | 60 | 60 | c | c | 34,600 |
| Serbia ^e | 10.6 | 15.3 | 52.9 | 71 | 77.1 | 63 | 58 | 53 | 53 | 2,200 |
| Slovak Republic | 5.4 | 11.4 | 44.7 | 69.8 | 77.6 | 62 | 62 | c | c | 11,960 |
| Slovenia | 2 | 13.9 | 42.4 | 72.3 | 79.6 | 63 | 60 | c | c | 17,130 |
| Spain | 39.9 | 17 | 46.4 | 75.4 | 82.3 | 65 | 65 | c | c | 20,150 |
| Sweden | 8.8 | 17.4 | 55.3 | 77.6 | 82.6 | 65 | 65 | 61 | 61 | 24,180 |
| Switzerland | 7.1 | 16 | 48.5 | 75.9 | 82.3 | 65 | 63 | c | c | 28,100 |
| Ukraine | 49.5 | 13.8 | 46.3 | 62.7 | 73.5 | 60 | 55 | c | c | 4,350 |
| United Kingdom | 59.4 | 15.8 | 53.2 | 75.7 | 80.7 | 65 | 60 | c | c | 24,160 |

SOURCES: United Nations Population Division, Department of Economic and Social Affairs. 2002. *World Population Ageing 1950–2050*. New York: United Nations; *Human Development Report 2003*, 2003. Prepared for the United Nations Development Programme. New York: Oxford University Press; U.S. Central Intelligence Agency. 2003. *The World Factbook, 2003*. Washington D.C.: Central Intelligence Agency. Information on statutory and pensionable ages is taken from the country summaries in this volume.

NOTE: GDP = gross domestic product.

- a. Population aged 14 and under plus population aged 65 or older, divided by population aged 15–64.
- b. General early pensionable age only; excludes early pensionable ages for specific groups of employees.
- c. The country has no early pensionable age, has one only for specific groups, or information is not available.
- d. From July 1, 2004.
- e. Population statistics for Serbia also include data for Montenegro.

Table 4.
Contribution rates for social security programs, 2004 (in percent)

| Country | Old age, disability, survivors | | | All social security programs ^a | | |
|-----------------------------|--------------------------------|--------------------|--------------------|---|-------------------|-----------------------|
| | Insured person | Employer | Total | Insured person | Employer | Total |
| Albania | 9.5 ^b | 29.9 | 39.4 | 9.5 | 39.5 | 49 ^c |
| Andorra | 2 ^b | 6 ^b | 8 ^b | 5 | 11 | 16 |
| Austria ^d | 10.25 | 12.55 | 22.8 | 17.15 | 24.95 | 42.1 |
| Belarus | 1 ^b | 10 ^b | 11 ^b | 1 | 11 | 12 ^e |
| Belgium ^d | 7.5 | 8.86 | 16.36 | 13.07 | 17.92 | 30.99 |
| Bulgaria | 21.75 | 7.25 | 29 | 25 | 17.7 | 42.7 ^c |
| Croatia ^d | 20 | 0 | 20 | 20 | 17.2 | 37.2 ^c |
| Cyprus ^d | 6.3 ^b | 6.3 ^b | 12.6 ^b | 6.3 | 6.3 | 12.6 ^c |
| Czech Republic ^d | 6.5 | 21.5 | 28 | 12.5 | 37 | 49.5 ^c |
| Denmark ^d | f | f | f | f | f | c,f |
| Estonia ^d | 2 ^b | 33 ^b | 35 ^b | 2 | 33 | 35 ^{c,g} |
| Finland | 4.6 | 22.75 | 27.35 | 6.1 | 25.364 | 31.464 ^{c,g} |
| France ^d | 6.65 | 9.8 | 16.45 | 15.45 | 33.86 | 49.31 |
| Germany ^d | 9.75 | 9.75 | 19.5 | 20 | 21.33 | 41.33 ^c |
| Greece ^d | 6.67 | 13.33 | 20 | 11.55 | 24.1 | 35.65 |
| Guernsey ^d | 6 ^b | 5.5 ^b | 11.5 ^b | 6 | 5.5 | 11.5 ^c |
| Hungary ^d | 8.5 ^b | 18 ^{b,h} | 26.5 ^b | 13.5 | 32 | 45.5 ^c |
| Iceland | 4 ^b | 11.64 ^b | 15.64 ^b | 4 | 11.64 | 15.64 ^c |
| Ireland ^d | 8 ^b | 10.75 ^b | 18.75 ^b | 8 | 10.75 | 18.75 ^c |
| Isle of Man ^d | 10 ^b | 12.8 ^b | 22.8 ^b | 10 | 12.8 | 22.8 ^c |
| Italy ^d | 8.89 | 23.81 | 32.7 | 8.89 ⁱ | 30.9 ⁱ | 39.79 ⁱ |
| Jersey ^d | 5.2 ^b | 5.3 ^b | 10.5 ^b | 6 | 6.5 | 12.5 ^{c,g} |
| Latvia | 2 | 18 | 20 | j | j | 24.35 ^c |
| Liechtenstein ^d | 9.4 | 9.4 | 18.8 | 11.15 | 13.25 | 24.4 ^e |
| Lithuania | 2.5 | 23.4 | 25.9 | 3 | 28 | 31 ^c |
| Luxembourg ^d | 8 | 8 | 16 | 16.4 | 13.56 | 29.96 ^c |
| Malta ^d | 10 ^b | 10 ^b | 20 ^b | 10 | 10 | 20 |
| Moldova | 2 ^b | 28 ^b | 30 ^b | 2 | 28 | 30 |
| Monaco ^d | 6.15 ^b | 22.96 ^b | 29.11 ^b | 6.15 | 22.96 | 29.11 |
| Netherlands ^d | 19.15 | 8.9 | 28.05 | 39.45 ⁱ | 17.2 | 56.65 ^{c,k} |
| Norway | 7.8 ^b | 14.1 ^b | 21.9 ^b | 7.8 | 14.1 | 21.9 ^c |

(Continued)

Table 4.
Continued

| Country | Old age, disability, survivors | | | All social security programs ^a | | |
|--------------------------|--------------------------------|--------------------|--------------------|---|----------|----------------------|
| | Insured person | Employer | Total | Insured person | Employer | Total |
| Poland ^d | 16.26 | 16.26 | 32.52 | 26.96 | 19.68 | 46.64 ^c |
| Portugal | 11 ^b | 23.75 ^b | 34.75 ^b | 11 | 23.75 | 34.75 |
| Romania ^{d,l} | 11.66 ^b | 23.34 ^b | 35 ^b | 19.66 | 35.34 | 55 ^c |
| Russia | 0 | 28 ^b | 28 ^b | 0 | 28.2 | 28.2 ^g |
| San Marino | 1.9 ^b | 10 ^b | 11.9 ^b | 5.9 | 16.5 | 22.4 |
| Serbia ^d | 16 | 16 | 32 | 26.6 | 26.6 | 53.2 |
| Slovak Republic | 7 | 19 | 26 | 9.4 | 25.6 | 35 ^c |
| Slovenia | 15.5 ^b | 8.85 ^b | 24.35 ^b | 22.1 | 15.9 | 38 ^c |
| Spain ^d | 4.7 | 23.6 | 28.3 | 6.25 | 31.58 | 37.83 ^c |
| Sweden ^d | 7 | 11.91 | 18.91 | 7 | 25.87 | 32.87 ^{c,m} |
| Switzerland ^d | 11.9 | 11.9 | 23.8 | 12.9 | 13 | 25.9 ^e |
| Ukraine | 3 ^b | 32 ^b | 35 ^b | 3.25 | 35 | 38.25 |
| United Kingdom | 11 ^b | 12.8 ^b | 23.8 ^b | 11 | 12.8 | 23.8 ^c |

SOURCE: Based on information in the country summaries in this volume.

- a. Includes Old Age, Disability, and Survivors; Sickness and Maternity; Work Injury; Unemployment; and Family Allowances. In some countries, the rate may not cover all of these programs. In some cases, only certain groups, such as wage earners, are represented. When the contribution rate varies, either the average or the lowest rate in the range is used.
- b. Also includes the contribution rate for other programs.
- c. Government pays the total cost of family allowance benefits.
- d. Contributions are submitted to a ceiling for some benefits.
- e. Employer pays the total cost of work injury benefits.
- f. Portion of set amount for Old Age, Disability, and Survivors. Central and local government and other types of contributions for the other programs.
- g. Government pays the total cost of basic unemployment benefit.
- h. Contribution is for social insurance benefits only.
- i. Plus variable contributions by some employees and employers for sickness and maternity benefits.
- j. See total.
- k. Plus a flat-rate contribution by the employer for sickness benefit.
- l. Data from 2002.
- m. Employer pays total cost of mandatory unemployment insurance.



Country Summaries

Albania

Exchange rate: US\$1.00 equals 105.6 leks.

Old Age, Disability, and Survivors

Regulatory Framework

First law: 1947.

Current law: 1993, with amendments.

Type of program: Social insurance system.

Coverage

Employed persons, self-employed persons, and university students.

Voluntary coverage for those who do not qualify for compulsory insurance.

Supplementary systems for civil servants, private employers and employees, and military personnel.

Special state pensions are available for those who have contributed to the political and cultural development of Albania.

Source of Funds

Insured person: 9.5% of total earnings (8% for old-age, disability, and survivor pensions and for sickness and maternity benefits; 1.5% for medical benefits).

Employer: 29.9% of payroll.

Government: Any deficit. Covers costs for persons in compulsory military service and credits contributions on behalf of the unemployed.

Qualifying Conditions

Old-age pension: Age 65 (men) or age 60 (women) with 35 years of contributions. Retirement from economic activity is necessary.

Age 50 with 30 years of contributions for mothers with six or more children over age 8.

Partial pension: Age 65 (men) or age 60 (women) with between 20 and 35 years of contributions.

Deferred pension: A deferred pension is possible.

Disability pension: Incapable of any work, blind, or suffering from severe mutilation.

The minimum insurance period is at least one-half the difference in years between the claimant's age and age 20.

The degree of disability is assessed by the Medical Experts Committee (MEC). At pensionable age, the claimant may choose to take the old-age pension if the amount is higher.

Partial disability pension: Incapacity to perform work at the last place of employment but capable of work under special working conditions as determined by the MEC. The minimum insurance period must be met.

Survivor pension: The deceased was an old-age 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 under age 8; a disabled or aged spouse (age 50 for a widow or age 60 for a widower); dependent orphans under age 18 (age 25 if a student), or a spouse or a child who became disabled before reaching these ages; parents and grandparents aged 65 or older who shared the same household with the deceased for 12 months before the insured's death and have no one else to care for them; and dependent grandchildren. A surviving spouse loses entitlement to the survivor pension on remarriage.

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 coverage multiplied by the average assessed wage for which contributions were paid.

The maximum pension is twice the basic pension amount or 75% of average net wages during 3 of the last 10 years of employment.

Deferred pension: An increment of 4% of the full pension is paid for each year of deferral with continued contributions.

The maximum deferred pension is 80% of the average net wage during 3 of the last 10 years of employment.

Partial pension: A percentage of the full pension, corresponding to the number of years worked.

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 average assessed wage for which contributions were paid.

The maximum pension is twice the basic flat-rate pension or 80% of the last average net wage, 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).

Constant-attendance supplement: 15% of the assessed wage for contribution purposes.

Supplements for dependent children: A supplement equal to 5% of the basic old-age pension is paid for each dependent child under age 15. The maximum supplement is 20% of the basic old-age pension.

Benefit adjustment: Benefits are adjusted according to changes to the old-age pension.

Survivor Benefits

Survivor pension: 50% of the insured's old-age pension for the surviving spouse; 25% for each orphan and each other dependent.

The maximum pension is 100% of the insured's old-age pension; 50% if the surviving spouse is economically active or receiving a pension in his or her own right.

Full orphan's pension: 50% of the insured's old-age pension for a sole orphan provided there is no other eligible dependent. 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.

Administrative Organization

Ministry of Labor and Social Affairs and a tripartite Administrative Council provide general supervision.

Social Insurance Institute administers the program.

Sickness and Maternity

Regulatory Framework

First law: 1947.

Current law: 1993, with 1994, 1995, 1998, 2000, 2001, 2002, and 2003 amendments.

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

Coverage

Sickness benefits: Employees.

Maternity benefits: Employees, employers, and self-employed persons.

Medical care: All residents.

Source of Funds

Insured person: See source of funds under Old Age, Disability, and Survivors, above. (Persons living in urban areas contribute 1.7% of earnings for medical benefits.)

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

Government: 1.7% of payroll for employees (medical benefits). Total cost for persons not currently in the labor force (medical benefits).

Qualifying Conditions

Sickness benefits: Currently insured.

Maternity benefits: Twelve months of contributions.

Medical benefits: There is no minimum qualifying period.

Sickness and Maternity Benefits

Sickness benefit: 70% of the average daily wage in the last calendar year if the insured has less than 10 years of contributions; 80% for more than 10 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 (MEC) 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 benefit is 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 paid at 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 in cases of adoption. Compensation is payable for changes of employment due to pregnancy.

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

Birth grant: A lump-sum payment of one-half of the minimum wage set by the Council of Ministers, payable to either insured parent with a minimum of 1 year's contributions.

Workers' Medical Benefits

Free general practitioners' services.

Cost sharing: Reimbursement is provided from 35% to 100% for various essential medicines.

Dependents' Medical Benefits

Same as for the family head.

Administrative Organization

Ministry of Labor and Social Affairs and Ministry of Health Protection provide general supervision.

Social Insurance Institute administers sickness and maternity benefits.

Health Insurance Institute administers medical benefits.

Work Injury

Regulatory Framework

First law: 1947.

Current laws: 1993, 1995, 1998, 2000, 2001, 2002, and 2003.

Type of program: Social insurance system.

Coverage

Employees, apprentices, and students in practical training.

Source of Funds

Insured person: None.

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.

Temporary Disability Benefits

100% of the average daily wage during the last 3 years is payable for up to 12 months.

Permanent Disability Benefits

For an assessed loss of working capacity of at least 67%, the benefit is 80% of the average wage during 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 average wage during 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 for the cost of rehabilitation.

Survivor Benefits

Survivor pension: 50% of the insured's pension for the surviving spouse.

Orphan's pension: 25% is payable for each orphan, even if the surviving parent is economically active or receiving a pension.

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

Other eligible survivors: 25% for each parent, grandchild, and grandparent.

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

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

Administrative Organization

Ministry of Labor and Social Affairs provides general supervision.

Social Insurance Institute administers the program.

Unemployment

Regulatory Framework

First and current law: 1993.

Type of program: Social insurance system.

Coverage

Employees.

Source of Funds

Insured person: None.

Employer: 6% of payroll.

Government: Covers any deficit.

Qualifying Conditions

Unemployment benefit: At least 1 year's contributions and receiving no other benefits (except for partial disability), registered at an unemployment office, and willing to undergo training.

Unemployment Benefits

A flat-rate benefit providing at least for a minimum standard of living, as decided by the Council of Ministers (3,960 leks a month in 2003). The benefit is payable for up to 12 months or for a total of 365 calendar days if the insured has temporary periods of employment.

Child supplement: 5% of the unemployment benefit for each dependent child under 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 up to 18 months.

Benefit adjustment: Benefits are indexed annually according to price changes of selected commodities.

Administrative Organization

Ministry of Labor, Emigration, and Social Affairs provides general supervision.

National Employment Service administers the payment of benefits.

Social Insurance Institute administers the collection of contributions.

Family Allowances

Regulatory Framework

First and current law: 1993 (financial aid and social services).

Type of program: Social assistance system.

Note: Social insurance benefits for dependent children are provided through the Social Insurance Act, under Old Age, Disability, and Survivors and Unemployment.

Coverage

Resident families.

Source of Funds

Insured person: None.

Employer: None.

Government: Total cost.

Qualifying Conditions

Family allowances (social assistance): Families resident in Albania.

Family Allowance Benefits

Family allowances (social assistance): Financial aid is provided to families with low or inadequate income or to families with a member who is disabled or blind.

Administrative Organization

Ministry of Labor and Social Affairs provides general supervision.

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

Andorra

Exchange rate: US\$1.00 equals 0.80 euros (€).

Old Age, Disability, and Survivors

Regulatory Framework

First and current law: 1966.

Type of program: Social insurance system.

Coverage

Employed persons.

Voluntary coverage for nonemployed persons.

Source of Funds

Insured person: A choice of 2%, 4%, or 6% of earnings.

Self-employed person: A choice of a flat-rate contribution of €0.64, €13.30, €35.96, €81.28, or €271.92 according to the chosen income band.

Employer: 6% of payroll.

Government: None.

All of the above contributions also finance work injury benefits.

There are no maximum earnings for contribution purposes.

Qualifying Conditions

Old-age pension: Age 65.

Disability pension: A loss of at least 2/3 of earning capacity. For an insured person under age 21, entitlement is based on 12 months of contributions; for an insured between ages 21 and 40, 36 months of contributions; for an insured between ages 41 and 65, 96 months of contributions.

Survivor pension: The insured must have made 60 months of contributions. The pension is payable to a spouse aged 45 or older, disabled, or caring for a child aged under age 18.

Orphan's pension: Payable to each dependent child who is not in paid employment.

Funeral grant: Payable to eligible survivors. Eligible survivors (in order of entitlement) are the surviving spouse and dependent children, adult children, parents, grandparents, or any other immediate relative. In some cases, the funeral grant may be paid to the insurance fund that met the funeral costs.

Old-Age Benefits

Old-age pension: The value of the pension is linked to the amount of contributions made. Each monthly contribution is

converted into age pension points by dividing the monthly employee and employer contributions by the government-set purchase value of an age pension point for the relevant month. To calculate the pension, the acquired age pension points are converted into an annual pension figure by applying a set value to each pension point. The monthly pension is equivalent to 1/12 of the result of this calculation.

The pension point's set value is regularly adjusted according to the retail price index.

The minimum pension is based on 5,000 age pension points. The pension is paid to insured persons with at least 960 points, including 180 months of contributions since 1968 and at least 60 months of paid employment before then.

Spouse supplement: Pensions are increased by 10% if the insured's spouse is aged 65 or older and is not eligible for a pension in his or her own right.

Permanent Disability Benefits

Disability pension: The pension is calculated according to the basis salary (the mean monthly salary of the 12 months preceding the onset of disability) and the assessed degree of disability:

- Group I—an individual who is able to perform some type of work receives 30% of the basis salary;
- Group II—an individual who is unable to perform any type of work receives 50% of the basis salary;
- Group III—an individual who is unable to perform any type of work and who is in need of constant attendance receives 75% of the basis salary.

Survivor Benefits

Survivor pension: 50% of the insured's old-age pension; if death occurs before retirement, the equivalent of the old-age pension calculated on the basis of half the total pension points acquired by the deceased.

Orphan's pension: 10% of the insured's old-age pension is payable to each eligible child; if death occurs before retirement, the equivalent of the old-age pension calculated on the basis of 10% of the total pension points acquired by the deceased.

The maximum orphan pension is 50% of the insured's actual or prospective pension.

Funeral grant: A lump sum equal to the last 3 months' earnings or three times average monthly earnings, whichever is higher.

Administrative Organization

Managed by its Administration Council and Director, the National Social Security Fund administers the scheme.

Sickness and Maternity

Regulatory Framework

First and current law: 1966.

Type of program: Social insurance system.

Coverage

Employed persons.

Voluntary coverage for nonemployed persons.

Source of Funds

Insured person: 3% of earnings.

Self-employed person: A flat-rate contribution of €123.86 regardless of income level.

Employer: 7% of payroll.

Government: None.

All of the above contributions also finance work injury benefits.

There are no maximum earnings for contribution purposes.

Qualifying Conditions

Sickness benefits: For the first claim, 40 days of contributions are required; all subsequent claims require 15 days of employment in the last 40 days. To receive benefits for longer than 180 days, the insured must have 12 months of contributions before the onset of sickness.

Maternity benefits: Entitlement is based on 6 months of insurance before the expected date of childbirth or 3 months of employment in the previous 6 months. Benefits are also paid for the adoption of a child.

Medical benefits: For the first claim, 40 days of contributions are required; all subsequent claims require 15 days of employment in the last 40 days.

Sickness and Maternity Benefits

Sickness benefit: A daily amount equal to half of the reference earnings (1/180 of earnings for the previous 6 months). The benefit is payable after a 3-day waiting period. After the thirtieth day following the onset of sickness, the daily payment is increased to 2/3 of the reference earnings. The maximum duration of payments is 6 months; in some cases, benefit entitlement can be extended by additional 6-month periods up to a total of 3 years.

Benefit adjustment: Benefits are adjusted annually according to changes in the retail price index.

Maternity (or adoption) benefit: A daily amount equal to 90% of 1/180 of earnings in the 6 months before stopping work. The maximum duration of payment is 16 weeks, plus 2 additional weeks for each child in case of multiple births. An

uninterrupted period of 12 weeks is paid for the adoption of a child.

Workers' Medical Benefits

The benefits include primary and specialist treatment, pharmaceuticals, hospitalization, dental care, minor aids and appliances, maternity care, and transportation.

Cost sharing: The National Social Security Fund reimburses 100% of scheduled fees for maternity care, 90% for hospitalization, and 75% for the other services and benefits provided.

There is no limit to duration.

Dependents' Medical Benefits

The benefits include primary and specialist treatment, pharmaceuticals, hospitalization, dental care, minor aids and appliances, maternity care, and transportation.

Cost sharing: The National Social Security Fund reimburses 100% of scheduled fees for maternity care, 90% for hospitalization, and 75% for the other services and benefits provided.

There is no limit to duration.

Administrative Organization

Managed by its Administration Council and Director, the National Social Security Fund administers the scheme.

Work Injury

Regulatory Framework

First and current law: 1966.

Type of program: Social insurance system for work accidents only (professional diseases are not covered).

Coverage

Employees.

Voluntary coverage for nonemployed persons.

Source of Funds

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

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

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

Government: See source of funds under Old Age, Disability, and Survivors and Sickness and Maternity, above.

Qualifying Conditions

Work injury benefits: There is no minimum qualifying period.

Temporary Disability Benefits

A daily amount equal to half of the reference earnings (1/180 of earnings in the previous 6 months). After the thirtieth day, the daily payment is increased to 2/3 of the reference earnings. The benefit is payable from the onset of disability.

Permanent Disability Benefits

For total disability, 100% of average monthly earnings in the preceding year.

Partial disability: For an assessed degree of disability of less than 10%, the benefit is a lump sum equal to twice the average monthly earnings.

If the assessed degree of disability is between 10% and 55% and the insured is younger than age 45, there is a choice of a pension in proportion to 50% of the assessed degree of disability or a lump-sum payment. The lump sum is equal to 6 months of average monthly earnings if the assessed degree of disability is between 10% and 24%, 12 months if the disability is between 25% and 39%, or 18 months if the disability is between 40% and 55%.

If the assessed degree of disability is between 10% and 55% and the insured is older than age 45, the pension is in proportion to 50% of the assessed degree of disability.

If the assessed degree of disability is greater than 55% and the insured is younger than age 45, there is a choice of a pension in proportion to the assessed degree of disability or a lump sum equal to 40 times the average monthly earnings.

If the disability is greater than 55% and the insured is older than age 45, the pension is in proportion to the assessed degree of disability.

Workers' Medical Benefits

Total reimbursement of scheduled fees. The benefits include primary and specialist treatment, pharmaceuticals, hospitalization, appliances, and transportation.

There is no limit to duration.

Survivor Benefits

Survivor pension: 50% of the insured's average monthly earnings. The pension is payable to a nondivorced spouse who is not undertaking any gainful activity and who is not eligible for a pension in his or her own right.

Orphan's pension: 10% of the insured's average monthly earnings for each child under age 18 who is not in paid employment.

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

Ascendant pension: 20% of the insured's average monthly earnings is paid to all ascendants (of the deceased and the spouse) who were totally dependent on the insured.

The maximum total survivor pension is 100% of the insured's average monthly earnings.

Administrative Organization

Managed by its Administration Council and Director, the National Social Security Fund administers the scheme.

Unemployment

Regulatory Framework

There is no separate unemployment program, but assistance is made available by the government for identified cases of need.

Family Allowances

Regulatory Framework

There is no separate family allowances program, but assistance is made available by the government for identified cases of need.

Austria

Exchange rate: US\$1.00 equals 0.80 euros (€).

Old Age, Disability, and Survivors

Regulatory Framework

First laws: 1909 (salaried employees) and 1939 (wage earners).

Current laws: 1955 (employees) and 1979 (self-employed).

Type of program: Social insurance system.

Coverage

Wage earners and salaried employees (separate systems with essentially identical provisions) earning €16.54 or more a month, and apprentices.

Special systems for miners, notaries, public-sector employees, and self-employed persons in trade and agriculture.

Source of Funds

Insured person: 10.25% of earnings.

Employer: 12.55% of payroll.

Government: Any deficits and the cost of care benefit and income-tested allowance.

The maximum earnings for contribution and benefit purposes are €3,450 a month. (The maximum earnings for contribution and benefit purposes are adjusted annually.)

Qualifying Conditions

Old-age pension: Age 65 (men) or age 60 (women), with 180 months of insurance coverage in the last 30 years, 300 months of insurance, or 180 months of contributions.

Early pension: Age 61.5 (men) or 56.5 (women) with 45 years of insurance (men) or 40 years of insurance (women) and with monthly earnings of €16.19 and below and under certain other conditions. The age requirement will be increased by 1 month per quarter beginning July 1, 2004. (The early pension will be phased out gradually by October 1, 2017.)

Deferred pension: A deferred pension is possible.

Reciprocity or international agreement is required for payments abroad beyond 2 months, except in member states of the European Union.

Disability pension: The loss of 50% of earning capacity compared with an insured person with a similar level of education. Must have 60 months of contributions (plus 1 month for each month from age 50) in the last 10 years (plus 2 months for each month from age 50), 300 months of insurance, or 180 months of contributions. The qualifying conditions are relaxed for persons aged 57 or older.

Partial pension: A partial pension is paid if monthly earnings are above €21.11.

Survivor pension: The insured met the insurance or contribution requirements for a disability pension or was a pensioner at the time of death.

Old-Age Benefits

Old-age pension: The benefit accrues at 1.96% of the assessment base for each year of insurance.

The assessment base is equal to revalued average earnings in the best 16 years, up to an annual maximum of €3,013.22. (The assessment period will be increased gradually by 12 months per year until it reaches 40 years in 2028.)

Early pension: The benefit is reduced by 4.2% for each year it is awarded before age 65 (men) or age 60 (women), up to a maximum of 15%.

Deferred pension: The pension is increased by 4.2% for each year of deferral.

The maximum pension is 80% of the assessment base (up to 91.76% for a deferred pension).

Child's supplement: €29.07 for each child under age 18 (age 27 if student, no limit if disabled).

Income-tested allowance: An amount to raise the pension to €553.19 a month for an individual; €1,015 for a married couple, plus €69.52 for each child for which a person receives a child's supplement.

Schedule of payments: Fourteen payments a year.

Benefit adjustment: Benefits are adjusted annually (newly granted pensions are first adjusted in the second calendar year after the year of receipt of the pension).

Care benefit: Pensioners in need of personal care may be entitled to a monthly benefit varying from €145.40 up to €1,531.50 (in 7 levels) depending on the amount of care required. The benefit is paid 12 times a year.

Permanent Disability Benefits

Disability pension: The benefit accrues at 1.96% of the assessment base for each year of insurance. If the insured is younger than age 60, insurance coverage is projected to age 60 for benefit calculation purposes.

The assessment base is equal to revalued average earnings in the best 16 years, up to an annual maximum of €3,013.22. (The assessment period will be increased gradually by 12 months per year until it reaches 40 years in 2028.)

The maximum pension is 60% of the assessment base.

Child's supplement: €29.07 for each child under age 18 (age 27 if student, no limit if disabled).

Income-tested allowance: An amount to raise the pension to €553.19 a month for an individual; €1,015 for a married couple, plus €69.52 for each child for which a person receives a child's supplement.

Schedule of payments: Fourteen payments a year.

Benefit adjustment: Benefits are adjusted annually (newly granted pensions are first adjusted in the second calendar year after the year of receipt of the pension).

Care benefit: Pensioners in need of personal care may be entitled to a monthly benefit varying from €145.40 up to €1,531.50 (in 7 levels) depending on the amount of care required. The benefit is paid 12 times a year.

Survivor Benefits

Survivor pension: A widow(er) receives up to 60% of the insured's pension. (Rates under 60% may be increased to 60%, depending on the beneficiary's total income.)

Income-tested allowance: An allowance to raise the survivor pension to €53.19 a month.

Orphan's pension: 40% of the survivor pension (60% if a full orphan) for each orphan under age 18 (age 27 if student, no limit if disabled).

Income-tested allowance: An allowance to raise the orphan's pension to €243.95 a month (€66.28 for a full orphan); after age 24, the allowance raises the orphan's pension to €433.48 a month (€53.19 for a full orphan).

Schedule of payments: Fourteen payments a year.

Benefit adjustment: Benefits are adjusted annually (survivor pensions of insured persons whose old-age pension was first granted in 2004 or after are first adjusted during the second calendar year after the year of receipt of the survivor pension).

Care benefit: Pensioners in need of personal care may be entitled to a monthly benefit varying from €145.40 up to €1,531.50 (in 7 levels) depending on the amount of care required. The benefit is paid 12 times a year.

Administrative Organization

Federal Ministry of Social Security, Generations, and Consumer Protection provides general supervision.

Pension insurance institutions administer pensions (separate institutions for railroads, mining, and the self-employed).

Self-governing institutions are managed by elected representatives of insured persons and employers.

Sickness funds collect contributions, transmit them to pension insurance institutions, and maintain contribution records for individual workers.

Special funds equalize surpluses and deficits between various systems.

Sickness and Maternity

Regulatory Framework

First law: 1888.

Current laws: 1955 (employees), 1960 (maternity), 1974 (cash benefits for wage earners), and 1979 (self-employed).

Type of program: Social insurance system. Cash and medical benefits.

Coverage

Employed persons earning €16.19 or more a month, apprentices, and pensioners.

Special systems for public-sector and railway employees and the self-employed in agriculture and trade.

Source of Funds

Insured person: 3.9% of wages (wage earners), 3.7% of salary (salaried employees), or 4.35% of pension (pensioners).

Employer: 3.5% of payroll (wage earners) or 3.7% of payroll (salaried employees).

Government: 70% of cash maternity benefits.

The maximum monthly earnings for contribution and benefit calculation purposes are €3,450. (The maximum earnings for contribution purposes are adjusted annually.)

Qualifying Conditions

Sickness and maternity benefits: Currently in covered employment.

Sickness and Maternity Benefits

Sickness benefit: The employer pays 100% of earnings for up to 12 weeks (plus an additional 4 weeks at 50%), depending on length of service.

After the right to full benefit from the employer is exhausted, sickness funds pay 50% (60% after 6 weeks) of covered earnings (25% to those receiving 50% of earnings from the employer), plus eventual family supplements (depending on the regulation of the sickness fund) for 26 to 52 weeks, depending on the length of the contribution period.

The maximum benefit is 75% of covered earnings.

Maternity benefit: 100% of earnings for 8 weeks before and 8 weeks after the expected date of childbirth (12 to 16 weeks after childbirth in special cases).

Workers' Medical Benefits

Service benefits are ordinarily provided by doctors, hospitals, and pharmacists under contract with and paid directly by sickness funds; some funds operate their own clinics or hospitals. Benefits include medical (including psychotherapy), maternity, and dental care; hospitalization; medicines; appliances; home care; preventive examinations; and transportation.

Cost sharing: Patients pay €4.35 per prescription, part of the cost for dental care, and up to 20% of the cost of appliances. Cost sharing is at least €23 for appliances. Exceptions are made for patients with limited means.

There is no limit to duration.

Dependents' Medical Benefits

Same as for the insured but with 10% cost sharing during the first 4 weeks of hospitalization. The wife of an insured man receives the same maternity care as an insured woman.

Administrative Organization

Federal Ministry of Social Security, Generations, and Consumer Protection performs general supervision.

Nine district and eight occupational sickness funds administer contributions and benefits.

Special funds for railroad, mining, and public-sector employees and the self-employed.

Self-governing institutions are managed by elected representatives of insured persons and employers.

Work Injury

Regulatory Framework

First law: 1887.

Current law: 1955.

Type of program: Social insurance system.

Coverage

Employed and self-employed persons, apprentices, and students.

Special system for public-sector employees.

Source of Funds

Insured person: None.

Self-employed person: A flat-rate contribution of €3.16.

Employer: 1.4% of payroll.

Government: Federal government contributes to accident insurance for farmers.

The maximum monthly assessment base per employee for contribution and benefit calculation purposes is €3,450. (The maximum earnings for contribution purposes are adjusted annually.)

Family Allowances Equalization Fund reimburses the General Accident Insurance Fund for accident insurance of students.

Qualifying Conditions

Work injury benefits: There is no minimum qualifying period.

Temporary Disability Benefits

The insured receives sickness benefit until a decision on permanent disability is made. For sickness benefit, the employer pays 100% of earnings for up to 12 weeks (plus additional 4 weeks at 50%), depending on length of service.

After the right to full benefit from the employer is exhausted, sickness funds pay 50% (60% after 6 weeks) of covered earnings (25% to those receiving 50% of earnings from employer).

The maximum benefit is 75% of covered earnings.

Permanent Disability Benefits

Permanent disability pension: The full pension (66.6% of the assessment base) is paid for a 100% reduction in earning capacity.

Partial pension: A proportionately reduced pension is payable with at least a 20% reduction in earning capacity.

The assessment base is equal to average covered earnings during the last year before the onset of disability.

Supplementary pension: 20% of the disability pension for a reduction in earning capacity of 50% to 70%; 50% if the reduction is higher.

Child's supplement: 10% of the disability pension for a 50% or higher reduction in earning capacity for each child under age 18 (age 27 if a student, no limit if disabled).

The maximum supplement is €76.31 a child.

The combined total disability pension, supplementary pension, and children's supplements cannot exceed 100% of the assessment base.

Schedule of payments: Fourteen payments a year.

Benefit adjustment: Benefits are adjusted annually.

Care benefit: Those in need of personal care may be entitled to a monthly benefit varying from €45.40 up to €1,531.50 (in 7 levels) depending on the amount of care required. The benefit is paid 12 times per year.

Workers' Medical Benefits

Comprehensive care, including rehabilitation (the first 4 weeks are provided under sickness insurance), and allowances for training and relocation.

Survivor Benefits

Survivor pension: 40% of the assessment base is paid to a widow aged 60 or older (widower aged 65 or older) or disabled. Other widow(er)s receive 20% of the assessment base.

Orphan's pension: 20% of the assessment base for each orphan (30% for a full orphan) under age 18 (age 27 if a student, no limit if disabled).

The assessment base is equal to average earnings during the last year before death.

The combined total survivor and orphan's pension cannot exceed 80% of the assessment base.

Schedule of payments: Fourteen payments a year.

Benefit adjustment: Benefits are adjusted annually.

Other survivor benefits: Partial reimbursement of funeral and transportation costs (at least €79.79).

Administrative Organization

Federal Ministry of Social Security, Generations, and Consumer Protection performs general supervision.

General Accident Insurance Institution administers long-term benefits (separate institution for railway employees, public-sector employees, and the agricultural self-employed).

Sickness funds collect contributions and transmit them to accident insurance institutions.

Unemployment

Regulatory Framework

First law: 1920.

Current law: 1977.

Type of program: Social insurance system.

Coverage

Employed persons earning €16.19 or more a month and apprentices.

Exclusions: Public-sector employees and the self-employed.

Source of Funds

Insured person: 3% of earnings.

Employer: 3% of payroll.

Government: Any deficit.

The maximum monthly earnings for contribution and benefit purposes are €3,450. (The maximum earnings for contribution and benefit purposes are adjusted annually.)

Qualifying Conditions

Unemployment benefit: Twenty-eight weeks of contributions in the last 12 months; 52 weeks in the last 24 months for a first claim to benefit. (The reference period is extended for specified periods, including sickness, unemployment, and noninsured employment.) The insured must be registered at an employment office and be capable of and willing to work. Unemployment is not due to voluntary departure without good reason, misconduct, work stoppage, or the refusal of a suitable offer, in which case disqualification usually lasts 4 weeks.

Unemployment Benefits

55% of net earnings is payable for up to 20 weeks. The payment of benefit can be extended to 30 weeks (with 156 weeks of insurance in the last 5 years); to 39 weeks (aged 40 or older with 312 weeks of insurance in the last

10 years); to 52 weeks (aged 50 or older with 468 weeks of insurance in the last 15 years); or to 78 weeks (certain groups of older workers with 780 weeks of insurance in the last 25 years).

The minimum benefit is €4.08 a day.

The maximum benefit is €7.52 a day.

Dependents' supplement: 1/30 of €29.07 a day for each dependent, but the total benefit including the base amount cannot be more than 80% of net earnings.

Emergency assistance: According to the number of dependents, 92% to 95% of unemployment benefit is payable to unemployed citizens without time limit when the insurance benefits are exhausted.

Administrative Organization

Federal Ministry of Social Security, Generations, and Consumer Protection performs general supervision.

Regional offices of the labor market service administer benefits and offer job-seeking services.

Family Allowances

Regulatory Framework

First law: 1948.

Current law: 1967.

Type of program: Universal system.

Coverage

Permanent residents with one or more children. (Noncitizens are eligible if employed for more than 3 months or resident for at least 5 consecutive years.)

Source of Funds

Insured person: None. (A portion of the land tax is allocated to finance family allowances for the agricultural self-employed.)

Employer: 4.5% of payroll.

Government: States contribute €1.74 a year for each inhabitant. A portion of federal tax receipts is transferred to the Family Allowances Equalization Fund.

Note: Federal government, states, and municipalities with more than 2,000 inhabitants pay family allowances out of their own budget but do not pay employer contributions.

Qualifying Conditions

Family allowances: Child must be under age 18; under age 26 if a student, in vocational training, or severely disabled.

Family Allowance Benefits

Family allowances: €105.40 a month for the first child under age 3, €112.70 for the first child between ages 3 and 9, €130.90 for the first child between ages 10 and 18, and €152.70 for the first child from age 19.

Each of these amounts is increased by €12.80 for the second child and by €25.50 for the third and each subsequent child.

Severely disabled child supplement: A supplement of €38.30 for a severely disabled child.

Administrative Organization

Federal Ministry of Social Security, Generations, and Consumer Protection administers the program through the Family Allowances Equalization Fund attached to the Ministry.

Tax administration pays allowances directly to recipients; surpluses are accumulated in a reserve fund.

Separate organization for public-sector employees (federal government, states, and municipalities with more than 2,000 inhabitants pay family allowances out of their own budget).

Belarus

Exchange rate: US\$1.00 equals
2,145 Belarus rubles.

Old Age, Disability, and Survivors

Regulatory Framework

First law: 1956.

Current laws: 1993 and 1999.

Type of program: Social insurance system.

Coverage

All employed permanent residents, including priests and employees of religious organizations, members of cooperatives, and farmers.

Special systems: Aviators, teachers, artists, professional athletes, government employees, and specific categories of medical personnel.

Source of Funds

Insured person: 1% of earnings.

Employer: 10% to 35% of payroll, according to the branch of industry and the type of enterprise.

Government: The cost of social pensions, plus subsidies as needed.

All of the above contributions also finance cash sickness and maternity benefits, work injury cash benefits, and family allowances to employees.

Qualifying Conditions

Old-age pension: Age 60 with 25 years of insurance coverage (men) or age 55 with 20 years of insurance coverage (women).

Qualifying conditions are reduced for those in hazardous work, war veterans, parents of disabled children, persons disabled since childhood, mothers of five or more children, and mothers of military servicemen killed in action.

Disability pension: Incapacity for any work (total disability) or usual work (partial disability); a minimum of 1 year to 15 years of covered employment, depending on age at the onset of disability.

Survivor pension: The deceased was a pensioner or was entitled to a pension.

Social pension: Nonworking citizens who are not eligible for an old-age, disability, or survivor pension and are age 60 (men) or 55 (women), or disabled since childhood, under age 18 and disabled, or orphans under age 18 (older if disabled and the disability began before age 18).

Old-Age Benefits

Old-age pension: The pension is 55% of the wage base, plus 1% of the wage base (not less than 1% of the minimum old-age pension) for each covered year in excess of the required number of years of coverage (25 years for men or 20 years for women), plus 1% of the wage base for each year in excess of 10 years in hazardous work (or 7.5 years for women), up to 20%. The pension is paid monthly.

The minimum pension is 25% of the national average per capita subsistence income level.

The maximum pension is 75% of the wage base.

The wage base is determined by the Council of Ministers of the Republic of Belarus.

Partial pension: The monthly benefit is reduced in proportion to the number of years below the required number of years of coverage (the minimum coverage period for a pension is 5 years).

The minimum partial pension is 50% of the minimum pension.

Constant-attendance supplement: 50% of the minimum old-age pension for pensioners requiring care and aged 80 or older; regardless of age for single pensioners.

Benefit adjustment: Benefits are adjusted when the average wage increases by more than 15% a quarter.

Social pension: 50% of the minimum pension a month.

Benefit adjustment: The social pension is adjusted according to changes in the national average per capita subsistence income level.

Permanent Disability Benefits

Disability pension: A group I disability pension (total disability requiring constant attendance) is 75% of the wage base. A group II disability pension (total disability) is 65% of the wage base. A group III disability pension (partial disability) is 40% of the wage base.

The minimum disability pension is 100% of the minimum old-age pension for groups I and II and 50% of the minimum old-age pension for group III.

Expert medical rehabilitation commissions set the definitions for the respective groups of disability.

Constant-attendance supplement: 50% of the minimum old-age pension for pensioners with a group II disability requiring care; 100% for pensioners with a group I disability.

Benefit adjustment: Benefits are adjusted when the average wage increases by more than 10%.

Social pension for the disabled: For disabled persons with a group I disability or a group I or II disability that began in childhood, the award is 150% of the minimum monthly old-age pension; for group II and if the disability began after age 18, 100%; 50% for persons with a group III disability. For disabled children under age 18, the award is 150% of the minimum old-age pension for those in group I, 175% for group II, and 200%

for group III. In certain cases, disabled children under age 18 may receive 250% of the minimum old-age pension.

Expert medical rehabilitation commissions set the definitions for the respective groups of disability.

Benefit adjustment: The social pension for the disabled is adjusted according to changes in the national average per capita subsistence income level.

Survivor Benefits

Survivor pension: A monthly pension of 40% of the wage base for each eligible survivor; 50% for full orphans.

Eligible survivors: Surviving dependent spouse; the insured's parents if they are of pensionable age, disabled, or care for a child under age 8 and do not work; grandparents if there is no one legally responsible for their livelihood; children, siblings, and grandchildren under age 18 (age 23 if a student; older if disabled before age 18).

The minimum pension is 100% of the minimum old-age pension; 200% for the loss of both parents or the death of a single mother.

Funeral grant: Calculated as the average wage for the month prior to the date of death.

Benefit adjustment: Benefits are adjusted when the average wage increases by more than 10%.

Social pension for orphans: 100% of the minimum old-age pension for each orphan under age 18; older if disabled since childhood.

Benefit adjustment: The social pension for orphans is adjusted according to changes in the national average per capita subsistence income level.

Administrative Organization

Ministry of Labor and Social Protection and its local offices administer the program.

Sickness and Maternity

Regulatory Framework

First law: 1955.

Current laws: 1992; 1995; 1996, with 1998 amendment; 1999; and 2002.

Type of program: Social insurance (sickness and maternity benefits) and universal (medical care) system.

Coverage

Cash sickness and maternity benefits: Persons in covered employment or in military service (including female military personnel); and registered unemployed women (maternity benefits only).

Medical benefits: 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: The cost of medical care. Maternity benefits for members of the armed forces, the interior service, and students are paid for out of the state budget.

Qualifying Conditions

Cash and medical benefits: Cash sickness benefits for insured workers, including foreign citizens and persons without citizenship working in the Republic of Belarus. There is no minimum qualifying period for maternity benefits and medical care.

Sickness and Maternity Benefits

Sickness benefit: 80% of average earnings for the first 6 days of illness; thereafter, 100%.

The monthly maximum benefit is 300% of the average wage.

Benefit is also awarded at 100% of the average wage to care for a sick child under age 14 for up to 14 days, or for periods of hospitalization as recommended by a physician.

Maternity benefit: Employed women receive 100% of average monthly earnings; students on leave from employment receive 100% of the education grant; women who are registered as unemployed and are currently receiving an unemployment benefit receive 100% of the unemployment benefit; women who are registered as unemployed but who have exhausted the 26 weeks of entitlement to an unemployment benefit receive 200% of the minimum wage.

The monthly minimum benefit is 50% of the minimum consumer per capita subsistence income level.

The monthly maximum benefit is three times the national average wage in the month prior to sickness or birth and maternity leave.

Benefits are payable for 126 calendar days (140 calendar days in the case of a difficult birth or multiple births). For the adoption of a child under 3 months old, benefit is payable for a total of 70 days, starting from the day of adoption.

Prenatal care grant: A lump-sum grant for medical consultation during the first 12 weeks of pregnancy. The grant equals 50% of the birth grant (see Family Allowances, below).

Workers' Medical Benefits

Medical services are provided directly by government health providers and include general and specialist care,

hospitalization, prostheses, medication, and other medical care services.

Dependents' Medical Benefits

Medical services are provided directly by government health providers and include general and specialist care, hospitalization, prostheses, medication, and other medical care services.

Administrative Organization

Ministry of Labor and Social Protection and the Fund of Social Protection of the Population of the Ministry of Labor and Social Protection provide general supervision.

Cash benefits are provided directly by the enterprises, as well as by local offices of social protection, as specified by law.

Ministry of Public Health and local health departments provide general supervision for, and coordination of, medical care.

Medical services are provided through government clinics, hospitals, maternity homes, and other facilities and are administered by the Ministry of Public Health and local health departments.

Work Injury

Regulatory Framework

First law: 1939.

Current laws: 1993 (pensions); 1997 (short-term benefits); 1999 (indemnity for lost earnings and additional expenditures); and 2003 (mandatory work injury and occupational diseases insurance), implemented in January 2004.

Type of program: Social insurance system.

Coverage

Employed persons and their survivors, employed convicted persons, persons employed on the basis of a civil or legal agreement, and students engaged in vocational training.

Medical care is available to all residents under the general medical care program.

Source of Funds

Insured person: None.

Employer: Contributions vary according to the sector of economy and classes of assessed professional risk. (Contributions are reduced by 50% for nongovernmental organizations, for associations with staff accounting for at least 50% disabled persons or pensioners, and for members of collective and state-owned farms.)

Government: None.

Qualifying Conditions

Work injury benefits: There is no minimum qualifying period. Work injury benefits are reduced by up to 25% if the work injury is deemed to be caused by gross negligence on the part of the insured.

Temporary Disability Benefits

The benefit is based on the insured's adjusted earnings prior to the certification of disability and according to the loss of work capacity. The benefit is payable from the first day of incapacity until recovery or the certification of permanent disability. The adjusted monthly earnings cannot be less than 60% of the average monthly national wage.

Temporary disability lump-sum benefit: Six times the value of the earnings-related benefit.

Permanent Disability Benefits

Permanent disability pension: The pension is based on the insured's adjusted monthly earnings before the onset of disability and according to the loss of work capacity. The adjusted monthly earnings used to calculate the insurance benefit cannot be less than 60% of the average monthly national wage.

Earnings-related benefits for work injury or professional diseases may be paid in addition to other pensions.

Permanent disability lump-sum benefit: Six times the value of the earnings-related benefit.

Workers' Medical Benefits

Medical services are provided directly by government health providers and include general and specialist care, hospitalization, prostheses, medication, and other medical care services. Supplementary compensation for additional food costs, transportation, and other special services necessary in cases of serious injuries is provided.

Survivor Benefits

Survivor pension: If the insured's death is the result of a work injury or an occupational disease, a monthly pension is paid.

Eligible survivors: Survivors younger than age 18 (age 23 if a student), old-age pensioners, disabled persons, one of the insured's parents, the widow(er), and other nonworking relatives with dependents younger than age 14 or disabled.

Survivor lump-sum benefit: A lump sum equal to 12 times the insured's average monthly earnings.

Eligible survivors: A widow(er), regardless of work capacity, and other eligible survivors are entitled to an equal share of the benefit.

Administrative Organization

Insurance Enterprise of the Republic of Belarus (Belgosstrakh) administers the mandatory work injury and occupational diseases insurance program.

Temporary disability benefits are provided directly by the place of employment, as well as by local social protection offices, as specified by law.

Ministry of Labor and Social Protection and its local offices administer the program for permanent disability and survivor pensions.

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

Medical services are provided through government clinics, hospitals, maternity homes, and other facilities and are administered by the Ministry of Public Health and local health departments.

Unemployment

Regulatory Framework

First law: 1921.

Current law: 1991, with 1999 amendment.

Type of program: Social insurance system.

Coverage

Citizens aged 16 to 59 (men) or aged 16 to 54 (women) residing permanently in the Republic of Belarus.

Source of Funds

Employee: None.

Employer: 1% of payroll; 0.5% in the agricultural sector.

Government: Subsidies as needed from state and local budgets.

Qualifying Conditions

Unemployment benefit: Unemployed working-age residents who are registered at the state employment office as unemployed (must not be enrolled in a day-program at an educational institute, enlisted in military or government service, or engaged in a business pursuit) and who are able and willing to work. Unemployment must not be due to voluntary leaving.

Unemployment Benefits

70% of average earnings of all employees at the last place of employment is paid for the first 13 weeks and 50% for the following 13 weeks for those who were in full-time employment (or employed for at least 12 weeks in the last 12-month period).

The minimum benefit is the wage base.

The maximum benefit is twice the wage base.

The wage base is determined by the Council of Ministers of the Republic of Belarus.

For an unemployed person who was not in full-time employment but had more than 12 months of covered employment overall (though fewer than 12 weeks' paid work in the last 12 months) or for a skilled worker reentering the workforce after a period of interruption longer than 12 months, the benefit entitlement is 100% of the wage base for the first 13 weeks and 75% for the following 13 weeks.

For an unskilled unemployed person who is seeking employment after a prolonged interruption from work and who has worked for less than a year in total, the benefit entitlement is 85% of the wage base for 13 calendar weeks and 70% for the following 13 weeks.

For an unemployed person who is ineligible for regular unemployment benefits because of inadequate covered employment but is gainfully employed in the public sector for at least 22 days, the benefit entitlement is 100% of the wage base for the first 13 weeks and 75% of the wage base for the following 13 weeks.

Benefit adjustment: Benefits are adjusted periodically according to changes in the wage base.

Administrative Organization

State Employment Service of the Ministry of Labor and Social Protection and its local offices administer the program.

Family Allowances

Regulatory Framework

First law: 1944.

Current laws: 1993; 1998; and 1999 (family allowances), with 2002 amendment.

Type of program: Universal and social assistance system.

Coverage

Families (including those headed by unemployed, disabled, or single parents or unmarried mothers) with one or more children.

Source of Funds

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

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

Government: See source of funds under Old Age, Disability, and Survivors, above. Central government budget allocations cover allowances for children aged 3 or older; local budget allocations cover means-tested allowances.

Qualifying Conditions

Family allowances: All children under age 3. Children aged 3 to 16 (aged 18 if a student and not receiving an education grant) receive the full benefit rates in families whose monthly per capita income does not exceed 60% of the minimum per capita subsistence income level as of September in the previous year; if the preceding year's family income is less than 80% of the minimum per capita subsistence income level, benefit rates are halved. Families caring for a disabled child aged 3 to 18 receive full benefits that are not subject to a means test.

Family Allowance Benefits

Family allowances: Monthly allowances are paid for each child under age 3 at 65% of the minimum per capita subsistence income level; for each child aged 3 to 16 years (aged 18 if a student and not receiving an education grant), 30% of the minimum per capita subsistence income level.

Additional monthly allowances: Children up to age 1.5 who are born out of marriage (and when the identity of the father has been provided by the mother) receive 75% of the monthly benefit.

Children from ages 1.5 up to 3 who are born out of marriage (and when the identity of the father has been provided by the mother) receive 40% of the monthly benefit.

A single parent not receiving alimony receives 40% of the monthly benefit for each child until age 16 (age 18 if a student).

Families with disabled children under age 18 as well as wives of military servicemen on regular duty receive 40% of the monthly benefit.

Nonworking persons who are not pensioners and who care for a disabled child under age 18 receive 65% of the minimum per capita subsistence income level.

Each child under age 18 infected with HIV or AIDS receives 45% of the minimum per capita subsistence income level.

Birth grant: A lump sum equal to 200% of the minimum per capita subsistence income level. The grant is not means-tested.

Administrative Organization

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

Enterprises and employers pay benefits to employees.

Local offices of the Ministry of Labor and Social Protection administer the program to nonworking mothers.

Belgium

Exchange rate: US\$1.00 equals 0.80 euros (€).

Old Age, Disability, and Survivors

Regulatory Framework

First laws: 1900 (old age) and 1944 (disability).

Current laws: 1967, 1990, and 1996 (old-age pensions for employees); 1963 (disability); and 2001 (means-tested allowance for the elderly).

Type of program: Social insurance system.

Coverage

Employed persons; special provisions for miners and seamen.

Coverage for disability is provided under the Sickness and Maternity program.

Special systems for self-employed persons and civil servants.

Source of Funds

Insured person: 7.5% of earnings. Pensioners contribute 0.5% to 2% of pensions or pre-pensions.

Employer: 8.86% of payroll.

Government: Annual subsidies.

Contribution rates are applied to 100% of earnings (payroll) for white-collar workers and to 108% of earnings (payroll) for blue-collar workers.

Disability pensions and funeral grants are financed under the Sickness and Maternity program.

If the insured person and employer are affiliated with all branches of social security, a global contribution is paid and split according to each branch's needs. (See source of funds under Family Allowances.)

Qualifying Conditions

Old-age pension: Age 65 with 45 years of coverage for men and women. (To be phased in for women by 2009.)

In 2004, the retirement age for women is age 63, rising to age 64 (2006) and age 65 (2009). The full benefit for women is based on 43 years of coverage, rising to 44 years (2006) and 45 years (2009).

Partial pension: Paid for an incomplete qualifying period.

Early pension: Age 60 (men and women) with 30 years of covered employment.

Special old-age pension: Paid to a divorced husband or wife at age 60.

Disability pension: A loss of 2/3 of earning capacity in the usual occupation with 6 months of insurance, including

120 days of actual or credited work and insurance coverage during the last quarter.

Survivor pension: A widow(er) aged 45 (any age if disabled or caring for a child) and married for at least 1 year at the time of the insured's death; conditions are waived if a child was born during the marriage or in the case of an accidental death. The benefit ceases on remarriage.

Old-Age Benefits

Old-age pension: The full pension is 60% of average lifetime earnings (75% for a married couple).

The maximum annual earnings for benefit purposes are €9,367.70. Past earnings are adjusted to reflect wage and price changes.

Partial pension: A percentage of the full pension corresponding to the portion of the qualifying period completed.

Special old-age pension: The special pension is 37.5% of the former spouse's earnings during the period of the marriage, less any pension earned by the divorced person in his or her own right during the same years.

The minimum pension is €991.63 a year for a single person insured during the full qualifying period; €2,485.63 a year for a married couple. For workers with at least 2/3 of the insurance coverage required for the full pension, the minimum pension is proportionately reduced.

Vacation allowance: An annual payment of €75.94 for a single person; €94.94 for a couple (in 2002).

Means-tested allowance: €7,022.70 a year for a person living alone; €4,681.80 a year for a person cohabiting (in 2002).

Benefit adjustment: Benefits are adjusted periodically for retail price changes.

Permanent Disability Benefits

Disability pension: Equal to 65% of lost earnings (subject to a ceiling) for an insured person with dependents; 40% if there are no dependents; 50% if there are no dependents but the claimant is living with others who have no income. The pension is payable after 1 year of incapacity. (The first year is paid under sickness benefit.)

The ceiling applied to the basis salary (earnings) is €101.21 a day.

The minimum pension for regular workers is €27.18 a day if there are no dependents; €30.62 a day for a person living alone; €37.97 a day with dependents. If the insured does not meet the legal requirements for a regular worker, the minimum pension is €23.05 a day with no dependents; €30.73 a day with dependents.

The maximum pension is €40.48 a day with no dependents; €60.72 a day with dependents.

Benefit adjustment: Benefits are adjusted periodically for retail price changes.

Survivor Benefits

Survivor pension: Equal to 80% of the pension paid or accrued to the deceased.

The minimum pension is €9,834.53 a year if the worker was insured for the full qualifying period for the old-age pension. For survivors of workers with at least 2/3 of the full qualifying period, the minimum pension is reduced proportionately.

The survivor's pension plus the widow(er)'s own pension entitlements must not exceed 110% of his or her own pension entitlement. A widow(er) who is not eligible for a survivor pension receives the survivor pension for a limited period of 12 months.

Vacation allowance: An annual payment of €475.94 (in 2002).

Funeral grant: A lump sum is payable under sickness insurance.

Means-tested allowances: Allowances are payable to needy survivors.

Benefit adjustment: Benefits are adjusted periodically for retail price changes (except for the funeral grant).

Administrative Organization

Ministry of Social Affairs, Public Health, and the Environment provides general supervision.

National Social Security Office is responsible for the collection of contributions and their distribution to national offices administering benefits.

National Pensions Office provides the administrative management of old-age and survivor pensions and the financial management of the program.

National Insurance Institute for Sickness and Disability provides the general administration of disability pensions.

Sickness and Maternity

Regulatory Framework

First law: 1894 (mutual benefit societies).

Current law: 1994.

Type of program: Social insurance system.

Coverage

The employee must be a member of a mutual benefit society or the public auxiliary fund.

Pensioners and other social security beneficiaries are covered for medical benefits.

Voluntary affiliation is possible for persons not covered under compulsory coverage.

Special systems operate for self-employed persons (health care only) and seamen.

Source of Funds

Insured person: 3.55% of earnings (medical benefits) and 1.15% of earnings (cash benefits and disability pensions). Pensioners contribute 3.55% of the old-age or survivor pension (low-income pensioners are exempt from contributions).

Employer: 3.8% of payroll (medical benefits), 2.2% of payroll (cash benefits and disability pensions), and 0.15% (maternity benefits).

Government: Subsidy for the management of the social security system. Proceeds from a surcharge on automobile insurance and on hospitalization insurance premiums and a tax on the profit made on reimbursable drugs.

Qualifying Conditions

Sickness and medical benefits: Six months of insurance, including 120 days of actual or credited work.

Maternity benefits: Six months of insurance preceding the expected date of childbirth.

Sickness and Maternity Benefits

Cash sickness benefit: 60% of earnings, subject to a ceiling. After the 31st day of incapacity, the entitlement is 55%; 60% if there are dependents or if the insured is the sole breadwinner. In general, benefits are not payable if the employer provides a guaranteed salary.

The ceiling applied to the basis salary (earnings) is €101.21 a day.

Cash maternity benefit: The benefit is payable for a maximum of 15 weeks (17 weeks in the case of multiple births), including a maximum of 7 weeks (9 weeks in the case of multiple births) before the expected date of childbirth (of which at least 1 week is compulsory) and a minimum of 8 weeks after childbirth. During the first 30 days, the maternity benefit for active workers is 82% of the basis salary (no ceiling); for the unemployed or other eligible persons, 79.5% of the basis salary (subject to a ceiling). The benefit from the 31st day to the end of the 15th week (17th week in the case of multiple births) is 75% of the basis salary (subject to a ceiling) for all types of eligible persons.

The ceiling applied to the basis salary (earnings) is €101.21 a day.

Workers' Medical Benefits

The benefits provided include general and specialist care, surgery, hospitalization, medicines, laboratory services, maternity care, dental care, nursing, rehabilitation, transportation, and appliances.

The insured person pays varying copayments depending on income and status.

There is no limit to duration.

Dependents' Medical Benefits

The benefits provided include general and specialist care, surgery, hospitalization, medicines, laboratory services, maternity care, dental care, nursing, rehabilitation, transportation, and appliances.

The insured person pays varying copayments depending on income and status.

There is no limit to duration.

Administrative Organization

Ministry of Social Affairs, Public Health, and the Environment provides general supervision.

National Social Security Office collects contributions.

National Sickness and Invalidity Insurance Institute coordinates the program together with various management committees for cash and medical benefits.

Local agencies pay benefits, including about 78 approved mutual benefit societies, federated into five national unions, and a separate fund for railway employees. District offices of the public auxiliary fund pay benefits for persons not belonging to a mutual society.

Work Injury

Regulatory Framework

First laws: 1903 (work accidents) and 1927 (occupational diseases).

Current laws: 1963 (occupational diseases) and 1971 (work accidents).

Type of program: Social insurance system.

Coverage

Employed persons, including casual labor.

Special system for public-sector employees.

Source of Funds

Insured person: None.

Employer

Work injury: 0.3% of payroll, plus an insurance premium varying according to the assessed degree of risk.

Occupational disease: 1.1% of payroll.

Government: None.

Qualifying Conditions

Work injury benefits: There is no minimum qualifying period.

Temporary Disability Benefits

90% of base earnings are payable until recovery or until permanent disability is established.

Daily base earnings equal 1/365 of the full-year earnings for the year before the accident or the cessation of work because of an occupational disease. The full-year earnings taken into account must be between €5,282.14 and €26,470.73. Base earnings are adjusted annually.

Partial temporary disability: Equal to the difference between earnings before the onset of disability and current earnings (after starting part-time work).

In cases of an occupational disease, temporary disability benefit (for total or partial disability) is not payable unless the disability lasts at least 15 days.

Benefit adjustment: Benefits are adjusted periodically for retail price changes in cases in which benefits have been paid for at least 3 months.

Permanent Disability Benefits

Permanent disability pension: 100% of earnings if totally disabled.

Base earnings used for calculating the benefit are total earnings of the year before the accident or the cessation of work because of an occupational disease, up to a ceiling of €26,470.73.

Constant-attendance supplement: The level of the supplement depends on the assessed degree of need of assistance, up to a maximum of 12 times the average monthly guaranteed income for a full-time worker. The supplement is terminated on the 91st day of hospitalization.

Partial disability: A percentage of base earnings corresponding to the assessed degree of permanent disability, except where the assessed degree of disability is less than 10% (the percentage amount paid is reduced by half for an assessed disability of between 0% and 5% and by a quarter if between 5% and 10%).

Benefit adjustment: Benefits are adjusted periodically for retail price changes (except benefits for an assessed disability of less than 16%).

Workers' Medical Benefits

Benefits include medical treatment, surgery, dental treatment, hospitalization, medicines, appliances, and transportation. There is full reimbursement of costs according to the schedule in law.

Survivor Benefits

Survivor pension: 30% of the deceased's earnings, up to a maximum. The pension is payable to a widow(er) and to a divorced spouse receiving alimony. No pension is payable to a cohabiting partner. Remarriage has no influence on continuing entitlement.

Orphan's pension: 15% of the deceased's covered earnings for each orphan (20% for a full orphan) under age 18; age 18 or older if entitled to a family allowance.

The total orphans' pension is 45% of the deceased's covered earnings; 60% for full orphans.

Other eligible survivors (in the absence of dependent children): Parents, grandchildren, and brothers or sisters under age 18.

The total survivor pension must not exceed 75% of the deceased's earnings.

Funeral grant: A lump sum of 30 days' earnings; the minimum is equivalent to the sickness benefit.

Transport costs: Includes administrative costs and the cost of transporting the body to the place of burial (including abroad).

Benefit adjustment: Benefits are adjusted periodically for retail price changes.

Administrative Organization

Ministry of Social Affairs, Public Health, and the Environment provides general supervision.

Work injury: Work Injury Fund, a public interest organization, administers the program and is responsible for controlling the benefits paid by private companies.

Occupational disease: Occupational Diseases Fund, a public interest organization, operates under the joint administration of employers and employees and is responsible for the compensation of injured workers.

Unemployment

Regulatory Framework

First law: 1920.

Current law: 1991.

Type of program: Social insurance system.

Coverage

Employed persons, including stage performers, temporary workers, home workers, disabled workers, and professional athletes.

Source of Funds

Insured person: 0.87% of earnings.

Employer: 1.46% of earnings.

Government: Covers any deficit.

Qualifying Conditions

Unemployment benefit: Under age 36 with 312 days of insured employment or deemed employment in the 18 months preceding the date of application for benefit; between ages 36

and 50 with 468 days in the 27 months preceding the date of application for benefit; or over age 50 with 624 days in the 36 months preceding the date of application for benefit. The insured must be registered at an unemployment office and capable and available for work. Unemployment must be involuntary; otherwise, disqualification for 8 to 52 weeks or the loss of eligibility to benefit.

Prepension supplement: Age 58 with 25 years of employment.

Aged unemployed person's supplement: Aged 50 or older with 20 years of employment and unemployed for 12 months.

Job search benefit: Under age 30 and does not meet the requirement for previous insured employment.

Supplementary subsistence benefit: Payable to specified occupational groups to ensure minimum income.

Unemployment Benefits

Based on the last mean daily salary, up to a ceiling of €64.46. The benefit depends on the insured's family status and the period of unemployment. For the household head, the benefit is 60% of the basis salary during the entire period of unemployment; for a single person living alone, 60% of the basis salary during the first year and 50% thereafter; for a single person living with other persons who have an income source, 55% of the basis salary during the first year and 40% during a second period (the minimum duration of that period is 3 months, and the total duration depends on the person's professional career record); thereafter, a flat-rate monthly benefit of €381.68.

The employer may pay a complementary unemployment benefit under collective agreement.

Prepension supplement: 50% of the difference between the monthly benefit and net earnings. The supplement is payable until retirement age.

Aged unemployed person's supplement: A monthly supplement set according to age and family status. Single persons aged 55 or older are guaranteed 60% of their previous salary level.

Job search benefit: A variable amount depending on age and family status.

Supplementary subsistence benefit: Benefit levels are set under collective agreement.

Benefit adjustment: Benefits are adjusted periodically for retail price changes.

Administrative Organization

Ministry of Employment and Labor provides general supervision.

National Social Security Office collects contributions.

National Employment Office adjudicates claims, supervises the paying agencies, and oversees employment policies through 30 regional offices.

Public payment offices, or trade unions for their own members, pay benefits at the local level.

Family Allowances

Regulatory Framework

First law: 1930.

Current laws: 1939 (salaried workers), 1965 (civil servants), 1971 (guaranteed family allowances), and 1976 (self-employed).

Type of program: Social insurance and social assistance (guaranteed family allowances) system.

Coverage

Salaried workers scheme: Eligible children of salaried workers (including active, unemployed, retired, disabled, or deceased workers).

Guaranteed family allowances scheme (means-tested): Eligible children not covered under any other statutory scheme.

Special systems for civil servants and the self-employed.

Source of Funds

Insured person: None.

Employer: 7% of payroll (included in the contribution for Old Age, Disability, and Survivors, above). The social security management board sets the share of the global contribution allocated to family allowances annually.

Government: None.

Qualifying Conditions

Family allowances: Awarded without conditions until the last day of August of the calendar year in which the child reaches age 18 (age 21 if disabled; age 25 if a student, an apprentice, or a jobseeker registered for less than 270 days).

Eligible children are those of the insured or the insured's partner, dependent brothers and sisters, and any other children in the insured's household.

Family Allowance Benefits

Basis family allowance: €74.06 a month for the first child; €137.03 for the second child; €204.60 for the third and each subsequent child. €84.50 a month for each orphan.

Social supplement: €37.70 for the first child of a pensioner or of a person unemployed for longer than 6 months; €31.12 for the first child of a disabled worker. €23.34 for the second and each subsequent child of a pensioner, a person unemployed for longer than 6 months, or a disabled worker.

Age supplement (children born before January 1, 1991): For a healthy first child born between January 1, 1985, and December 31, 1990, the supplement is €25.73 if the child is

younger than age 18; otherwise, €27.63. For children born between January 1, 1981, and December 31, 1984, the supplement is €41.22. For children born before January 1, 1981, the supplement is €43.38. For other children, or any sick child, the supplement is €25.73 if between ages 6 and 12; €39.31 if older than age 12 but younger than age 18; and €49.99 if older than age 18.

Age supplement (children born after December 31, 1990): For a healthy first child, the supplement is €12.90 a month if between ages 6 and 12; €19.65 if older than age 12 but younger than age 18; and €22.64 if older than age 18. For other children, or for any sick child, the supplement is €25.73 a month if between ages 6 and 12; €39.31 if older than age 12 but younger than age 18; and €49.99 if older than age 18.

Sick or disabled child supplement (old system): For a disabled child born before January 2, 1996, with an assessed degree of incapacity of at least 66%, supplements vary between €33.17 and €389.87. The child's autonomy is calculated according to a 0–9 point schedule.

Sick or disabled child supplement (new system implemented May 1, 2003): For a disabled child born after January 2, 1996, supplements are awarded according to the impact of the illness on the physical and mental capacity of the child, the activity and participation capacity of the child, and the implications for the child's surroundings. Supplements vary between €64.94 and €432.96.

Birth grant: €1,003.33 for the first birth (or per child for multiple births); €754.89 for the second and each subsequent birth.

Benefit adjustment: Benefits are adjusted periodically for wage and price changes and other economic factors.

Administrative Organization

Ministry of Social Affairs, Public Health, and the Environment provides general supervision.

National Social Security Office collects contributions and distributes them among individual funds.

Family allowances are paid by about 26 approved private occupational, regional, and specialist funds and by two public organizations.

National Family Allowances Office supervises private funds and administers allowances to families not covered by a private fund.

Bulgaria

Exchange rate: US\$1.00 equals 1.57 leva.

Old Age, Disability, and Survivors

Regulatory Framework

First law: 1924.

Current law: 2000 (social insurance code).

Type of program: Dual social insurance and mandatory individual account system.

Note: A new system consisting of a social insurance first-pillar plus a second pillar of individual accounts was implemented in January 2002. Coverage under the first-pillar is universal. The mandatory individual account system covers all employees born after December 31, 1959.

Coverage

Employees, self-employed persons, free-lance professionals, artists, craftsmen, and farmers.

Source of Funds

Insured person: 21% of earnings (social insurance) plus 0.75% of earnings (mandatory individual account).

Self-employed person: 26% of declared income (social insurance) plus 3% of declared income (mandatory individual account).

Employer: 5% of payroll (social insurance) plus 2.25% of payroll (mandatory individual account).

Government: Any deficit in the social insurance system.

Qualifying Conditions

Old-age pension

Social insurance: Age 62 and 6 months (men) or age 57 and 6 months (women). The insured's age plus the insured's length of insurance must be equal to at least 100 points for men and 91 points for women (individuals are awarded one point for each year of age as well as one point for each year of insurance coverage). The retirement age is to be increased (by 6 months every year until 2009) to age 63 (men) or age 60 (women).

Mandatory individual account: All employees born after December 31, 1959.

Old-age social pension: Aged 70 or older and subject to an income test.

Disability pension for general disease (social insurance):

There is no minimum qualifying period for individuals under age 20 or for the blind; 1 year for those aged 25 to 29; 3 years for those aged 30; and 5 years' affiliation for those above age 30.

Disability pension for work injury or occupational disease (social insurance): There is no minimum qualifying period.

Disability social pension: Aged 16 or older with an assessed loss of working capacity of more than 71% and subject to an income test.

Survivor pension (social insurance): Children up to age 18 (up to age 26 if a student or soldier), a spouse, and parents older than the official retirement age.

Old-Age Benefits

Old-age pension

Social insurance: One percent of taxable income for every year of insurance coverage. (Taxable income for benefit purposes is proportionally reduced for any partial year of insurance coverage.)

The minimum social insurance old-age pension is 115% of the social pension.

Mandatory individual account: Benefits are paid as a life-long pension and are based on the accumulated capital in the individual account and life expectancy. Benefits are paid directly by the private fund, and no annuity is bought.

Social pension (income-tested): 50 leva a month.

Permanent Disability Benefits

Disability pension for general disease (social insurance):

The pension is based on the number of years of contributions, taxable income, the age of the insured if younger than the official retirement age, and the assessed degree of loss of working capacity.

Disability pension for work injury or occupational disease (social insurance):

The pension is based on the number of years of contributions, taxable income, the age of the insured if younger than the official retirement age, and the degree of loss of working capacity.

Disability social pension (income-tested): An income-tested benefit calculated as a percentage of the social pension (50 leva a month) according to the assessed degree of disability.

Survivor Benefits

Survivor pension (social insurance): 50% of the insured's pension is paid for one survivor; 75% for two survivors; 100% for three or more survivors.

The minimum pension for each survivor is 90% of the social pension (50 leva a month).

Administrative Organization

National Social Security Institute administers the social insurance system.

Financial Supervision Commission is responsible for the licensing and supervision of pension funds and controls the system of mandatory individual accounts.

Sickness and Maternity

Regulatory Framework

First law: 1918.

Current laws: 1998 (health insurance law) and 2000 (social insurance code).

Type of program: Social insurance system.

Coverage

Cash benefits: Employees, self-employed persons, free-lance professionals, artists, craftsmen, and farmers. Covered individuals must be insured for all contingencies.

Medical benefits: Compulsory insurance for all residents.

Source of Funds

Insured person

Cash benefits: 0.75% of earnings.

Medical benefits: 1.5% of earnings.

Employer

Cash benefits: 2.25% of payroll.

Medical benefits: 4.5% of payroll.

Government: Any deficit.

Qualifying Conditions

Cash sickness and maternity benefits: Six months of insurance coverage.

Medical benefits: Resident in the country.

Sickness and Maternity Benefits

Sickness benefit: 80% of the average daily gross wage or the average daily insurance basis for the 6 calendar months before the onset of sickness.

Maternity benefit: 90% of the average daily insurance basis. The benefit is paid for a period of 135 days, beginning 45 days before the expected date of childbirth.

Funeral grant: Twice the minimum wage (240 leva).

Workers' Medical Benefits

Medical services are provided directly to patients according to a National Framework contract between medical institutions and the National Health Insurance Fund. Benefits include general and specialist care at health centers, outpatient departments of hospitals, or home; hospitalization; prescribed medicines; dental care; and necessary appliances.

Dependents' Medical Benefits

Medical services are provided directly to patients according to a National Framework contract between medical institutions

and the National Health Insurance Fund. Benefits include general and specialist care at health centers, outpatient departments of hospitals, or home; hospitalization; prescribed medicines; dental care; and necessary appliances.

Administrative Organization

National Social Security Institute administers cash benefits.

National Health Insurance Fund administers medical benefits.

Work Injury

Regulatory Framework

First law: 1924.

Current law: 2000 (social insurance code).

Type of program: Social insurance system.

Coverage

Employed persons.

Source of Funds

Insured person: None.

Employer: 0.7% of payroll.

Government: None.

Qualifying Conditions

Work injury benefits: There is no minimum qualifying period.

Temporary Disability Benefits

90% of earnings, payable from the first day of incapacity until recovery or certification of permanent disability.

Permanent Disability Benefits

Permanent disability pension: 50% to 100% of earnings, depending on the assessed degree of loss of working capacity.

The minimum disability pension is based on the assessed degree of loss of working capacity and is paid as a percentage of the social pension (50 leva a month). If the assessed degree of loss of working capacity is more than 90%, 150% of the social pension is paid; if between 71% and 90%, 140% of the social pension is paid; if between 50% and 70%, 115% of the social pension is paid.

Survivor Benefits

Survivor pension: One survivor receives 50% of the insured's disability pension; two survivors receive a combined total of 75%; three or more survivors receive a combined total of 100%.

The minimum pension is 90% of the social pension (50 leva a month).

Administrative Organization

National Social Security Institute administers the program.

Unemployment

Regulatory Framework

First law: 1925.

Current law: 2002, with amendment.

Type of program: Social insurance system.

Coverage

Employed persons.

Source of Funds

Insured person: 1% of earnings.

Employer: 3% of payroll.

Government: None.

Qualifying Conditions

Unemployment benefits: Nine months of insurance coverage.

Unemployment Benefits

Calculated as 60% of average earnings during the last 9 months. The duration of benefit depends on the length of service from 4 months for the minimum service period of up to 3 years to 12 months for more than 25 years of service.

Administrative Organization

National Social Security Institute administers the program.

Family Allowances

Regulatory Framework

First law: 1942.

Current law: 2002 (family benefits law).

Type of program: Social assistance system.

Coverage

Resident in the country.

Source of Funds

Insured person: None.

Employer: None.

Government: Total cost.

Qualifying Conditions

Family allowances: The monthly income for each family member must be less than 200 leva.

Family Allowance Benefits

Family allowances: 18 leva a month.

Birth grant: 100 leva on the birth of the first child, 200 leva for the second, 250 leva for the third, and 100 leva on the birth of each subsequent child.

Administrative Organization

Social Assistance Agency of the Ministry of Labor and Social Assistance administers the program.

Croatia

Exchange rate: US\$1.00 equals 6.13 kunas.

Old Age, Disability, and Survivors

Regulatory Framework

First law: 1922.

Current laws: 1998 (pension insurance), implemented in 1999, with 2002 amendment; 1999 (pension funds; insurance companies and pensions payment), implemented in 2002; and 2002 (social insurance contributions), implemented in 2003.

Type of program: Social insurance and mandatory individual account system.

Note: A two-pillar system was implemented in two stages in January 1999 and January 2002. Persons over age 50 when the new system was implemented are insured under the first-pillar only and receive a regular pension. Participation in the two-pillar system is mandatory for persons up to age 40 and optional for those between ages 40 and 50. In the two-pillar system, the first-pillar benefit is the basic pension and the second-pillar benefit is based on accumulated assets in an individual account.

Coverage

Employed persons in industry, commerce, or services; apprentices; civil servants and public employees; military servicemen; judiciary officers and policemen; persons contracted on a temporary basis; and self-employed persons in nonagricultural and agricultural work.

Source of Funds

Insured person

Regular pension: Employees contribute 20% of gross earnings. The self-employed contribute 20% of insured earnings; self-employed farmers contribute 10% if they are nontaxpayers and 20% if taxpayers.

Basic pension: Employees contribute 15% of gross earnings. The self-employed contribute 15% of insured earnings; self-employed farmers contribute 5% if they are nontaxpayers and 15% if taxpayers.

Contributions to the regular and basic pensions also finance disability and survivors insurance.

Individual account: 5% of gross earnings or 5% of insured earnings.

Employer

Regular pension: None. (Special rules apply for employees in arduous or unhealthy occupations.)

Basic pension: None. (Special rules apply for employees in arduous or unhealthy occupations.)

Individual account: None. (Special rules apply for employees in arduous or unhealthy occupations.)

Government

Regular and basic pension: Covers all or part of the costs as necessary for military officers, policemen, judiciary officials, parliamentary deputies, members of government, and disabled war veterans.

Individual account: None.

The minimum monthly earnings for contribution purposes are 1,858.50 kunas.

The maximum monthly earnings for contribution purposes are 31,860 kunas.

Qualifying Conditions

Old-age pension

Regular and basic old-age pensions: Age 63 with 17 years of coverage (men) or age 58 with 17 years of coverage (women).

The retirement age will increase by 6 months and the minimum qualifying period will be reduced by 6 months each calendar year until 2007. Beginning in 2008, the qualifying conditions will be age 65 with 15 years of coverage (men) or age 60 with 15 years of coverage (women).

Early pension: Age 58 with 35 years of coverage (men) or age 53 with 30 years of coverage (women); the early retirement age will increase by 6 months each year until it reaches age 60 (men) or age 55 (women) in 2008.

Individual account: The insured must meet the qualifying conditions for a basic old-age or early pension. (In certain cases, this rule may be applied to the disability or survivor pension if the value of the individual account pension combined with the disability or survivor first-pillar basic disability or survivor pension is greater than the regular first-pillar disability or survivor pension.)

Disability benefits

A permanent reduction in, or loss of, the ability to work that may be caused by an occupational or nonoccupational injury or disease. Higher awards are made for a disability resulting from a work injury or occupational disease.

General disability pension: A permanent loss of the ability to work because of incurable changes in health occurring prior to age 63 (men) or age 58 (women). The insured must have insurance coverage during at least 1/3 of the working life after age 20 (age 23 for insured persons with postsecondary education; age 26 for insured persons with a university degree). There is no minimum qualifying period if the general (full) disability is the consequence of a work injury or occupational disease.

Occupational (partial) disability pension: More than 50% permanent reduction in working capacity occurring after age 50; before age 50 if the reduced ability to work is not likely to be improved by occupational rehabilitation. The pension may be awarded up to age 63 (men) or age 58 (women). The

insured must have insurance coverage during at least 1/3 of the working life. There is no minimum qualifying period if the occupational (partial) disability is the consequence of work injury or occupational disease. Under certain conditions the pension is payable for life.

Occupational rehabilitation and salary compensation: Based on occupational (partial) disability occurring before age 50 where it is likely that the disabled employed person may regain the ability to work full-time (40 hours a week). Salary compensation is payable in the same amount as the occupational disability pension during the rehabilitation process until engagement in another job with the same employer; if no other job is available with the same employer or acceptable to the insured, it is payable during an unemployment period of 12 months after the completion of occupational rehabilitation (24 months if the disability is caused by an occupational injury or disease). Other jobs offered in writing must require the same level of education as was required for the job performed prior to the onset of disability; if none is available, the job must require the next lower degree of education.

Compensation allowance for physical injury: Awarded for the loss of, or damage to, a part of the body or of an organ resulting from an occupational injury or disease. The insured's injury must be assessed as at least 30%. The allowance is awarded whether or not the injury led to the determination of a disability.

Individual account: Payable if the value of the individual account pension combined with the first-pillar basic disability pension is greater than the regular first-pillar disability pension.

Survivor pension

Regular and basic old-age pensions: The deceased was a pensioner, an occupational rehabilitation beneficiary, or had completed 5 years of insurance coverage or a 10-year qualifying period or met the qualifying period conditions for a disability pension. There is no minimum qualifying period if the death was the consequence of a work injury or occupational disease.

Individual account: Payable if the value of the individual account pension combined with the first-pillar basic survivor pension is greater than the regular first-pillar survivor pension.

Old-Age Benefits

Old-age pension

Regular old-age pension: The pension depends on the level of wages earned in relation to the average wage of all employed persons and on the length of qualifying period completed.

The minimum pension is calculated as 0.825% of the adjusted average gross salary of all employees in 1998 for every year of coverage, up to a maximum of 30 years. For coverage periods beyond 30 years, the calculation is based on half of the amount per year. Beginning July 2003, 42.45 kunas is paid per

qualifying year for the first 30 years and 21.23 kunas per qualifying year for each year beyond 30.

The maximum pension depends on the length of qualifying period completed and previous earnings up to a ceiling.

Early pension: The pension is reduced for each month that the pension is awarded before the retirement age. The reduction remains in force after reaching the official retirement age.

Benefit adjustment: Pensions are adjusted every 6 months according to a joint index based on the change in the cost of living and the change in the national average gross salary.

Basic old-age pension: The pension is based on the average gross salary of all employed persons in the preceding year, the number of years of personal coverage in the new system, and previous earnings up to a ceiling.

Individual account: The pension is based on the accumulated assets in the individual account and average life expectancy at retirement.

All pensions are payable abroad.

Permanent Disability Benefits

Disability pension: The pension depends on the level of wages earned in relation to the average wage of all employed persons, the length of qualifying periods completed (except in case of work injury or occupational disease), and the assessed degree of disability (total loss of, or permanent reduction in, the capacity to work).

In most cases, benefits for disability insurance are paid under the first-pillar.

For a disability caused by a work injury or an occupational disease, the minimum number of years used for the calculation of the pension is 40. The amount of the pension is calculated according to years of coverage and the value of the pension per qualifying year. The full amount is paid for general disability; the occupational disability pension is 80% of the general disability pension; 33.3% if the beneficiary is still employed. The general disability pension is not payable while the beneficiary is employed.

The minimum pension is calculated as 0.825% of the adjusted average gross salary of all employees in 1998 for every year of coverage, up to a maximum of 30 years. For coverage periods beyond 30 years, the calculation is based on half of the amount per year. Beginning July 2003, 42.45 kunas is paid per qualifying year for the first 30 years and 21.23 kunas per qualifying year for each year beyond 30.

The maximum pension depends on the length of qualifying period completed and previous earnings up to a ceiling.

Pensions are payable abroad.

Occupational rehabilitation and salary compensation: The benefit is the same amount as the occupational disability pension unless the disability was caused by a work injury or occupational disease, in which case it is the same amount as the general disability pension based on a 40-year qualifying period.

Compensation allowance for physical injury: The allowance depends on the assessed degree of physical injury resulting from a work injury or professional disease only. There is no minimum qualifying period. The allowance is payable during employment or self-employment and, after that, for the duration of the lifetime.

Benefit adjustment: Benefits are adjusted every 6 months according to a joint index based on the change in the cost of living and the change in the national average gross salary.

Survivor Benefits

Survivor pension: The amount is based on the insured's actual or hypothetical old-age or disability pension and on the number of survivors. The minimum number of years for the pension calculation is 21; if the death of the insured was caused by a work injury or occupational disease, the minimum number of years is 40.

In most cases, benefits for survivors insurance are paid under the first-pillar.

The minimum pension is calculated as 0.825% of the adjusted average gross salary of all employees in 1998 for every year of coverage, up to a maximum of 30 years. For coverage periods beyond 30 years, the calculation is based on half of the amount per year. Beginning July 2003, 42.45 kunas is paid per qualifying year for the first 30 years and 21.23 kunas per qualifying year for each year beyond 30.

The maximum pension depends on the length of qualifying period completed and previous earnings up to a ceiling.

Eligible survivors: A widow(er) aged 50, caring for eligible children, or disabled (a woman who is widowed at age 45 becomes eligible on reaching age 50); and children up to age 15 (age 18 if unemployed, age 26 if a student, no limit if disabled).

Pensions are payable abroad.

Benefit adjustment: Benefits are adjusted every 6 months according to a joint index based on the change in the cost of living and the change in the national average gross salary.

Administrative Organization

Regular and basic pensions

Ministry of Labor and Social Welfare and the Ministry of Finance provide general supervision.

Croatian Pension Insurance Institute administers benefits.

Disability and survivor pensions

In most cases, benefits for disability and survivors insurance are paid under the first-pillar, with the contributions paid to the individual account transferred to the Croatian Pension Insurance Institute.

Individual account

Ministry of Labor and Social Welfare and the Ministry of Finance provide general supervision.

Agency for the Supervision of Pension Funds and Insurance provides legal supervision.

Central Registry, pension companies, and pension insurance companies provide general administrative services and administer benefits.

Sickness and Maternity

Regulatory Framework

First law: 1954.

Current laws: 2001, implemented in 2002, with 2002 and 2003 amendments; 2002 (social insurance contributions), implemented in 2003; and 2003 (medical care).

Type of program: Social insurance system.

Coverage

Cash and medical benefits: Employed persons, public employees, civil servants, self-employed persons, salaried full-time apprentices, temporary contract workers, military servicemen, persons engaged in vocational training or completing postgraduate study abroad, and those employed by a foreign employer if they are not covered under the employer's country provisions.

Medical benefits only: Farmers, pensioners, unemployed persons, persons entitled to occupational rehabilitation, and persons up to age 18 (age 26 if a student), disabled former military servicemen without resources, dependents of an insured person, and voluntarily insured persons.

Source of Funds

Insured person: Employees do not contribute. Farmers contribute 7.5% of earnings if they are nontaxpayers and 15% if taxpayers, plus 0.5% of earnings for work injury and occupational diseases. Self-employed persons and the voluntarily insured contribute 15% of earnings, plus 0.5% of earnings for work injury and occupational diseases.

Employer: 15% of payroll, plus 0.5% of payroll for work injury and occupational diseases.

Government: Contributes for certain categories of persons. The minimum monthly earnings for contribution purposes are 1,858.50 kunas (persons with lower earnings contribute as though they earn 1,858.50 kunas).

The maximum monthly earnings for contribution purposes are 31,860 kunas (persons with higher earnings contribute as though they earned 31,860 kunas).

Qualifying Conditions

Cash sickness and medical benefits: There is no minimum qualifying period. Entitlement to cash sickness benefit is determined by a designated doctor in a primary health care institution for the first period of sickness (the duration

depending on the type of disease); further periods are determined by the decision of the Medical Commission of the Health Insurance Institute. The maximum duration is 6 months, after which the Invalidity Commission of the Pension Insurance Institute decides whether the insured is permanently disabled, cured, or in need of further treatment. In the latter case, a new maximum 6-month period of temporary disability starts until the insured is cured.

Cash maternity and parental leave benefits: A designated doctor in a primary health care institution must certify the pregnancy.

Maternity grant: Paid on the birth of a child.

Sickness and Maternity Benefits

Sickness benefit: Benefits vary between 70% and 100% of the average monthly salary earned in the preceding 6-month period; 100% of the average monthly salary is paid for sickness resulting from a work injury or occupational disease, participation in the Homeland War, pregnancy and childbirth, the donation or transplantation of tissues and organs, or if nursing a sick child up to age 3. Benefit is payable depending on the prescribed category of disease, up to a maximum of 6 months of consecutive illness. The employer pays for the first 42 days.

The minimum benefit is 850 kunas a month.

The maximum benefit is 4,250 kunas a month.

Maternity benefit: 100% of salary is payable until the child is 6 months (beginning 28 to 45 days before the expected date of childbirth). Additional benefit is payable until the child is age 1 (age 2 for twins).

Obligatory parental leave for the mother begins 28 days before the expected date of childbirth (45 days in case of complication), and lasts at least up to 42 days after childbirth. The leave period may be extended until the child is age 1. After the 42nd day the father can opt to take the parental leave in place of the mother.

The minimum benefit is 1,600 kunas a month.

The maximum benefit is 4,250 kunas a month until the child is 6 months old; thereafter, 1,600 kunas a month until the child is age 1 (age 2 for twins).

Unemployed mothers receive 900 kunas a month during the first 6-month maternity period.

Maternity grant: A lump sum of 1,360 kunas.

Funeral grant: A lump sum of 850 kunas.

Workers' Medical Benefits

Benefits are provided by public and private health institutions contracted with the Croatian Institute for Health Insurance. Benefits include primary and specialist treatment, hospitalization, orthopedic and other aids, dental care,

approved pharmaceuticals, laboratory services, maternity care, preventive care services, emergency aid, rehabilitation services, appliances, and transportation.

Cost sharing: Cost sharing by patients varies according to the nature of the service provided. There are free services for children under age 18, persons with low income, disabled persons needing constant assistance, disabled homeland veterans, persons registered at the Croatia Institute for Health Insurance as unemployed and voluntary blood donors who have made 35 donations (men) or 25 donations (women).

Dependents' Medical Benefits

Benefits are provided by public and private health institutions contracted with the Croatian Institute for Health Insurance. Benefits include primary and specialist treatment, hospitalization, orthopedic and other aids, dental care, approved pharmaceuticals, laboratory services, maternity care, preventive care services, emergency aid, rehabilitation services, appliances, and transportation.

Cost sharing: Cost sharing by patients varies according to the nature of the service provided. There are free services for children under age 18, low-income persons, disabled persons needing constant assistance, disabled homeland veterans, persons registered at the Croatia Institute for Health Insurance as unemployed and voluntary blood donors who have made 35 donations (men) or 25 donations (women).

Administrative Organization

Ministry of Health provides general supervision.

Governed by a managing council, the Croatian Institute for Health Insurance, with 20 district offices, administers benefits.

Work Injury

Regulatory Framework

There is no specific program for work injury. Cash and medical benefits for a work injury are provided through the Old Age, Disability, and Survivors and Sickness and Maternity programs, above. For an assessed illness or disability that is the result of a work injury or an occupational disease, benefits are granted under more favorable conditions and at higher rates than general sickness and disability benefits.

Unemployment

Regulatory Framework

First law: 1952.

Current laws: 2002, with 2003 amendment; and 2002 (social insurance contributions), implemented in 2003.

Type of program: Social insurance system.

Coverage

All employed persons with pension insurance based on an employment contract, including public employees, civil servants, policemen, judiciary officers, and military personnel.

Exclusions: Self-employed persons and farmers.

Source of Funds

Insured person: None.

Employer: 1.7% of payroll.

Government: Periodic subsidies and the total or partial cost of benefits for certain categories of persons.

The minimum monthly earnings on which employers contribute on behalf of employees are 1,858.50 kunas (contributions for employees with lower earnings are paid as though they earn 1,858.50 kunas).

The maximum monthly earnings on which employers contribute on behalf of employees are 31,860 kunas.

Qualifying Conditions

Unemployment benefit: Nine months of employment in the last 24 months. The insured must register with the Employment Institute in the first 30 days of unemployment. There is no qualifying period for unemployed mothers caring for children younger than age 1. Persons whose employment ceased as a result of willful misconduct or by agreement with the employer are not entitled to unemployment benefit.

Unemployed workers with 32 years (men) or 27 years (women) of employment are covered until they are reemployed; the required period of employment will rise by 1 year per year until it reaches 35 years (men) or 30 years (women) in 2007.

Benefit may be extended to women during pregnancy and up until the child is age 1 if there is no entitlement to benefits under another program. The benefit may be extended during temporary incapacity for work for up to 3 months.

Lump-sum payment: For beneficiaries of unemployment benefit who became unemployed because of the restructuring of their place of employment or because of unforeseen personal circumstances.

Pension insurance: Unemployed persons of retirement age are also entitled to unemployment benefit until the completion of the minimum qualifying period for the old-age pension, up to a maximum of 5 years.

Unemployment assistance: Payable to unemployed persons who participate in vocational training.

Reimbursement of traveling and removal costs: If costs are incurred as a result of finding new employment away from the regular place of residence.

Unemployment Benefits

The average wage in the last 3 months. The benefit is payable for between 78 and 390 days, depending on the duration of previous employment.

The minimum benefit is 797 kunas a month.

The maximum benefit is 1,000 kunas a month.

Lump-sum payment: Depending on the duration of previous employment, a lump sum equal to 2, 4, or a maximum of 6 monthly unemployment benefits.

Unemployment assistance: 797 kunas a month.

Reimbursement of traveling and removal costs: A lump-sum payment.

Administrative Organization

Managed by a tripartite nine-member committee, the Employment Institute administers the program through its central office and 22 regional and 91 local offices.

Family Allowances

Regulatory Framework

First law: 1949.

Current law: 2001, implemented in 2002.

Type of program: Social assistance system.

Coverage

Parents (including foster parents, tutors, stepparents, and grandparents) who are Croatian citizens (or foreign citizens with a permit for permanent settlement) and who resided in Croatia for at least 3 years before the claim. Children must be under age 15 (regardless of whether they are at school); children older than age 15 are eligible under special conditions (attending secondary school, ill, or disabled).

Source of Funds

Insured person: None.

Employer: None.

Government: Total cost.

Qualifying Conditions

Family allowances (children allowance): Children under age 15 (under age 19 if a secondary school student, until age 21 in case of illness or until age 27 if seriously disabled). No allowance is paid if the child is permanently placed in a specialized institution.

There is no minimum qualifying period or an employment requirement for parents.

Family Allowance Benefits

Family allowances (children allowance): Total household income for the year before the one in which the claim is made must be no more than 40% of the 2003 state budget base of 3,326 kunas.

Households whose income does not exceed 40% of the state budget base (1,330.40 kunas) receive a minimum means-tested benefit equal to 5% of the state budget base.

Households whose income does not exceed 20% of the state budget base receive a minimum means-tested benefit equal to 9% of the state budget base.

Allowances for eligible single-parent households are awarded at a rate that is 15% higher than the means-tested award.

Allowances for eligible full orphans and for eligible households with disabled children are awarded at a rate that is 25% higher than the means-tested award.

Allowances for eligible, seriously disabled children are awarded at a rate of 25% of the state budget base.

Administrative Organization

Ministry of Labor and Social Care provides general supervision.

State Institute for the Protection of Family, Maternity, and Youth provides legal supervision.

Croatian Pension Insurance Institute administers the program.

Cyprus

Exchange rate: US\$1.00 equals 0.47 pounds (£).

Old Age, Disability, and Survivors

Regulatory Framework

First law: 1956.

Current laws: 1980 (social insurance) and 1995 (old-age social pension).

Type of program: Social insurance and social assistance system.

Coverage

Social insurance: Employed and self-employed persons aged 16 to 64.

Voluntary coverage for formerly covered persons and for Cypriots working abroad for Cypriot employers.

Social assistance: The old-age social pension is available to persons aged 65 or older who are not entitled to a pension or a similar payment from any source.

Source of Funds

Insured person

Social insurance: 6.3% of earnings; voluntary contributors, 10% of earnings.

Social assistance: None.

Self-employed person

Social insurance: 11.6% of earnings.

Social assistance: None.

Employer

Social insurance: 6.3% of payroll.

Social assistance: None.

Government

Social insurance: 4% of payroll.

Social assistance: Total cost.

All of the above social insurance contributions also finance cash sickness, maternity, work injury, and unemployment benefits (6% of total contributions paid by the insured person, the employer, and government finance unemployment benefits).

The maximum weekly earnings for contribution and benefit purposes are £441.

Qualifying Conditions

Old-age pension (social insurance): Age 65 (age 63 for miners) with a minimum of 3 years' contributions and earnings in the lower band (covered earnings up to the basic earnings level) at least equal to 156 times weekly basic insurable earnings and weekly average earnings (paid and credited) since 1964 or since age 16 at least equal to 25% of basic insurable earnings.

Weekly basic insurable earnings are £73.47.

Early pension: Age 63 if the weekly average of paid and credited earnings is at least equal to 70% of weekly basic insurable earnings. Miners aged 58 or older with a minimum of 5 years' employment may receive a pension 1 month earlier for every 5 months of work on the condition that they retire from that occupation.

A widow may substitute her husband's coverage record for her own for the period before his death.

Lump-sum payment (social insurance): Payable at age 68 to a person who does not meet the contribution conditions for an old-age pension; persons with a minimum of 3 years' contributions and covered earnings at least equal to 156 times weekly basic insurable earnings but without weekly average earnings (paid and credited) since 1964 or since age 16 at least equal to 25% of basic insurable earnings.

Social pension (social assistance): Age 65 with 20 years' residence after age 40 or 35 years' residence after age 18.

Disability pension (social insurance): Permanent incapacity for work. Contribution conditions are the same as for the old-age pension, above; plus paid or credited contributions in the year preceding the onset of disability must be equal to at least 20 times weekly basic insurable earnings. (Alternatively, average insurable earnings in the last 2 years must be equal to at least 20 times basic insurable earnings.) If the disability is caused by an accident, the same qualifying conditions apply as for cash sickness benefit.

Survivor pension (social insurance): Contribution conditions are the same as for the old-age pension. (A lump sum is paid if the qualifying conditions are not met.) If death is caused by an accident, the same qualifying conditions apply as for cash sickness benefit.

Orphan's pension (social insurance): The deceased was insured and supported the child; for full orphans, one of the parents was insured.

Lump-sum payment (social insurance): Paid when there is no entitlement to a survivor pension because of insufficient average basic insurable earnings.

Missing person's allowance (social insurance): Payable to a dependent if the whereabouts of the insured is unknown and he or she is presumed dead.

All pensions are payable abroad.

Old-Age Benefits

Old-age pension (social insurance): The basic pension is equal to 60% of average basic insurable earnings, plus a supplementary pension equal to 1.5% of insurable earnings above basic insurable earnings.

Weekly basic insurable earnings are £73.47.

Dependent supplement: The basic pension is increased by 1/3 for the first dependent and by 1/6 for the second and third dependents; for a married female beneficiary, 1/6 of the basic pension for each child up to a maximum of two children.

Schedule of payments: Pensions are paid 13 times a year.

Lump-sum payment (social insurance): 15% of total paid and credited earnings.

Social pension (social assistance): £142.84 a month. If receiving another pension or a similar payment that is lower than the social pension, the difference between the two pensions is paid.

Special allowance: Payable to all pensioners with pension income (excluding dependent supplements) up to £500.

Benefit adjustment: Pensions in payment are adjusted in January and July each year. (In January, the basic part is adjusted according to wages and the supplementary part according to prices; in July, the basic and supplementary parts are adjusted according to prices.)

Past earnings are adjusted once a year according to changes in wages.

Permanent Disability Benefits

Disability pension (social insurance): The basic pension is equal to 60% of average basic insurable earnings, plus a supplementary pension equal to 1.5% of insurable earnings above basic insurable earnings.

Weekly basic insurable earnings are £73.47.

Dependent supplement: The basic pension is increased by 1/3 for the first dependent and by 1/6 for the second and third dependents; for a married female beneficiary, 1/6 of the basic pension for each child up to a maximum of two children.

Schedule of payments: Pensions are paid 13 times a year.

Benefit adjustment: Pensions in payment are adjusted in January and July each year. (In January, the basic part is adjusted according to wages and the supplementary part according to prices; in July, the basic and supplementary parts are adjusted according to prices.)

Past earnings are adjusted once a year according to changes in wages.

Survivor Benefits

Survivor pension (social insurance): The basic pension is equal to 60% of the insured's average basic insurable earnings, plus 60% of the insured's supplementary pension. The pension is payable to a dependent widow(er).

Weekly basic insurable earnings are £73.47.

Remarriage settlement: A lump sum equal to 1 year's pension is payable upon remarriage.

Orphan's pension (social insurance): For full orphans, 40% of deceased's basic insurable earnings plus 50% of the supplementary widow's pension for one orphan and 100% for two or more orphans under age 15; under age 23 for an unmarried female orphan in full-time education; under age 25 for a male student or military serviceman; no limit if disabled. The benefit for a half orphan is 20% of basic insurable earnings for one child, 30% for two children, and 40% for three or more children.

Weekly basic insurable earnings are £73.47.

Termination settlement: A lump sum equal to 1 year's orphan's pension is payable on the termination of the pension due to age.

Schedule of payments: Pensions are paid 13 times a year.

Lump-sum payment (social insurance): A lump sum equal to 15% of the deceased's basic insurable earnings plus 9% of the earnings above the basic earnings level is payable, unless the surviving spouse is entitled to a social pension.

Weekly basic insurable earnings are £73.47.

Missing person's benefit (social insurance): Same as the old-age pension, including the dependent supplement.

Funeral grant (social insurance): £303 upon the death of the insured or a pensioner; £151.50 upon the death of a dependent.

Benefit adjustment: Pensions in payment are adjusted in January and July each year. (In January, the basic part is adjusted according to wages and the supplementary part according to prices; in July, the basic and supplementary parts are adjusted according to prices.)

Past earnings are adjusted once a year according to changes in wages.

Administrative Organization

Director of Social Insurance Services in the Ministry of Labor and Social Insurance and a tripartite advisory Social Insurance Board direct the program.

Ministry of Labor and Social Insurance, through the Department of Social Insurance, administers the program.

Sickness and Maternity

Regulatory Framework

First law: 1956.

Current law: 1980.

Type of program: Social insurance (cash benefits) and national health service (medical care) system.

Coverage

Cash benefits: Employed and self-employed persons aged 16 to 63.

Voluntary coverage for Cypriots aged 16 to 63 working abroad for Cypriot employers. Persons between ages 64 and 65 are covered if they are not entitled to the old-age pension.

Medical care: All residents of limited means, public employees, police officers, and members of the armed forces.

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. The total cost of medical care.

Qualifying Conditions

Sickness benefit: Twenty-six weeks of paid contributions with 20 contributions paid or credited in the last year. After entitlement is exhausted, the insured can requalify upon the payment of 26 contributions.

Maternity benefit: Twenty-six weeks of paid contributions with 20 contributions paid or credited in the last year.

Maternity grant: Twenty-six weeks of paid contributions with 20 contributions paid or credited in the last year.

Medical benefits: All residents of limited means, public employees, police officers, and members of the Armed Forces.

Sickness and Maternity Benefits

Sickness benefit: 60% of average basic insurable earnings in the last year, plus a supplement of 50% of average earnings above the basic amount in the last year, up to a maximum of twice basic insurable earnings. The benefit is payable after a 3-day waiting period (18 days for the self-employed) for up to 52 weeks (the minimum is 26 weeks).

Dependent supplement: One-third of basic benefit for a dependent spouse and 1/6 for other dependents (up to a maximum of two dependents). A spouse is dependent if he or she is not working or is not receiving any benefit from the Social Insurance Fund.

Weekly basic insurable earnings are £73.47.

Past earnings are adjusted once a year according to changes in wages.

Maternity benefit: 75% of average insurable earnings during the last year. The benefit is payable for 16 weeks beginning between the 6th and 2nd week before expected date of childbirth.

The benefit is payable for 14 weeks to stepmothers for adopted children if the adoption takes place before the child is age 13.

Weekly basic insurable earnings are £73.47.

Past earnings are adjusted once a year according to changes in wages.

Maternity grant: £223 (payable also to the nonworking wife of an insured man).

Workers' Medical Benefits

Medical services are provided directly to patients in government hospitals and dispensaries. Benefits include medical treatment, hospitalization, maternity care, and medicines.

Dependents' Medical Benefits

Same as for the insured person.

Administrative Organization

Director of Social Insurance Services in the Ministry of Labor and Social Insurance and a tripartite advisory Social Insurance Board direct the program.

Ministry of Labor and Social Insurance, through the Department of Social Insurance, administers the program.

Ministry of Health provides medical services through government hospitals.

Work Injury

Regulatory Framework

First law: 1942.

Current law: 1980.

Type of program: Social insurance system.

Coverage

Employed persons.

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.

Qualifying Conditions

Work injury benefits: There is no minimum qualifying period.

Temporary Disability Benefits

60% of average basic insurable earnings in the last year, payable after a 3-day waiting period for up to 12 months.

Dependent supplement: One-third of basic benefits for a dependent spouse and 1/6 for other dependents (up to a maximum of two dependents). A spouse is dependent if he or she is not working or is not receiving any benefit from the Social Insurance Fund.

Supplementary benefit: 50% of average insurable earnings above basic insurable earnings in the last year, up to a maximum of twice basic insurable earnings.

The minimum benefit plus supplements is £68.74 a week.

Weekly basic insurable earnings are £73.47.

Past earnings are adjusted once a year according to changes in wages.

Permanent Disability Benefits

Permanent disability pension: £41.24 a week if 100% disabled.

Partial disability: A percentage of the full (basic and supplementary) pension in proportion to the assessed degree of disability (between 20% and 99%) or a lump sum for an assessed degree of disability of between 10% and 19%.

Supplementary permanent disability pension: 60% of average earnings above basic earnings in the last 2 years.

Weekly basic insurable earnings are £73.47.

Dependent supplement: One-third of the basic benefit for a dependent spouse and 1/6 for other dependents (up to a maximum of two dependents). A spouse is dependent if he or she is not working or is not receiving any benefit from the Social Insurance Fund.

Constant-attendance supplement: £20.64 a week if 100% disabled and in need of constant care and attention.

Benefit adjustment: Pensions in payment are adjusted in January and July each year. (In January, the basic part is adjusted according to wages and the supplementary part according to prices; in July, the basic and supplementary parts are adjusted according to prices.)

Past earnings are adjusted once a year according to changes in wages.

Workers' Medical Benefits

Benefits include all necessary medical treatment and hospitalization in government dispensaries and hospitals.

Survivor Benefits

Survivor pension: Same as the basic permanent disability pension, plus 60% of the supplementary permanent disability pension. The pension is payable to a dependent widow(er).

Remarriage settlement: A lump sum equal to 1 year's pension is payable upon remarriage.

Orphan's pension: For full orphans, 40% of deceased's basic insurable earnings plus 50% of the supplementary widow's pension for one orphan and 100% for two or more orphans

under age 15; under age 23 for an unmarried female orphan in full-time education; under age 25 for a male student or military serviceman; no limit if disabled. The benefit for a half orphan is 20% of basic insurable earnings for one child, 30% for two children, and 40% for three or more children.

Weekly basic insurable earnings are £73.47.

Termination settlement: A lump sum equal to 1 year's orphan's pension is payable on the termination of the pension due to age.

Dependent parent (in the absence of the above): 40% of basic insurable earnings per week plus 30% of the supplementary permanent disability pension.

Weekly basic insurable earnings are £73.47.

Past earnings are adjusted once a year according to changes in wages.

Funeral grant: £303.

Administrative Organization

Director of Social Insurance Services in the Ministry of Labor and Social Insurance and a tripartite advisory Social Insurance Board direct the program.

Ministry of Labor and Social Insurance, through the Department of Social Insurance, administers the program.

Unemployment

Regulatory Framework

First law: 1956.

Current law: 1980.

Type of program: Social insurance system.

Coverage

Employed persons aged 16 to 63 (including voluntarily insured persons who work for Cypriot employers abroad).

Employed persons aged 64 to 65 are covered if they are not entitled to an old-age pension.

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.

Six percent of total contributions paid by the insured person, the employers, and government toward old-age, disability, and survivors benefits are transferred to the Unemployment Benefit Account to finance unemployment benefits.

Qualifying Conditions

Unemployment benefit: Twenty-six weeks of paid contributions with 20 contributions paid or credited in the last year. After entitlement is exhausted, requalification is possible upon the payment of 26 weeks of contributions. The insured must be capable of and available for work and must report weekly to the employment exchange. If unemployment is due to voluntary leaving, misconduct, direct participation in a trade dispute, the refusal of a suitable job offer, or the failure to avail one's self of a job opportunity, the insured may be disqualified for up to 6 weeks.

Unemployment Benefits

60% of average basic insurable earnings in the last year, plus a supplement of 50% of average earnings above the basic amount in the last year, up to a maximum of twice basic insurable earnings. The benefit is payable after a 3-day waiting period (30 days for the voluntarily insured) for at least 156 days.

Weekly basic insurable earnings are £73.47.

Past earnings are adjusted once a year according to changes in wages.

Dependent supplement: One-third of basic benefits for a dependent spouse and 1/6 for other dependents (up to a maximum of two dependents). A spouse is dependent if he or she is not working or is not receiving any benefit from the Social Insurance Fund.

Administrative Organization

Director of Social Insurance Services in the Ministry of Labor and Social Insurance and a tripartite advisory Social Insurance Board direct the program.

Ministry of Labor and Social Insurance, through the Department of Social Insurance, administers the program.

Family Allowances

Regulatory Framework

First and current laws: 1987 (child benefit) and 2000 (mother's allowance).

Type of program: Universal system.

Coverage

Child benefit: All residents with four or more children.

Mother's allowance: Mothers residing in Cyprus with at least four children who are not entitled to a child benefit.

Source of Funds

Insured person: None.

Employer: None.

Government: Total cost.

Qualifying Conditions

Child benefit: The parent receiving the benefit must be residing in the country, but the child need not be. The family must include four or more dependent children. A child is dependent if under age 15; between ages 15 and 18 and unmarried; between ages 18 and 25 and in military service; between ages 18 and 25 (male) or ages 18 and 23 (female) and in full-time education; no limit if disabled.

Mother's allowance: Mothers residing in Cyprus with at least four children who are not entitled to a child benefit.

Family Allowance Benefits

Child benefit: £31.35 a month for each dependent child (2002).

Mother's allowance: £31.35 a month for each dependent child (2002).

Benefit adjustment: Benefits are adjusted in January each year according to changes in prices.

Administrative Organization

Director of Social Insurance Services in the Ministry of Labor and Social Insurance and a tripartite advisory Social Insurance Board direct the program.

Ministry of Labor and Social Insurance, through the Department of Social Insurance, administers the program.

Czech Republic

Exchange rate: US\$1.00 equals
25.71 koruna (CZK).

Old Age, Disability, and Survivors

Regulatory Framework

First laws: 1906 (salaried employees) and 1924 (wage earners).

Current law: 1995.

Type of program: Social insurance system.

Coverage

Employees, members of assimilated groups, including certain groups of students, farmers, artists, the unemployed, carers, military personnel, and the self-employed.

Voluntary coverage is available to certain categories of persons, including persons employed abroad.

Source of Funds

Insured person: 6.5% of earnings.

Self-employed person: 28% of declared earnings.

Employer: 21.5% of payroll.

Government: Any deficit.

The maximum assessment base for self-employed persons is 40% of declared earnings.

Qualifying Conditions

Old-age pension: Age 61 and 6 months (men) or age 56 to 60 (women), according to the number of children raised.

Since January 1, 1996, the retirement age has been gradually increasing by 2 months per year for men and by 4 months per year for women. The target retirement age of 63 will be reached after December 31, 2012, for men and for women without children. For women with children the retirement age will be age 59 to 62 according to the number of children raised. Retirement will be based on 25 years of insurance; 15 years if aged 65.

Early pension: Retirement is possible up to 3 years before the normal retirement age. All employment must cease.

Deferred pension: The pension is increased for every 90 days of economic activity during which the claim for an old-age pension is postponed.

Disability pension: Total disability (66% loss of earning capacity) or partial disability (33% loss of earning capacity) with at least 5 years of insurance in the last 10 years (up to 4 years if under age 28).

Survivor pension: The deceased qualified for a pension or was a pensioner at the time of death.

Old-Age Benefits

Old-age pension: A flat-rate basic amount (1,310 CZK) plus an earnings-related percentage amount based on the personal assessment base (PAB) and the number of years of insurance.

PAB: Currently based on average gross earnings over the last 18 years preceding retirement. Originally based on 10 years preceding retirement, this period is being extended by 1 year every year until it reaches a total of 30 calendar years. The value of the old-age pension is calculated using 1.5% of the personal assessment base per year of insurance (no maximum). The calculation of the personal assessment base includes a percentage of monthly earnings:

- 100% of earnings up to 7,500 CZK,
- 30% of earnings from 7,500 CZK to 19,200 CZK, and
- 10% of earnings over 19,200 CZK.

The minimum pension is 2,080 CZK, equal to the flat-rate basic amount (1,310 CZK) plus 770 CZK.

Temporarily reduced early pension: Available up to 2 years prior to the normal retirement age provided that the insured person has a minimum of 25 years of insurance and has received a partial or a full disability pension for at least 5 years and entitlement to a disability pension has expired within 5 years of reaching the normal retirement age. The pension is reduced by 1.3% of the personal assessment base for every (even incomplete) period of 90 days prior to the normal retirement age, but the pension is fully restored upon reaching the normal retirement age.

Permanently reduced early pension: Available up to 3 years prior to the normal retirement age; the actual date of retirement is left to the insured's discretion. The insured must have at least 25 years of contributions. The pension is reduced by 0.9% for every (even incomplete) 90-day period preceding the normal retirement age. This reduction is permanent and continues after the recipient reaches the normal retirement age.

Deferred pension: For every 90 days of economic activity during which the claim for an old-age pension is postponed, an increase of 1.5% of the personal assessment base is provided.

Permanent Disability Benefits

Disability pension: The full disability pension is calculated as a flat-rate basic amount (1,310 CZK) plus an earnings-related amount calculated using 1.5% of the personal assessment base per year of insurance. The projected insurance period is credited from the onset of disability up to the normal retirement age.

The minimum disability pension is 2,080 CZK, equal to the flat-rate basic amount (1,310 CZK) plus 770 CZK.

There is no maximum disability pension.

Partial disability: A flat-rate basic amount (1,310 CZK) plus 0.75% of the personal assessment base for every year of insurance.

The minimum partial disability pension is 1,695 CZK, equal to the flat-rate basic amount (1,310 CZK) plus 385 CZK.

There is no maximum partial disability pension.

Survivor Benefits

Widow(er) pension: A flat-rate basic amount (1,310 CZK) plus 50% of the earnings-related amount of the deceased's pension. The pension is payable to all widow(er)s for 1 year; thereafter, only to widows aged 55 or widowers aged 58; any age if disabled or caring for a dependent or disabled child or for a disabled parent.

Orphan's pension: A basic amount of 1,310 CZK plus 40% of the earnings-related amount of the deceased's pension for each dependent child (for full orphans, the basic amount is payable only once).

The value of the pension is increased in cases of disability. In the case of partial incapacity (up to 33% loss in earning capacity), the value is increased by 20% of the subsistence minimum; in the case of a major but not total incapacity (between 34% and 65% loss in earning capacity), by 40%; or in the case of total incapacity (66% or more loss in earning capacity), by 75%.

In the case of a claim for another pension (old-age or disability pension), the amount paid is the highest pension plus half of the earnings-related amount of the other pension.

Administrative Organization

Ministry of Labor and Social Affairs provides general supervision and is responsible for policy development for all areas of social security except health insurance.

Social Security Administration collects and administers contributions and delivers benefits through its Central Administration and 76 District Administrations.

Sickness and Maternity

Regulatory Framework

First law: 1888.

Current laws: 1956 (cash sickness benefits), 1968 (maternity benefits), and 1997 (public health insurance).

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

Coverage

Cash benefits: Employees, members of industrial production cooperatives, and advanced students. For self-employed persons, sickness insurance is voluntary.

Medical benefits: All permanent residents in the Czech Republic or employees whose employer resides in the Czech Republic.

Source of Funds

Insured person: 1.1% of earnings (cash sickness and maternity benefits) and 4.5% of earnings (medical benefits).

Self-employed person: 4.4% of declared earnings for cash sickness and maternity benefits and 13.5% of declared earnings for medical benefits.

Employer: 3.3% of payroll (cash sickness and maternity benefits) and 9% of payroll (medical benefits).

Government: Any deficit for cash sickness and maternity benefits and medical benefits; total cost for special categories of covered people.

The maximum assessment base for self-employed persons is 40% of declared earnings.

Qualifying Conditions

Cash sickness benefits: Compulsory for all employees; voluntary for the self-employed. Only those with gross earnings over 400 CZK a month or working more than 7 days a month are insured. A doctor's certificate is required from the first day of illness. Neither a minimum period of employment nor any minimum period of residence is required. There is no waiting period.

Cash maternity benefits: 270 days of insurance in the 2 years preceding childbirth, loss of earnings, childbirth or taking substitute care of a child (substitute carers may include men), and medical confirmation of pregnancy.

Cash medical benefits: Currently insured. There is no minimum coverage period. Eligibility continues for 6 weeks after coverage ceases.

Sickness and Maternity Benefits

Sickness benefit: For the first 3 days, 50% of the daily assessment base; from the 4th day, 69%. The benefit is payable from the first day of incapacity for up to 1 year; up to 2 years if recovery is likely.

Daily assessment base: The calculation of the daily assessment base includes a percentage of gross earnings:

- 90% for the first 14 days of illness and 100% from the 15th day for gross earnings up to 480 CZK.
- 60% for gross earnings from 480 CZK up to 690 CZK.
- Gross earnings over 690 CZK are exempt.

The maximum daily assessment base for calculating sickness benefit is 558 CZK for the first 14 days of illness and 606 CZK for the rest of the period of illness.

Maternity benefit: 69% of the daily assessment base (as calculated for cash sickness benefit from the 15th day) is payable for 28 weeks (37 weeks for a single mother and for multiple births) including at least 6 weeks before the expected date of childbirth.

The maximum maternity benefit is 419 CZK a day.

Workers' Medical Benefits

Health care is provided free of charge under the scope and conditions stipulated by law. Benefits includes medical treatment in outpatient and inpatient care facilities; emergency and rescue services; preventive care; the provision of drugs, medical aid, and appliances; stomatologic treatment (diseases of the mouth); spa treatment; the care of children in special medical institutions and convalescent homes; preventive care provided in enterprise and factory surgeries; transportation of the sick; refunding of travel costs; medical assessment; and the examination of deceased insured persons and autopsy including the transportation of the dead. There is no limit to duration.

Dependents' Medical Benefits

Health care is provided free of charge under the scope and conditions stipulated by law. The Czech health insurance system is based on individual insurance for each person.

Administrative Organization

Social Security Administration collects and administers contributions and delivers cash sickness benefits through its Central Administration and 76 District Administrations.

Organizations with more than 25 employees pay sickness benefits.

Ministry of Labor and Social Affairs provides general supervision for sickness insurance. Subsidiary offices, on a regional and district level, administer cash benefits.

Ministry of Health provides general supervision for medical services.

Medical services are provided in state and private outpatient and inpatient care facilities on the basis of contracts set up with individual insurance companies.

Work Injury

Regulatory Framework

First law: 1887.

Current laws: 1956 (short-term benefits), 1990 (self-employed), and 1995 (pensions).

Type of program: Employer-liability system.

Coverage

Employees and eligible survivors.

Source of Funds

Insured person: None.

Employer: The purchase of insurance premiums.

Government: Any deficit between the insurance cover provided by the employer and the awarded compensation paid to the insured.

Qualifying Conditions

Work injury benefits: There is no minimum qualifying period.

Temporary Disability Benefits

Lump-sum benefits are provided.

Permanent Disability Benefits

Compensation for loss of earnings is payable up to age 65.

Workers' Medical Benefits

Medical expenses are paid.

Survivor Benefits

Survivor maintenance grant: A lump sum of 50,000 CZK for a spouse; a lump sum of 80,000 CZK for an orphan.

Alimony for a survivor: Reimbursement of costs.

Medical expenses: Reimbursement of treatment-related costs.

Funeral grant: The reasonable cost of a funeral.

Administrative Organization

Ministry of Labor and Social Affairs provides general supervision for the provision of temporary and permanent disability benefits and survivor pensions.

Social Security Administration collects and administers contributions and delivers benefits through its Central Administration and 76 District Administrations.

Administrative roles are also played by two insurance companies and by large-scale employers.

Ministry of Health provides general supervision for the provision of medical benefits.

Unemployment

Regulatory Framework

First law: 1991.

Current laws: 1992 and 1997, with 2002 amendment.

Type of program: Social insurance system.

Coverage

Czech Republic citizens (and foreign citizens permanently resident in the Czech Republic) who are at least 15 years old and capable of working.

Source of Funds

Insured person: 0.4% of earnings.

Employer: 3.2% of payroll.

Government: Any deficit.

Qualifying Conditions

Unemployment benefit: Registered as looking for work and employed for at least 12 months in the past 3 years.

Employment periods include vocational training, job training undertaken by a disabled person, basic military service or alternative civil service, providing care for a child up to age 3 (or up to age 18 if seriously disabled), time spent caring for a relative, any period during which a job seeker was paid a full disability pension, and periods accredited by the Ministry of the Interior for long-term voluntary service.

Unemployment Benefits

50% of earnings during the first 3 months; 40% for next 3 months; 60% in case of retraining.

The maximum benefit is 10,250 CZK a month; 11,480 CZK in the case of retraining.

Administrative Organization

Ministry of Labor and Social Affairs provides general supervision.

Labor offices administer benefits.

Family Allowances

Regulatory Framework

First law: 1945.

Current law: 1995.

Type of program: Universal system.

Coverage

Families with children.

Source of Funds

Insured person: None.

Employer: None.

Government: Total cost.

Qualifying Conditions

Family allowances: Dependent children (up to age 26 if a student).

Family Allowance Benefits

Family allowances: Income-tested allowances. If family income is below 1.1 times the living minimum, the benefit is equal to 32% of the child living minimum for each child; if family income is from 1.1 times to 1.8 times the living minimum, 28% of the child living minimum for each child; if family income is from 1.8 times to 3 times the living minimum, 14% of the child living minimum for each child; if family income is over 3 times the living minimum, there is no entitlement.

Birth grant: Paid at five times the child living minimum for one child; at six times for two children; 10 times if there are three or more children.

Parents' allowance: If caring at home for a child up to age 4, the allowance is 1.1 times the adult living minimum.

Administrative Organization

Ministry of Labor and Social Affairs provides general supervision.

Labor offices administer benefits.

Denmark

Exchange rate: US\$1.00 equals 6 kroner.

Old Age, Disability, and Survivors

Regulatory Framework

First laws: 1891 (old age) and 1921 (disability).

Current laws: 1964 (labor-market supplementary pension, ATP), with 1998 amendment (special pension savings scheme, SP) implemented in 1999 and 2000 amendment implemented in 2002; 1984 (universal old-age and disability pensions), with amendments; and 1986 (partial early retirement pension), with amendments.

Type of program: Universal, social insurance, and mandatory individual account system.

Coverage

Universal pension: Resident citizens aged 16 to 66 (aged 16 to 69 from July 2004); noncitizens meeting the minimum residency requirements or covered by reciprocal agreements.

Labor-market supplementary pension (ATP): Employees aged 16 to 66 (aged 16 to 69 from July 2004), including persons on parental leave and recipients of cash sickness or unemployment benefits. Coverage is optional for the self-employed and for recipients of disability pensions or early retirement benefits (see Unemployment, below).

Special pension savings scheme (SP): Employees aged 16 to 66 (aged 16 to 69 from July 2004), including persons on parental leave, recipients of cash sickness or unemployment benefits, and the self-employed.

Source of Funds

Insured person

Universal basic pension: None.

ATP: Up to a maximum of 894 kroner a year for a full-time worker. Recipients of unemployment benefits, sickness and maternity benefits, and certain vocational training benefits pay double contributions.

SP: 1% of gross income. (Contributions are suspended for 2004 and 2005.)

Employer

Universal basic pension: None.

ATP: Up to a maximum of 1,788 kroner (for a full-time worker) per employee per year.

SP: None.

Government

Universal basic pension: Total cost.

ATP: Up to a maximum of 1,788 kroner (for a full-time worker) a year for recipients of social assistance benefits. Recipients of unemployment benefits, sickness and maternity benefits, or certain vocational training benefits pay double contributions.

SP: None.

Qualifying Conditions

Old-age pension

Universal basic pension (earnings-tested): From age 67 (from age 65 from July 2004) with at least 3 years' residence between ages 16 and 66 (between ages 16 and 64 from July 2004).

Full pension: Forty years' residence (benefits are proportionately reduced with fewer years of residence).

Deferred pension: A deferred pension is possible until age 70 (from July 2004).

The pension is payable abroad.

Universal pension supplement (income-tested): From age 67 (from age 65 from July 2004) with at least 3 years' residence between ages 16 and 66 (between ages 16 and 64 from July 2004).

Partial early retirement pension: Aged 60 to 65, residing in Denmark, employed full time for at least 10 of the last 20 years, and continuing to work for 12 to 30 hours a week. Employees must have participated in the ATP scheme for at least 10 of the last 20 years and worked at least 18 of the last 24 months in Denmark. The self-employed must have worked full-time during the last 5 years, been self-employed in Denmark for at least 4 of the last 5 years (including 9 of the last 12 months), and must reduce working hours on average to 18.5 hours a week.

ATP: Age 65 (age 67 if born before July 1, 1939). The benefit is actuarially related to the individual's contributions and contribution record. The full ATP pension requires a full and continuous contribution record since the start of the program in 1964 (or from age 16 if later). From July 2004, the pensionable age is 65 for all covered persons.

The pension is payable abroad.

SP: Age 65 (age 67 if born before July 1, 1939). The benefit is based on the capital accrued in the individual's account. From July 2004, the pensionable age is 65 for all covered persons.

The pension is payable abroad.

Disability pension

Disability (anticipatory) pension: The basic disability pension (income-tested) and the disability supplement (income-tested) are payable from ages 18 to 64 (age 66 if aged 60 before July 1, 1999) with at least 3 years' residence from age 15 and if working capacity is reduced and the person cannot assure his or her subsistence.

Disablement supplement: A cash benefit for the partial compensation of additional expenses arising from the disability.

ATP: No benefit is provided.

SP: No benefit is provided.

Survivor pension

Universal pension: Abolished in 1984, benefits are payable to a surviving spouse under old-age or disability pensions if eligible in his or her own right.

Eligible survivors include spouses, cohabitants, divorced partners (under certain conditions), and children under age 21. The deceased must have had 10 years of coverage (including 2 years under the changes implemented January 1, 2002) and been married for at least 10 years to the survivor. The surviving spouse must have been married or cohabiting 2 years immediately prior to the insured's death. For a divorced spouse, the deceased must have paid a maintenance grant just prior to death, and the marriage must have lasted 5 or 10 years.

Orphans under age 18 are eligible for benefits under Family Allowances.

ATP: A lump sum is payable to a surviving spouse and each child under age 18 (old scheme) or under age 21 (new scheme).

SP: The capital accrued in the individual account of the deceased is transferred to the estate.

Old-Age Benefits

Old-age pension

Universal basic pension (earnings-tested): 4,648 kroner a month.

Universal pension supplement (income-tested): 4,512 kroner a month (single pensioners); 2,184 kroner a month (others).

Partial early retirement pension: The maximum pension is 86,892 kroner a year if work is reduced to 12 hours a week.

Deferred pension: Higher pensions are paid for years worked beyond age 65 (from July 2004).

Benefit adjustment: Pensions and benefits are adjusted annually according to wage growth.

ATP: Pension entitlement depends on the individual's contribution record.

The maximum annual pension for new pensioners who paid full contributions from 1964 to 2004 is 22,000 kroner.

Benefit adjustment: Accrued pension rights and cash pensions under the ATP are adjusted through bonus allowances.

SP: Pension entitlement depends on the individual's contribution record. The capital in the individual SP accounts is adjusted annually according to the SP's investment return. Benefits are paid in installments over a 10-year period. Lump-sum payments are awarded for pensioners with low account balances.

Permanent Disability Benefits

Disability pension

Disability (anticipatory) pension: The maximum pension is 13,895 kroner a month for single persons; 11,810 kroner for those not living alone.

Disability supplement (income test): The amount is set according to individual circumstances, taking into account expected expenses. The minimum supplement is 6,000 kroner a year.

Benefit adjustment: Benefits are adjusted annually according to wage growth.

ATP: No disability pensions are payable under the ATP scheme.

SP: No disability pensions are payable under the SP scheme.

Survivor Benefits

Survivor pension

Universal pension: No pension is provided.

Death grant: A lump-sum payment (up to a maximum of 8,000 kroner; 6,750 kroner if under age 18), depending on the deceased's assets and liabilities, is provided under the National Health Security Act.

Benefit adjustment: The grant is adjusted annually according to wage growth.

Dependent survivor's allowance (income-tested): A spouse or cohabitant who lived with the deceased for at least 3 years may receive a lump sum of up to 11,255 kroner, depending on income and assets. No benefit is paid if income exceeds 281,374 kroner a year.

ATP: A lump sum of 40,000 kroner is payable to the surviving spouse (if the deceased was older than age 65, the amount is reduced by 1/5 for each year between ages 66 and 70) and to each child under age 21.

SP: The capital in the deceased's account is transferred to the deceased's estate.

Administrative Organization

Universal pension: Ministry of Social Affairs provides general supervision and national administration.

Local (municipal) governments administer pensions.

National Directorate of Social Security and Assistance administers universal pensions paid abroad.

ATP: The Labor-Market Supplementary Pension Institution, an independent organization headed by a bipartite board of directors, administers the ATP program.

SP: The Labor-Market Supplementary Pension Institution, an independent organization headed by a bipartite board of directors, administers the SP program.

Sickness and Maternity

Regulatory Framework

First law: 1892.

Current laws: 1971 (medical benefits), with amendments; and 1989 (cash benefits), with amendments.

Type of program: Universal (medical benefits) and direct provision (cash benefits) system.

Coverage

Cash sickness and maternity benefits: Employees and self-employed persons.

Medical benefits: All residents.

Source of Funds

Insured person: None (cash and medical benefits). Self-employed persons may voluntarily contribute for cash benefits to insure against the first 2 weeks of incapacity.

Employer: The total cost of cash benefits for the first 2 weeks if the employee worked for the same employer for 8 weeks before the onset of incapacity. No contribution is made for medical benefits.

Government: Local government meets the total cost of cash benefits from the third week (from day 1 if the insured is ineligible for the 2-week benefit from the employer). Local government (county level) finances the total cost of medical benefits.

Qualifying Conditions

Cash sickness and maternity benefits: Must have 74 hours of employment in the preceding 8 weeks.

Medical benefits: Resident of Denmark. If moving from another country, there is a 6-week qualifying period.

Sickness and Maternity Benefits

Sickness benefit: Up to 3,113 kroner a week, based on the hourly wage; for employees, the benefit is payable from the first day of incapacity; for the self-employed, the benefit is payable from the third week of incapacity (may insure voluntarily for the first 2 weeks).

The benefits provided under the national cash benefit program are payable weekly for 52 weeks within any 18-month period. The benefit may be extended under specified circumstances.

Maternity benefit: Up to 3,203 kroner a week. For employees, the benefit is payable for up to 52 weeks, including from 4 weeks before and 14 weeks after the expected date of childbirth for the mother and, concurrently, 2 weeks paid leave for the father; after the 14th week, both parents may share a 52-week leave period that may be split up or postponed but must be taken before the child's 9th birthday.

In case of adoption, benefit is payable for a 46-week leave period beginning from the date the parent takes charge of the child. After the 14th week, both parents may share a 32-week leave period that may be split up or postponed but must be taken before the child's 9th birthday.

Additional leave of up to 3 months is granted if the child is hospitalized as a result of a disease contracted in connection with birth.

Workers' Medical Benefits

Free service benefits are provided with a restricted choice of doctor, or the patient pays part of expenses with a free choice of doctor. Benefits include general practitioner care, specialist care, treatment by psychologists under special circumstances, hospitalization in a public hospital, 50% to 85% of the cost above 520 kroner a year of most prescribed drugs, maternity care by a midwife or doctor, home nursing, chiropractic, physiotherapy, the cost of some dental care, and transportation for pensioners.

There is no limit on duration (except for treatment by psychologists, chiropractors, and physiotherapists).

Dependents' Medical Benefits

Same as for the family head.

Administrative Organization

Sickness and maternity benefits: Ministry of Social Affairs provides general supervision and national administration.

Municipal governments administer sickness and maternity benefits at the local level.

Medical benefits: Ministry of Health provides general supervision and national administration.

Municipal and county governments administer medical benefits at the local level.

Work Injury

Regulatory Framework

First law: 1898.

Current law: 1998.

Type of program: Universal (medical benefits) and direct provision (cash benefits) system, involving compulsory income security provisions through a private carrier (accidents) and the Labor-Market Occupational Disease Fund (occupational diseases).

Coverage

Employed and self-employed persons in fishing and shipping.

Coverage is extended to persons with a congenital injury or congenital disease resulting from the work or employment history of either parent.

Source of Funds

Insured person: Employees, none. Self-employed persons, the total cost of insurance.

Employer: For permanent disability benefits, the total cost of compulsory income security provisions through a private carrier (accidents) and the Labor-Market Occupational Disease Fund (occupational diseases). For temporary disability benefits, see source of funds for sickness benefit under Sickness and Maternity, above.

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

Qualifying Conditions

Work injury benefits: There is no minimum qualifying period.

Temporary Disability Benefits

Up to 3,113 kroner a week, based on the hourly wage; for employees, the benefit is payable from the first day of incapacity; for the self-employed, the benefit is payable from the third week of incapacity (may insure voluntarily for the first 2 weeks).

The benefits provided under the national cash benefit program are payable weekly for 52 weeks within any 18-month period. The benefit may be extended under specified circumstances.

Permanent Disability Benefits

Permanent disability pension: If totally disabled, 80% of earnings of the preceding year. The minimum assessed degree of disability for benefit entitlement is 15%.

The maximum annual earnings for benefit purposes are 379,000 kroner. The maximum earnings are adjusted annually for changes in average wages.

Partial disability: For an assessed degree of disability of between 50% and 99%, a percentage of the full pension in proportion to the loss of earning capacity. For an assessed degree of disability of between 15% and 49%, a lump sum equal to the commuted value of the partial pension.

For those who reached age 60 before July 1, 1999, the pension ceases at age 67, and a lump sum of 2 years' benefit is paid.

For those who reached age 60 on July 1, 1999, or later, the pension ceases at age 65, and a lump sum of 4 years' benefit is paid.

Compensation for a long-term incapacity to perform daily routine tasks: 430,000 kroner if 100% incapacitated; compensation is reduced for lower degrees of incapacity.

Benefit adjustment: Benefits are adjusted according to changes in the average wage.

Workers' Medical Benefits

The cost of prosthesis, artificial limbs, orthopedic equipment and wheel chairs, and some specialist care (most medical services are obtained under ordinary sickness insurance).

Survivor Benefits

Survivor pension: 30% of the insured's earnings is paid for up to 10 years. The pension is payable to the spouse or to a cohabitant of at least 2 years at the time of death. The pension is payable if the survivor remarries. At age 67, the survivor pension is discontinued and a lump sum of 2 years' benefit is paid.

Orphan's pension: 10% of the insured's earnings for each orphan and 20% for each full orphan, up to a maximum of 50%. The pension is payable through age 18 (age 21 if a student).

The total maximum survivor and orphan's pension is 70% of the insured's earnings.

Special death benefit: A lump sum of 119,000 kroner is payable to a spouse or to a cohabitant of at least 2 years at time of death.

Benefit adjustment: Pension and benefits are adjusted annually according to wage growth.

Administrative Organization

Ministry of Social Affairs provides general supervision.

National Board of Industrial Injuries provides direct supervision of private carriers for work accidents.

Labor-Market Occupational Disease Fund (an independent, self-governing institution) administers the employer-funded programs for occupational diseases.

Unemployment

Regulatory Framework

First law: 1907.

Current laws: 1970 (employees) and 1976 (self-employed).

Type of program: Subsidized voluntary insurance system.

Coverage

Employees aged 18 to 65, the self-employed, and persons who have completed at least 18 months of vocational training.

Covered persons must be members of an approved unemployment fund established voluntarily by trade unions (for instance, in industry, commerce, office work, agriculture, handicrafts, catering, transport, or quarrying).

Source of Funds

Insured person: Membership contributions to an unemployment insurance fund consists of a variable

contribution toward financing the fund (rates vary according to fund), a mandatory fixed contribution toward the payment of unemployment insurance, and a voluntary fixed contribution toward payment of early retirement pay.

Employees and the self-employed pay 8% of their gross salary or earnings toward the Labor Market Fund to cover state expenditure on unemployment insurance benefits and voluntary early retirement pay.

Employer: A part of the supplementary 3% value-added tax base of the enterprise.

Government: Any cost above the insured person's and employer/employee contributions.

Qualifying Conditions

Unemployment benefit: Membership in an unemployment fund during the last 12 months (self-employed included) and 52 weeks of employment in last 3 years.

Unemployment must not be due to voluntary leaving, misconduct, a labor dispute, or the refusal of a suitable job offer. The claimant must be registered for employment and capable of, and willing to, work.

Voluntary early retirement pay scheme: Resident and aged 60 to 65 (including the self-employed) and a member of an unemployment fund for 25 of the last 30 years; 20 of the last 25 years if born before July 1, 1964; or 10 of the last 15 years if born before March 1, 1952.

Unemployment Benefits

90% of average earnings of the previous 12 weeks, up to 3,205 kroner a week. The benefit is payable from the first day of unemployment (5 days a week) for an initial period of 1 year (job-seeking period). The self-employed have a waiting period of 4 weeks. The initial benefit period may be followed by a second period of 3 years. If the unemployed person is aged 55 to 59, the second period may be extended until the 60th birthday to allow entitlement to the voluntary early retirement pay scheme.

Voluntary early retirement pay scheme: The maximum benefit is 91% of the highest unemployment benefit, but not more than 2,916 kroner a week. Certain favorable conditions apply to workers staying in the labor market for a minimum period of 2 years after age 60.

Administrative Organization

Ministry of Employment and Directorate of Labor provide general supervision.

Recognized unemployment funds (with at least 5,000 members) administer the program nationally.

Union officials usually manage funds.

Local branches of the unemployment funds collect contributions and pay benefits.

Family Allowances

Regulatory Framework

First law: 1952.

Current law: 1986.

Type of program: Universal system.

Coverage

Resident citizens, noncitizens resident in Denmark for 1 year or more (3 years for a special supplement), or noncitizens covered by reciprocal agreements.

Source of Funds

Insured person: None.

Employer: None.

Government: Total cost.

Qualifying Conditions

Family allowances: The child must be under age 18.

Family Allowance Benefits

Family allowances: The basic annual allowance is 13,204 kroner for each child up to age 2; 11,932 kroner for each child aged 3 to 6; 9,388 kroner for each child aged 7 to 17.

General supplement: 4,156 kroner a year for each child (for example, in the case of a family with a single breadwinner).

Extraordinary supplement: 4,228 kroner a year for a single-parent household (only one supplement is provided per household regardless of the number of children).

Special supplement: Full orphans receive 23,952 kroner a year; half-orphans receive 8,384 kroner; children of pensioners receive 10,608 kroner a year (one pensioner parent) or 16,448 kroner a year (two pensioner parents); in cases of multiple births, 6,840 kroner a year for each child between ages 0 and 6; for the adoption of a foreign child, a one-time grant of 39,492 kroner.

Benefit adjustment: Allowances and supplements are adjusted annually according to changes in wages.

Administrative Organization

Ministry of Social Affairs provides general supervision and national administration.

Local (municipal) governments administer the program.

Estonia

Exchange rate: US\$1.00 equals
12.61 kroons (EEK).

Old Age, Disability, and Survivors

Regulatory Framework

First law: 1924.

Current laws: 2002 and 2003.

Type of program: Social insurance and mandatory individual account system.

Coverage

Social insurance: All persons currently residing in Estonia.

Mandatory individual account: All persons born on or after January 1, 1983, covered by social insurance, including the self-employed.

Persons born on or after January 1, 1942, or before January 1, 1983, may contribute voluntarily.

Source of Funds

Social insurance

Insured person: None.

Self-employed person: 33% of income equal to or above the minimum salary.

Employer: 33% of payroll.

Government: The cost of some pensions and the cost of pension supplements and funeral grants.

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

Mandatory individual account

Insured person: 2% of earnings.

Self-employed person: 4% of income. (The contribution is taken from the 33% of income contribution for social insurance.)

Employer: 4% of payroll. (The contribution is taken from the 33% of payroll contribution for social insurance.)

Government: None.

Qualifying Conditions

Old-age pension

Social insurance: Age 63 with 15 years of service (men) or age 59 with 15 years of service (women). (The retirement age for women is to be raised 6 months each year until it reaches age 63.)

National pension: Age 63 and does not qualify for a social insurance old-age pension. Must have been resident in Estonia for at least 5 years before making the claim and not receiving a pension from any other country.

Mandatory individual account: Age 63 with 15 years of service (men) or age 59 with 15 years of service (women). (The retirement age for women is to be raised 6 months each year until it reaches age 63.)

Disability pension

Social insurance: Aged 16 to 63 with between 1 and 14 years of insurance coverage or credited pensionable service depending on the insured's age.

National pension: The loss of at least 40% of working capacity and does not qualify for a social insurance disability pension. Must not receive a pension from any other country.

Mandatory individual account: No disability benefits are provided.

Survivor pension

Social insurance: Survivors must be incapable of gainful activity. The insured had 1 to 14 years of insurance coverage or pensionable service depending on age.

Eligible survivors: Survivors include children, stepchildren, siblings, and grandchildren under age 18 or disabled; a parent, stepparent, surviving spouse or guardian not gainfully employed and raising the deceased's children; and brothers, sisters, or grandchildren under age 14.

National pension: Payable on the death of the family breadwinner who does not qualify for a social insurance pension. The survivor must not receive a pension from any other country.

Mandatory individual account: Survivors designated by the insured are eligible for benefits; in the absence of designated survivors, the insured's spouse and orphans are considered the primary beneficiaries.

Old-Age Benefits

Old-age pension

Social insurance old-age pension: The pension includes a flat-rate base amount (577.33 EEK) and an amount based on years of pensionable service.

National pension: The benefit is 100% of the national pension rate (913.37 EEK).

Benefit adjustment: The national pension is set by legislation and adjusted for changes in the cost of living.

Mandatory individual account: The accumulated capital is normally used to purchase a fixed or indexed annuity. In certain cases, phased withdrawal of the accumulated capital is permitted.

Permanent Disability Benefits

Disability pension

Social insurance disability pension: Based on the old-age pension and corresponding to the assessed degree of loss of working capacity.

National pension: The benefit is a percentage of the national pension rate (913.37 EEK) according to the assessed degree of loss of working capacity.

Benefit adjustment: The national pension is set by legislation and adjusted for changes in the cost of living.

Mandatory individual account: No disability benefits are provided.

Survivor Benefits

Survivor pension

Social insurance survivor pension: Based on the old-age pension and the number of survivors. One survivor receives 40% of the insured's pension, two survivors receive 70%, and three or more survivors receive 100%.

National pension: For one survivor the benefit is 50% of the national pension rate (913.37 EEK); for two survivors, 80%; for three or more survivors, 100%.

Benefit adjustment: The national pension is set by legislation and adjusted for changes in the cost of living.

Funeral grant: 2,000 EEK.

Mandatory individual account: If the insured dies before retirement, the designated survivor(s) receive the accumulated value of the individual account. If the insured dies after retirement, retirement annuity payments normally cease; thereafter, the designated survivor(s) may receive a guaranteed periodic benefit for a period of at least 5 years.

Administrative Organization

Social insurance: Ministry of Social Affairs is responsible for general management and supervision.

National Social Insurance Board is responsible for overall planning and coordination.

Regional pension offices are responsible for administration at the local level.

Mandatory individual account: Financial Supervisory Authority supervises financial services providers, including pension management companies and life insurance companies.

Registrar of the Estonian Central Register of Securities opens a pension account for each member. The Registrar maintains an account in the Bank of Estonia where all contributions are received from the Tax Board.

Ministry of Finance supervises the Financial Supervisory Authority and the Registrar of the Estonian Central Register of Securities.

Sickness and Maternity

Regulatory Framework

First law: 1924.

Current law: 2002.

Type of program: Social insurance system.

Coverage

Cash sickness and maternity benefits: Insured employees, insured employers, and insured self-employed persons.

Medical benefits: Insured employees, insured employers, insured self-employed persons, the spouse of an insured person, persons under age 19, schoolchildren or full-time students, disabled persons, nonworking persons raising a child up to age 3, pregnant women from the twelfth week of pregnancy, social insurance pensioners, persons registered as unemployed, and military personnel.

Source of Funds

Insured person: None.

Self-employed 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: None.

Qualifying Conditions

Sickness and maternity benefits: Current affiliation to the Health Insurance Fund regardless of length of service.

Medical benefits: Current affiliation to the Health Insurance Fund regardless of length of service.

Sickness and Maternity Benefits

Sickness benefit: 80% of the insured's average income is paid for each calendar day of hospital treatment or outpatient care. Benefits are payable from the first day of sickness.

Benefits include providing care at home for a family member over 12 years of age, 80% of the insured's average income for 7 calendar days; caring at home for a child under age 3 (up to age 16 if disabled) if the parent providing the care is ill, 80% for 14 calendar days; caring for a child up to age 12, 100% for 14 calendar days; a work injury caused by an employer and for health damage, occupational disease, or work injury resulting from trying to prevent a criminal offense, 100%; and adopting a child up to age 4, 100% for 70 days.

Maternity benefit: 100% of the insured's average income is paid for 140 calendar days. In the case of multiple births or a birth with complications, the benefit is provided for 156 calendar days.

Workers' Medical Benefits

State and local medical institutions provide medical benefits.

Dependents' Medical Benefits

State and local medical institutions provide medical benefits.

Administrative Organization

Ministry of Social Affairs is responsible for general management, supervision, and planning.

Health Insurance Fund coordinates health insurance.

Medical benefits are provided by doctors and in polyclinics and hospitals.

Health Insurance Fund administers benefits.

Work Injury

Regulatory Framework

First law: 1924.

Current law: 1991.

Type of program: Social insurance system.

Coverage

Insured employees and insured self-employed persons.

Source of Funds

Insured person: None.

Self-employed 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: The payment of compensation for employees with work injuries whose employer is insolvent.

Qualifying Conditions

Work injury benefits: All permanent residents.

Temporary Disability Benefits

100% of average income until the degree of disability has been assessed.

Permanent Disability Benefits

Based on the old-age pension and corresponding to the assessed degree of loss of working capacity.

Workers' Medical Benefits

State and local medical institutions provide medical benefits.

Survivor Benefits

Survivor pension: Based on the old-age pension and the number of survivors. One survivor receives 40% of the insured's pension, two survivors receive 70%, and three or more survivors receive 100%.

Administrative Organization

Ministry of Social Affairs is responsible for general management and supervision.

Health Insurance Fund administers health insurance in counties and towns.

Medical benefits are provided by doctors and in polyclinics and hospitals.

Regional pension offices administer permanent disability benefits.

Unemployment

Regulatory Framework

First law: 1991.

Current laws: 2000 and 2002.

Type of program: Social assistance system.

Coverage

Permanent residents aged 16 to retirement age who are capable of gainful activity.

Source of Funds

Insured person: None.

Employer: None.

Government: Total cost.

Qualifying Conditions

Aged 16 to retirement age, registered as unemployed with the employment service, and with 180 days of work during the 12 months before unemployment. Work may include full-time education, military service, raising a child under age 7, treatment in a hospital, nursing the sick, periods of disability or detention, and being elderly.

Unemployment Benefits

400 EEK a month for 180 calendar days. The benefit may be extended for up to 180 days if less than 180 days remain until the age of retirement. Benefit entitlement may be extended for up to 90 days if the insured is raising three or more children

under age 18, is undertaking vocational training or a community placement, or if family income is below the poverty level.

Administrative Organization

Ministry of Social Affairs is responsible for general management and supervision.

Labor Market Board, with local employment offices, is responsible for registering the unemployed, administering job search and retraining, and guaranteeing the payment of benefits.

Family Allowances

Regulatory Framework

First law: 1922.

Current law: 2002.

Type of program: Social assistance system.

Coverage

Permanent residents, noncitizens with temporary residence permits, and refugees.

Source of Funds

Insured person: None.

Employer: None.

Government: Total cost.

Qualifying Conditions

Family allowances: All children under age 17; up to age 19 if a full-time student.

Family Allowance Benefits

Childbirth allowance: The first child receives 25 times the child allowance rate; each subsequent child, 20 times.

Adoption allowance: A lump-sum allowance is paid to the foster parent at 20 times the child allowance rate, if the childbirth allowance was not paid for the same child.

Child allowance: A monthly allowance is paid to families at twice the child allowance rate for each child.

Child care allowance: A monthly allowance is paid for each child at 0.5 times the child care allowance rate to one parent raising one or more children up to age 3; thereafter, 0.25 times the child care allowance rate for each child between ages 3 and 8.

Single parent's child allowance: A monthly allowance is paid for children up to age 16 and for children enrolled in school at twice the child allowance rate.

Conscript's child allowance: A monthly allowance is paid for children of conscripts in the armed forces at five times the child allowance rate.

Child's school allowance: An annual allowance is paid for each child enrolled in school at three times the child allowance rate.

Foster care allowance: A monthly allowance is paid at six times the child allowance rate.

Start in independent life allowance: 6,000 EEK is paid to orphans or persons without parental care who have spent at least the last 3 years in a children's home or in a school for the disabled.

Allowance for families with three or more children and families raising triplets: An annual allowance equal to the child allowance rate multiplied by the number of children who receive child allowance for a family per quarter.

The child allowance rate is 150 EEK.

The child care allowance rate is 1,200 EEK.

Administrative Organization

Ministry of Social Affairs is responsible for general management and supervision.

National Social Insurance Board coordinates and administers benefits.

Regional pension offices administer benefits at the local level.

Finland

Exchange rate: US\$1.00 equals 0.80 euros (€).

Old Age, Disability, and Survivors

Regulatory Framework

First law: 1937.

Current laws: 1956 (universal pensions); 1961 (earnings-related pensions); 1969 (survivor pensions), with 1990 amendment to include widowers; and 1986 (partial pension and early pension), with 1996, 1998, 2000, 2002, and 2003 amendments.

Type of program: Universal and social insurance system.

Coverage

Universal pension (income-tested): All Finnish citizens residing in Finland after age 16 for at least 3 years as well as citizens of other countries residing in Finland for 5 years or more immediately before pensionable age.

Earnings-related pension: All regular employees aged 14 or older. (From January 1, 2005, persons caring for a child under age 3 and students who received a degree, for study periods up to a maximum of 5 years.)

Special systems for seasonal, part-time, maritime, and public employees; farmers; and the self-employed.

Source of Funds

Insured person

Universal pension: None.

Earnings-related pension: 4.6% of earnings.

The minimum annual earnings for contribution purposes for employees are €29.34.

There is no ceiling for contribution purposes for employees.

Self-employed person

Universal pension: None.

Earnings-related pension: The self-employed contribute 21.4% of declared earnings (16.05% for the first 4 years of self-employment). Self-employed farmers contribute on average 10.5% of declared earnings.

The minimum annual earnings for contribution purposes for the self-employed are €5,504.14. The minimum annual earnings for contribution purposes for self-employed farmers are €7,752.04.

Employer

Universal pension: 1.35% to 4.45% of payroll (private employers, depending on capital of employer); 2.4% of payroll (municipalities); or 3.95% of payroll (government).

Earnings-related pension: 21.59% for employers with fewer than 50 employees. For employers with more than 50 employees, 16.9% to 24.0%, according to the age of the employee. The average contribution is 21.4%.

The minimum annual earnings for contribution purposes are €29.34.

Government

Universal pension: About 36% (2003) of universal pensions (about 3/4 of which is borne by local government) and the total cost of the universal survivor pension.

Earnings-related pension: The total cost of the earnings-related pension for the self-employed and for farmers not covered by their own contributions. The total cost of covered study periods and unpaid periods of child care for persons caring for a child under age 3.

Qualifying Conditions

Old-age pension

Universal old-age pension (income-tested): Age 65. Retirement is not necessary. The pension is not payable abroad after 1 year unless the person was a resident of Finland for at least 10 years before receiving the pension or is abroad for medical reasons.

Early pension: Aged 60 to 64. The pension is reduced.

Unemployment pension: Between ages 60 and 64 after exhausting entitlement for the unemployment basic benefit (at least 500 days or until age 60) and having worked at least 5 years of the previous 15.

Deferred pension: From age 65.

Earnings-related old-age pension: Aged 65 or older and retired from covered employment. For a full pension, 40 years' coverage is necessary. (From January 1, 2005, the retirement age will be flexible between ages 62 and 68. The pension will be paid without reduction at age 63.)

Early pension: Aged 60 to 64. The pension is reduced. (From January 1, 2005, the current early retirement rules will be abolished. Early retirement will be possible at age 62. The pension will be reduced.)

Part-time old-age pension (earnings-related pension): Aged 58 to 64 with a reduced work schedule (16 hours to 28 hours per week and earning between 35% and 70% of full-time earnings), employed full-time for 12 of the last 18 months, and covered during at least 5 of the last 15 years.

Unemployment pension: Payable at age 60 after exhausting entitlement to unemployment benefit (up to the maximum duration of 500 days) and covered by the scheme for at least 5 of the last 15 years. (From January 1, 2005, the pension will be abolished for persons born in 1950 or later.)

Deferred pension: From age 65.

Disability pension

Universal disability pension (income-tested): Permanent incapacity for suitable work and aged 16 to 64. There is no partial pension.

Individual early retirement pension: Aged 60 to 64, a special type of disability pension granted on less stringent medical criteria than the regular disability pension. (From January 1, 2005, only persons born before 1944 have a right to the individual early retirement pension.)

Disability allowance: Aged 16 to 64 and payable to nonpensioners.

Child care allowance: Payable for children under age 16 with a disability or a long-term illness.

Special assistance for immigrants: Immigrants aged 65 or older or disabled immigrants aged 16 to 64 are eligible for special assistance. The special assistance for immigrants also requires that the person is permanently resident in Finland and has been resident in Finland for at least 5 years before the benefit payment starts and is ineligible for a full Finnish national pension because of insufficient residence.

Earnings-related disability pension: A permanent loss of working capacity of 60% or more. The pension is payable after 300 days of cash sickness benefits have been exhausted.

Partial pension: A permanent loss of working capacity of between 40% and 59%.

Rehabilitation benefit: Payable to a disabled employee or a self-employed person who has a temporary loss of working capacity of 60% or more (40% to 59% loss for partial disability) and is undergoing treatment or rehabilitation. (From January 1, 2005, the employee will have a statutory right to vocational rehabilitation if illness, defect, or injury poses a threat to working capacity within 5 years.)

Survivor pension

Universal survivor pension (income-tested): The insured was a Finnish citizen who had lived in Finland after age 16 for at least 3 years (if not a Finnish citizen, 5 years). The widow(er), if a Finnish citizen, must have lived in Finland at the date of the insured's death or have moved to Finland within 1 year of the death of the spouse and lived in Finland after age 16 for at least 3 years (noncitizen must have lived in Finland for 5 years before the date of death). The initial pension, paid for a 6-month period, includes a basic amount and a flat-rate additional amount. The basic amount is stopped unless the recipient is providing for a child under age 18. The additional amount of the continuing pension is income tested.

A widow(er) must be under age 65, have been married to the deceased before age 65, caring for a child under age 18, or, if childless, be at least age 50 at the time of the spouse's death; in addition, the widow(er) must have been married for at least 5 years.

Universal orphan's pension: Under age 18 (age 20 if a student) and a resident of Finland or moved to Finland within 1 year of the insured's death.

Orphan's supplement (income-tested): Under age 18 (students aged 18 to 20 are excluded).

Earnings-related survivor pension: The deceased was insured or a pensioner at the time of death. The widow(er) has a right to a pension if she or he had a child with the deceased and the couple were married before the deceased spouse's 65th birthday. If childless, the couple must have been married for at least 5 years and the survivor must have been under age 50 at time of marriage and now be at least age 50 or a disability pensioner for at least 3 years when widowed. The pension is paid to a former spouse if she or he received alimony from the deceased.

Earnings-related orphan's pension: Paid to a child under age 18.

Old-Age Benefits

Old-age pension

Universal old-age pension (income-tested): The pension is income-tested and varies from €1.21 to €496.38 a month, according to municipality, marital status, and the value of other pension income received.

Income test: The benefit is reduced to 50% of the difference between other pension income and €46.58 a month; the pension is not payable if other pension income is between €862.42 and €1,016.92 a month, according to family status and municipality. The amount is also adjusted for the length of residence in Finland, with the full amount payable after 40 years of residence; a reduced pension is paid for residence of less than 40 years.

Early pension: Payable from age 60; the pension is reduced by 4.8% for each year the claim is made before age 65.

Unemployment pension: Payable between ages 60 and 64. The pension is income-tested and varies from €1.21 to €496.38 a month, according to municipality, marital status, and the value of other pension income received.

Deferred pension: An increment of 0.6% of the pension for each month the pension is deferred after age 65.

Child supplement: A flat-rate supplement of €18.41 a month is paid for a child under age 16.

Housing allowance: The allowance is proportional to income and housing expenses, up to €495.32 a month, according to municipality, marital status, and number of family members.

Pensioner care allowance: The allowance is set at €1.79, €28.93, or €257.84 a month, according to the extent of care needed.

Benefit adjustment: The universal pension and allowance supplements are adjusted automatically each year for changes in the cost-of-living index.

Earnings-related old-age pension: 1.5% of average pensionable earnings for each year of employment between ages 23 and 59 and 2.5% for each year between ages 60 and 65; 0.5% for each year before July 1962. (From January 1, 2005, the pension accrual rate will be 1.5 % per year between ages 18 and

52, 1.9 % per year between ages 53 and 62, and 4.5% for those aged 63 to 68. The pension will accrue from age 18.)

Pensionable earnings are the average revalued earnings for the last 10 years. The pension is determined separately for each employment contract. (From January 1, 2005, the pensionable earnings will be calculated based on average lifetime earnings.)

Early pension: From age 60. The pension is reduced by 4.8% for each year claimed before age 65. (From January 1, 2005, early retirement will be possible at age 62 with a reduction of 0.6% per month, up to a maximum of 7.2%. The accrued old-age pension will be paid at age 63 without reduction.)

Part-time old-age pension (earnings-related): 50% of the difference between the former full-time income and the part-time income. (From January 1, 2005, for those born in 1947 or later the old-age pension accrual will decrease when receiving the part-time pension.)

Unemployment pension: Pension rights are accrued during years of employment. If the insured has the right to a projected service (time between the onset of unemployment and retirement age) component, this will later be added to the old-age pension or survivor pension.

Deferred pension: An increment of 0.6% for each month of deferral after age 65. (From January 1, 2005, if retirement is postponed after age 68, an increment of 0.4% per month will be granted.)

Benefit adjustment: Earnings-related benefits payable to pensioners aged 65 or older are adjusted yearly according to 20% of the annual average increase in wage (or 50% if pensioner is under age 65) and 80% of annual average increase in price (50% if pensioner is under age 65). (From January 1, 2005, all earnings-related pensions in payment will be adjusted using an index with a 20:80 weighting of wages to prices.)

Permanent Disability Benefits

Disability pension

Universal disability pension (income-tested): The pension is income tested and varies from €1.21 to €496.38 a month, according to municipality, marital status, and the value of other pension income received.

Individual early retirement pension: The pension is income tested and varies from €1.21 to €496.38 a month, according to municipality, marital status, and the value of other pension income received.

Disability allowance: Aged 16 to 64 and payable to nonpensioners. The lower rate is €77.32 a month, the higher rate is €180.34 a month, and the special rate is €335.99 a month.

Child care allowance: Payable for children under age 16 with a disability or a long-term illness. The lower rate is €77.32 a month, the higher rate is €180.34 a month, and the special rate is €335.99 a month.

Special assistance for immigrants: The amount of special assistance is equal to the full amount of the universal pension. The amount of the special assistance is affected by the

disposable income of the applicant and his or her spouse, with the benefit amount decreasing as income increases.

Benefit adjustment: The universal pension and allowances are adjusted automatically each year for changes in the cost-of-living index.

Earnings-related disability pension: 1.5% of the wage for each year of service up to the onset of disability. For projected service (time between the onset of the disability and retirement age 65), 1.5% for the period up to age 50, 1.2% for ages 50 to 60, and 0.8% for ages 60 to 65. (From January 1, 2005, the pension accrual rate will be 1.5 % per year between ages 18 and 52, 1.9 % per year between ages 53 and 62, and 4.5% for those aged 63 to 68. The pension will accrue from age 18. In addition, all disability pensions will have the right to projected service until age 63. The accrual rate for projected service will be 1.5% of salary per year until age 50 and 1.3% per year thereafter.)

The maximum pension is 60% of pensionable earnings. (From January 1, 2005, this limit will be abandoned.)

Partial disability pension: 50% of the full pension, if the assessed loss of working capacity is between 40% and 59%.

Rehabilitation benefit: Awarded for a treatable disability. The benefit (the same as for the full or partial disability pension) is based on the assessed degree of disability, plus a 33% increment for periods of active vocational rehabilitation arranged for the applicant by the pension insurance company.

Benefit adjustment: The earnings-related disability pension is adjusted according to an index that reflects the changes in prices and wages on an equal basis. (From January 1, 2005, all earnings-related pensions in payment will be adjusted using an index with a 20:80 weighting of wages to prices.)

Survivor Benefits

Survivor pension

Universal survivor pension (income-tested): Awarded for the first 6 months following the spouse's death. The maximum basic pension is €347.31 a month, plus a means-tested supplement up to €234.33 a month and a housing allowance according to the geographic area. The pension is payable to a widow(er). From the 7th month, the pension is income tested, except if the surviving spouse is caring for a dependent child. The pension is adjusted according to the length of residence of the deceased.

Orphan's universal pension: Up to €50.08 a month if under age 18 (age 20 if a student); up to €100.15 a month for a full orphan.

Orphan's supplement (income-tested): Single and full orphan's pensions may be increased up to a maximum of €66.90 a month; the increase is not applicable to a student aged 18 to 20.

Income test: The benefit is reduced to 50% of the difference between other pension income and €46.58 a month; the pension is not payable if other pension income is between €82.42 and €1,016.92 a month, according to family status and

municipality. The amount is also adjusted for the length of residence in Finland, with the full amount payable after 40 years of residence; a reduced pension is paid for residence of less than 40 years.

Benefit adjustment: The universal pension and allowances are adjusted automatically each year for changes in the cost-of-living index.

Earnings-related survivor pension: The widow(er) receives up to 50% of the insured's pension.

There is no means test for first 6 months if the surviving spouse is under age 65 and is not receiving a pension in his or her own right. If the survivor is supporting children, there is no income test before the youngest child is age 18.

Income test: The old-age pension or disability pension personally accrued by the surviving spouse (even if not in payment) reduces the amount of the survivor's pension.

Orphan's earnings-related pension: Under age 18. The award is 1/3 of the insured's pension for one orphan; up to 5/6 of the insured's pension for four orphans or more; the pension is increased by another 1/6 for a full orphan. The pension must not exceed the value of the insured's pension.

Benefit adjustment: Earnings-related benefits payable to pensioners aged 65 or older are adjusted annually according to 20% of the annual average increase in wages (50% if the pensioner is under age 65) and 80% of the annual average increase in prices (50% if the pensioner is under age 65). (From January 1, 2005, all earnings-related pensions in payment will be adjusted using an index with a 20:80 weighting of wages to prices.)

Administrative Organization

Ministry of Social Affairs and Health provides general supervision of the private-sector statutory pension schemes.

Social Insurance Institution administers universal and disability pensions through district offices.

A governing body appointed by parliament manages the Social Insurance Institution.

Local boards determine claims for old-age pensions and survivor pensions. Disability pension claims are determined by the central administration.

Municipalities collect the universal pension contributions with communal (municipal) taxes.

Operating as a tripartite board, the Finnish Centre for Pensions is the statutory central body of the private-sector earnings-related pension scheme.

Carriers for earnings-related pension schemes are approved private insurance companies, pension funds, and foundations.

As of April 1, 1999, the Insurance Supervision Authority supervises the carriers.

Local Government Pensions Institute, under the general supervision of the Ministry of the Interior, administers the pension programs in the public sector.

State Treasury Office, under the general supervision of the Ministry of Finance, administers pension programs for state employees.

Sickness and Maternity

Regulatory Framework

First and current law: 1963.

Type of program: Social insurance system. Cash and medical benefits.

Note: Health care is provided by both a private-sector sickness insurance program and a public-sector (municipal) health services program financed primarily by local and national taxes.

Coverage

Medical benefits: All residents.

Cash benefits: All employees, self-employed persons, and students aged 16 to 64.

Source of Funds

Insured person: 1.5% of earnings.

Employer: 1.614% of payroll (private-sector employers) or 1.614% to 2.864% of payroll (public-sector employers).

Government: Necessary subsidies.

Qualifying Conditions

Cash sickness benefits: Employment during the last 3 months, unless involuntarily unemployed.

Cash maternity benefits: Resident in Finland; immigrants must complete a 180-day waiting period.

Medical benefits: Resident in Finland.

Sickness and Maternity Benefits

Sickness benefit: 70% of daily earnings if annual earnings are €6,720 or less, plus 40% of daily earnings for annual earnings between €6,721 and €41,110, plus 25% of daily earnings for annual earnings of €41,110 or more.

The minimum benefit is €0.40 a day. The benefit is payable after a 10-day waiting period for up to 300 weekdays.

Sickness allowance (means-tested): The allowance is payable after 55 days of incapacity provided that annual earnings are less than €1,026. The benefit is €1.45 a day.

Rehabilitation benefit: The benefit is the same as cash sickness benefit if the insured is receiving medical treatment, vocational training, or both under a social security rehabilitation program.

Maternity benefit: 70% of daily earnings if annual earnings are €6,720 or less, plus 40% of daily earnings for annual earnings between €6,721 and €41,110, plus 25% of daily

earnings for annual earnings of €1,110 or more. The minimum benefit is €10 a day.

The benefit is payable to a mother from 50 to 30 days before the expected date of childbirth for 105 work days.

Special maternity allowance is payable throughout the pregnancy if the mother is exposed to risk factors that cannot be eliminated.

Parents allowance: After entitlement to maternity benefit ends, parents allowance is payable to either parent for 158 weekdays. The allowance is payable for 60 extra days for multiple births and from 100 days to 234 days in the case of an adoption.

Special care allowance: The allowance is payable for 60 days a year to parents caring for a sick child in hospital or at home (90 days if the child is seriously ill).

Workers' Medical Benefits

Under the sickness insurance scheme, cash refunds are provided for certain medical expenses according to a predetermined schedule. The cash refunds include 60% of private doctors' fees and 60% of private dental fees; 75% of the cost of prescribed examinations and prescribed treatment over €13.46 is deductible, 50% of the cost of medicines over €10 (75% to 100% refund for drugs used to treat grave and prolonged illness priced over €5 is deductible; a full refund if the annual cost of prescription drugs exceeds €604.72); and 100% of transportation expenses in excess of €0.25 (a full refund is provided if annual deductible expenses exceed €157).

Sickness insurance also covers 50% of the occupational health care costs incurred by the employer.

Under municipal health services, a €22 fee is charged for the first annual visit; subsequent visits are free.

Hospital care is free, except for a €22 fee per outpatient visit, a €26 fee per inpatient day, and a €72 fee for day surgery.

Dependents' Medical Benefits

Same as for the family head.

Administrative Organization

Ministry of Social Affairs and Health provides general supervision.

Sickness insurance: Social Insurance Institution administers the program nationally.

Social Insurance Institution reimburses employees' sickness funds.

Social Insurance Institution reimburses employers providing medical benefits directly to their own employees.

Public health and hospital services: Provided by municipalities or the federation of municipalities.

Work Injury

Regulatory Framework

First law: 1895.

Current laws: 1948 and 1981 (farmers).

Type of program: Employer-liability and mandatory insurance with a private carrier system.

Coverage

Employed persons.

Special systems for farmers and public-sector employees.

Source of Funds

Insured person

General scheme: None.

Farmers' scheme: 32% of total cost.

Employer

General scheme: 0.4% to 7.5% of payroll, according to the assessed degree of risk (the average rate is 1%).

Farmers' scheme: None.

Government

General scheme: None.

Farmers' scheme: 28% of total cost (40% of the cost is covered by funds from the general social security scheme).

Qualifying Conditions

Work injury benefits: There is no minimum qualifying period.

Temporary Disability Benefits

100% of earnings is payable from the day after the accident occurred (unless the duration of incapacity is less than 3 days), 7 days a week, for up to 12 months. The benefit is proportionally reduced for partial disabilities of 10% or more.

Permanent Disability Benefits

Permanent disability pension: A basic pension equal to 85% of earnings for a total disability, up to age 65; thereafter, 70% of earnings.

Partial disability: The pension is proportionally reduced for partial disabilities of 10% or more.

Constant-attendance supplement: Up to €23.41 a day.

Hardship allowance: The allowance is payable in cases of permanent general handicap according to 20 categories of disability. The value of the allowance varies according to age and gender.

Survivor Benefits

Survivor pension: Payable to a widow(er) and orphans.

The maximum survivor pension is 70% of the insured's earnings.

Funeral grant: €3,850.

Administrative Organization

Ministry of Social Affairs and Health provides general supervision.

Federation of Accident Insurance Institutions is the legal coordinating body for the application of statutory accident insurance legislation among member companies and for statistics among member companies.

Insurance is administered by licensed private companies.

Farmers' insurance is administered through the Farmers' Social Insurance Institution.

Public employees' insurance is administered through the State Treasury Office.

Unemployment

Regulatory Framework

First laws: 1917 (unemployment insurance) and 1960 (unemployment assistance).

Current law: 2002 (unemployment security).

Type of program: Social assistance and voluntary subsidized insurance (unemployment fund) system.

Coverage

Basic unemployment and earnings-related unemployment benefits: Gainfully employed workers and entrepreneurs aged 17 to 64.

Membership in an earnings-related unemployment fund is voluntary.

Source of Funds

Insured person

Basic unemployment benefit: None.

Earnings-related unemployment benefit: 0.25% of salary.

Employer

Basic unemployment benefit: None.

Earnings-related unemployment benefit: 0.6% of salary when the total amount of all salaries is under €840,940 and 2.5% when the total amount of all salaries is above €840,940.

Government

Basic unemployment benefit: Total cost.

Earnings-related unemployment benefit: A percentage of the total cost (38.9% in 2002).

Qualifying Conditions

Basic benefit and earnings-related unemployment benefits: Must have worked at least 43 weeks during the 24 months before unemployment. Entitlement to the basic benefit or to the earnings-related benefit under the classification of an entrepreneur depends on work as an entrepreneur for 24 of the last 48 months.

Unemployment is not due to voluntary leaving, work stoppage, or the refusal of a suitable job offer.

For entitlement to the earnings-related benefit, the insured must have been a member of an unemployment fund for at least 10 months.

Unemployment Benefits

Unemployment benefit (basic benefit): €23.16 a day.

Supplement for dependent child(ren): A daily supplement of €4.39 a day for one child, €6.44 for two, or €8.31 for three or more children.

Earnings-related benefit (unemployment fund): If monthly earnings are less than €2,190.65, the benefit is €23.16 a day plus 45% of the daily wage; if monthly earnings are equal to €2,190.65 or more, the benefit is €6.37 a day plus 20% of daily earnings in excess of €6.95.

Increased earnings-related benefit (unemployment fund): The benefit is payable to those who have worked at least 20 years and have been a member of an unemployment fund for 5 years. The increased earnings-related benefit is 55% of the difference between daily wages and the basic benefit. If the monthly salary exceeds €2,190.65, the earnings-related benefit declines to 32.5% for the part in excess.

Supplement for dependent child(ren): A daily supplement of €4.39 a day for one child, €6.44 for two, or €8.31 for three or more children.

The maximum benefit, including the child supplement, is 90% of the insured's daily wage.

All unemployment benefits are payable after a 7-day waiting period. The benefit is payable 5 days a week for up to 500 days (if the recipient reaches age 57 before the benefit has been paid for 500 days, the benefit is payable until the end of the calendar month in which the recipient reaches age 60).

Administrative Organization

Ministry of Social Affairs and Health supervises unemployment insurance.

The Social Insurance Institution, through its local offices, administers the basic benefit program.

The voluntary program is administered by approved unemployment funds.

At least 8,000 members are required for an unemployment fund to receive full government support.

Family Allowances

Regulatory Framework

First law: 1948.

Current laws: 1992 and 1996 (child home care allowance).

Type of program: Universal system.

Coverage

All residents with one or more children.

Source of Funds

Insured person: None.

Employer: None.

Government: Total cost. Municipal authorities meet the total cost of the child home care allowance.

Qualifying Conditions

Family allowances: Child must be under age 17.

Birth grant: Paid to the insured upon the birth of a child.

Child home care allowance: Child must be under age 3. (Maternity benefits are no longer payable.) One of the parents must care for the child at home.

Family Allowance Benefits

Family allowances: €1,200 a year for one child, €2,526 for two, €4,098 for three, €5,916 for four, and €7,064 a year for each additional child.

Single-parent supplement (or legally separated or unmarried parent): €439 a year for each qualifying child.

Birth grant: €40, usually paid in kind.

Child home care allowance: A basic amount of €3,027 a year for one child under age 3 cared for at home; an increase of €600 a year for each additional child under age 7.

Means-tested supplement: Up to a maximum of €135 a month.

Partial home care allowance: €70 a month is payable to a parent who has reduced his or her working hours to a maximum of 30 hours a week.

Administrative Organization

Ministry of Social Affairs and Health provides general supervision.

Social Insurance Institution administers the Family Allowance program on a national basis.

France

Exchange rate: US\$1.00 equals 0.80 euros (€).

Old Age, Disability, and Survivors

Regulatory Framework

First law: 1910.

Current laws: 1945, 1967, 1971, 1975, 1980, 1982, 1988, 1993, 1994, and 1995.

Type of program: Social insurance system.

Note: A system of mandatory supplementary pensions is administered on a bipartite basis by employers and employees.

Coverage

Employed persons.

Women receiving certain family benefits, including the single-parent allowance (see Family Allowances, below) and persons caring for a disabled person are covered for the old-age pension.

Voluntary affiliation for a nonworking head of household (old-age pension only), nonemployed persons caring for a disabled family member, and persons employed abroad.

Special systems for agricultural, mining, railroad, public utility, and public employees; seamen; nonagricultural self-employed; and agricultural self-employed.

Source of Funds

Insured person: 6.55% of insurable earnings for old-age benefits, plus 0.1% of total earnings for the survivor allowance.

Employer: 8.2% of insurable earnings for old-age benefits, plus 1.6% of total payroll.

Government: Variable subsidies.

Disability and survivor pensions are financed under Sickness and Maternity, below.

The maximum monthly insurable earnings for contribution and benefit purposes are €2,476.

Qualifying Conditions

Old-age pension: Age 60 with at least one quarter of insurance coverage. Benefits are payable abroad.

Old-age allowance: Awarded to low-income pensioners at age 65 (age 60 if disabled). A single pensioner must have annual income less than €7,223.45; €12,652.36 for a couple.

Old-age supplement: Awarded to low-income single pensioners at age 65 (age 60 if disabled). A single pensioner must have annual income less than €7,223.45; €12,652.36 for a couple. The pensioner must satisfy nationality and residency conditions.

Old-age special allowance: Awarded to low-income elderly persons who are ineligible for the old-age pension.

Disability pension: Under age 60 with the loss of at least 2/3 of earning capacity in any occupation. Must have 12 months of insurance before the onset of the disability and 800 hours of employment in the last 12 months, including 200 hours in the last 3 months.

Partial disability pension: The loss in earning capacity is less than 2/3.

Survivor pension (income-tested): Age 55 or older and married for 2 years; conditions are waived if there is a child from the marriage or if the surviving spouse is disabled, regardless of income. The benefit may also be paid to a divorced wife who has not remarried.

Income test: The survivor has annual personal income less than €14,995.20.

Survivor allowance (income-tested): Younger than age 55 and has, or has previously had, a dependent child.

Income test: Personal income is less than €1,947.97 per quarter.

Old-Age Benefits

Old-age pension: Depending on age or the duration of insurance coverage, 25% to 50% of average salary for the best 25 years (adjusted since 1947) as of January 1, 2008 (if first receiving the old-age pension between January 1, 2004, and December 31, 2007, the number of years taken into account will vary between 11 and 24 depending on the insured's year of birth); 50% of adjusted average salary if the insured has 160 quarters of insurance coverage in any scheme as of January 1, 2003 (between January 1, 1994, and December 31, 2002, the number of quarters required will vary between 151 and 159 depending on the insured's year of birth) or is disabled, aged 65, a working mother, or a war veteran.

The full pension is awarded for insurance coverage of 150 quarters in the general scheme only. The pension is proportionately reduced for coverage of less than 150 quarters.

The pension is payable only when employment in the previous occupation has ceased permanently. Taking another job is permitted.

The minimum pension is calculated on the basis of a 50% rate but cannot be less than €6,706.39 a year with 150 quarters of coverage in the general scheme. The pension is proportionately reduced for coverage of less than 150 quarters.

The maximum pension is 50% of maximum earnings for contribution purposes (€14,856 a year).

Constant-attendance allowance: €11,350.44 a year.

Spouse's supplement (income-tested): €609.80 a year at age 65 (ages 60 to 64 if disabled) if the insured had 150 quarters of coverage. The pension is proportionately reduced for coverage of less than 150 quarters.

Child's supplement: Equal to 10% of the pension if the insured has raised three children.

Old-age allowance: Awarded to increase the old-age pension up to a minimum amount of €2,898.28 a year.

Old-age supplement: €4,154.67 a year for a single pensioner; €6,855.79 for a married couple.

Old-age special allowance: €2,898.28 a year.

Benefit adjustment: Benefits are adjusted for cost-of-living changes.

Permanent Disability Benefits

Disability pension: 50% of average earnings in the best paid 10 years if incapable of any professional activity, up to a maximum of €1,238 a month.

The minimum pension is €241.52 a month.

Constant-attendance supplement: €945.87 a month.

Partial disability pension: 30% of average earnings in the best paid 10 years, up to a maximum of €742.80 a month.

The minimum pension is €241.52 a month.

Benefit adjustment: Benefits are adjusted for cost-of-living changes.

Survivor Benefits

Survivor pension (income-tested): Equal to 54% of the deceased's pension.

The minimum annual pension is €2,935.60.

Child's supplement: €996.36 a year.

Benefit adjustment: Benefits are adjusted for cost-of-living changes.

Survivor allowance (income-tested): €519.46 a month, payable for up to 2 years following the insured's death. If the survivor is at least age 50, the payment is extended until age 55.

Administrative Organization

Ministry of Labor and Social Affairs provides general supervision and issues regulations.

National Old-Age Pension Insurance Fund administers old-age pensions and surviving spouse's allowances.

National Sickness Insurance Fund administers disability and survivor pensions.

Contributions are collected by joint collection agencies.

Sickness and Maternity

Regulatory Framework

First law: 1928.

Current laws: 1945, 1967, 1971, 1974, 1978, and 1999.

Type of program: Social insurance system.

Coverage

Employed persons.

Pensioners and some groups of nonemployed persons are also covered for medical benefits.

Special systems for agricultural, clergy, mining, railroad, public utility, and public employees; seamen; nonagricultural self-employed; and agricultural self-employed (medical benefits are provided under the general system for some groups).

Voluntary affiliation, within the framework of universal sickness coverage, for all residents not covered by a statutory scheme.

Source of Funds

Insured person: 6.8% of total earnings; old-age pensioners contribute 1.4% of the old-age pension (low-income pensioners are exempt) and 2.4% of any private pension; the unemployed contribute 2% of the guaranteed minimum income for the unemployed and 1% of unemployment benefits and training allowances. Students, young persons, and other groups not covered automatically make flat-rate contributions.

Employer: 12.8% of total payroll.

Government: Proceeds from a 12% surcharge on automobile insurance premiums plus proceeds from an earmarked tax on the costs of pharmaceutical advertising, alcohol, and tobacco; government also provides funds for new hospital construction and part of the cost for certain health and social services.

All of the above contributions also finance disability and survivor benefits.

Qualifying Conditions

Sickness benefit: With 200 hours of salaried employment in the last 3 months, benefit is payable for up to 6 months; with 800 hours of salaried employment in the last 12 months, including 200 hours in the first 3 months, benefit is payable for more than 6 months but less than 3 years.

Maternity benefit: Ten months of registration and 200 hours of salaried employment in the 3 months before the pregnancy.

Medical benefits: Benefits can be paid for up to 1 year if the insured has 60 hours of salaried employment in the last month, has paid contributions on wages equal to at least 60 times the minimum wage in the last month, has 120 hours of salaried employment in the last 3 months, or has contributions equal to 120 times the minimum wage in the last 3 months. Benefits can be paid for up to 2 years if the insured has 1,200 hours of salaried employment in the last year or contributions equal to 2,030 times the minimum wage in the last year.

Sickness and Maternity Benefits

Sickness benefit: For the first 6 months of benefit, 50% of the daily basis salary (mean salary of the 3 months preceding the onset of sickness), up to a daily maximum of €41.26; 66.6% of the daily basis salary from the 31st day onward if the

insured has at least three dependent children, up to a daily maximum of €5.02.

For benefit for more than 6 months, 51.49% of the daily basis salary from the first day of the seventh month onward, up to a daily maximum of €42.44; 68.66% of the daily basis salary if the insured has at least three dependent children, up to a daily maximum of €56.59.

The benefit is payable after a 3-day waiting period for up to 360 days in a 3-year period.

For chronic or prolonged illness, the period of entitlement is 3 years; the 3-year period can be noncontinuous.

Benefit adjustment: Cash sickness is adjusted according to changes in wages for entitlement exceeding 3 months.

Maternity benefit: 100% of net earnings is payable for 6 weeks before and 10 weeks after the expected date of childbirth for the first and second child; for 8 weeks before and 18 weeks after the expected date of childbirth for the third child; for 12 weeks before and 22 weeks after the expected date of childbirth for twins; for 24 weeks before and 22 weeks after the expected date of childbirth for triplets or more.

The benefit is payable for 2 additional weeks if maternity hospital care is needed because of complications arising from the pregnancy, except in cases of multiple births of three or more.

The maximum benefit is €64.92 a day; in Alsace-Moselle, €66.29 a day.

Benefits that are paid in cases of adoption correspond to those paid for the postnatal period.

Benefit adjustment: Maternity benefit is adjusted each year.

Workers' Medical Benefits

Benefits include general and specialist care, hospitalization, laboratory services, medicines, dental care, maternity care, appliances, and transportation. The insured normally pays for services and is reimbursed by the local sickness fund.

Cost sharing: The cost of medical services is partly reimbursed. The amount reimbursed depends on the type of service, for example, 70% for medical services, 60% for paramedic services, 80% for hospitalization, and 35% or 65% for pharmaceuticals.

The insured pays a set daily fee for hospital room and board charges (disabled children, war victims, and work accident victims are exempt) in addition to the above cost-sharing arrangements. There is no limit to duration.

Dependents' Medical Benefits

Same as for insured person except for in-kind benefits.

Following divorce from, or the death of, the insured, medical benefits are payable for 1 year or until the youngest child's third birthday. Protection is unlimited for an eligible person who has raised three or more children.

Administrative Organization

Ministry of Labor and Social Affairs provides general supervision.

Governed by a bipartite body, the National Sickness Insurance Fund coordinates regional funds and financial equalization.

Governed by a bipartite body, Regional Sickness Insurance Funds coordinate local funds.

Governed by a bipartite body, Primary Sickness Insurance Funds register the insured, pay cash benefits, and administer refunds of medical expenses.

Contributions are collected by joint collection agencies.

Work Injury

Regulatory Framework

First law: 1898.

Current laws: 1946, 1967, 1972 (agriculture), and 1994.

Type of program: Social insurance system.

Coverage

Employed persons, vocational education students, and certain nonpaid members of social service organizations.

Special systems for agricultural, mining, railroad, public utility, and public employees; seamen; nonagricultural self-employed; and agricultural self-employed.

Source of Funds

Insured person: None.

Employer: Total cost. Contributions vary according to the assessed degree of risk. The average contribution is 2.26% of total payroll.

Government: None.

Qualifying Conditions

Work injury benefits: There is no minimum qualifying period.

Temporary Disability Benefits

During the first 28 days, the benefit is 60% of average daily earnings of the last month up to a ceiling; thereafter, 80%. The benefit is payable from the day following the onset of the incapacity for work until recovery or certification of permanent disability.

The maximum daily benefit is €148.67 during the first 28 days; thereafter, €198.23.

Permanent Disability Benefits

Permanent disability pension: 100% of average earnings during the last 12 months up to a ceiling (base earnings), if totally disabled.

The minimum annual base earnings for benefit calculation purposes are €15,660.57. (There are no minimum earnings if the assessed level of disability is less than 10%.)

The maximum annual base earnings for benefit calculation purposes are €1,321.14. One-third of earnings between €1,321.14 and €25,284.56 are counted.

Constant-attendance supplement: 40% of the pension but no less than €1,350.44 a year.

Partial disability: 100% of average earnings during the last 12 months (up to a ceiling) multiplied by half the assessed degree of disability for a disability between 10% and 50%; for a disability above 50%, the base earnings are multiplied by half the assessed degree of disability for the portion under 50% and by 150% of the assessed degree of disability for the portion above 50%. A lump sum is paid if the assessed degree of disability is less than or equal to 10%.

Workers' Medical Benefits

All necessary care, including medical treatment and surgery, hospitalization, medicines, appliances, rehabilitation, and transportation. Services are paid for directly by the fund, with no cost sharing by the patient.

Survivor Benefits

Survivor pension: 40% of the insured's base earnings. A supplement is paid for a survivor aged 55 or older or disabled. The pension is payable to a widow(er).

Orphan's pension: 25% of the insured's base earnings for one child under age 16 (age 17 if unemployed, age 18 if an apprentice, age 20 if a student or disabled); 50% for two children; 70% for three children; 85% for four children or more. Full orphans receive 30% each.

Other dependent relatives: 10% of the insured's base earnings each, up to a maximum of 30%.

The total maximum survivor pension must not exceed 85% of the insured's base earnings.

Benefit adjustment: Benefits are adjusted annually by decree.

Funeral grant: The cost of the funeral, up to a maximum.

Administrative Organization

Ministry of Labor and Social Affairs provides general supervision.

National Sickness Insurance Fund administers the program at the national level.

Primary Sickness Insurance Funds pay benefits.

Regional Sickness Insurance Funds assess contributions and implement prevention.

Contributions are collected by joint collection agencies.

Unemployment

Regulatory Framework

First law: 1905.

Current laws: 1967 (coverage), 1972 (guaranteed income), 1974 (agriculture), 1984 (social insurance and social assistance), 1986 (conversion insurance), 1988 (retraining), 1992 (single decreasing allowance), and 1995 (job placement allowance).

Type of program: Social insurance and social assistance system.

Coverage

Unemployment insurance: Employed persons.

Exclusions: Public-sector workers with comparable compensation.

Special systems for construction workers, dockworkers, merchant seamen, aviators, domestic workers, seasonal workers, doorkeepers, and disabled personnel in sheltered workshops.

Unemployment assistance (means-tested): Long-term unemployed persons who have exhausted unemployment insurance and certain other designated categories of unemployed person.

Source of Funds

Insured person: 2% of monthly earnings.

Employer: 3.6% of payroll.

Government: Total cost of social assistance.

The maximum monthly earnings for contribution and benefit purposes are €9,408.

Qualifying Conditions

Unemployment benefit: Under age 60, or between ages 60 and 65 without the required quarters of coverage to qualify for a full old-age pension (159 quarters in 2002), and 4 months of work during the last 18 months. Must be resident in France, registered at an employment office, and capable of, and available for, work. Unemployment is not due to voluntary leaving, misconduct, or the refusal of a suitable job offer.

Solidarity allowance (income-tested): Long-term unemployed or aged 50 and older and unemployed with 5 years of employment during the last 10 years before unemployment. Monthly earnings must not exceed €935.20 for a single person; €1,469.60 for a couple.

Insertion allowance (income-tested): Awarded to foreign nationals, victims of accidents at work, those diagnosed with an occupational illness, refugees, certain groups of noncitizens, or those in detention immediately prior to unemployment. Monthly earnings must not exceed €846.90 for a single person; €1,693.80 for a couple.

Preretirement benefit: At least age 59 and 6 months and receiving unemployment benefit for 365 days. Must have 12 years of contributions and 1 year of uninterrupted employment, or 2 years of interrupted employment, in the last 5 years, or have 160 quarters of recognized contributions for the old-age pension as of December 31, 2001.

Unemployed retirement-equivalent allowance (income-tested): Awarded to unemployed persons with 160 quarters of recognized contributions for the old-age pension. Monthly earnings must not exceed €1,383.84 for a single person; €1,989.27 for a couple.

Unemployment Benefits

Unemployment benefit: The benefit varies according to the value of declared previous income between 57.4% and 75.0% of the daily reference wage. The duration of the benefit award varies according to age (between 4 months and 30 months for insured persons less than age 50 and between 4 months and 60 months for insured persons aged 50 or older) and the length of covered employment.

Solidarity allowance (income-tested): A variable amount renewable every 6 months if the qualifying conditions are still satisfied. The maximum allowance is €400.80 a month with additional total supplements of €174.90 under certain conditions of age and activity. Income from employment is not excluded under certain conditions for a period of up to 12 months; conditions are waived for those older than age 50.

Insertion allowance (income-tested): The variable allowance is renewable only once after the initial 6-month period if qualifying conditions are still satisfied. The maximum allowance is €282.30 a month. Income from employment is not excluded under certain conditions for a period of up to 12 months.

Preretirement benefit: The benefit awarded under the unemployment benefit is continued until age 60.

Unemployed retirement-equivalent allowance (income-tested): A variable allowance awarded until age 60 to replace the solidarity allowance or the insertion allowance or to complement the unemployment benefit. The maximum benefit is €877 a month.

Administrative Organization

Unemployment insurance organizations with bipartite (management and workers) governing bodies administer unemployment insurance and pay unemployment insurance benefits.

Family Allowances

Regulatory Framework

First law: 1932.

Current law: 1946.

Type of program: Universal system.

Coverage

Family allowances: All residents.

Source of Funds

Insured person: None, except for the self-employed and farmers.

Employer: 5.4% of payroll.

Government: 1.1% of total revenues.

Qualifying Conditions

Family allowances: At least two children under age 20 and earnings of less than 55% of the legal minimum wage.

Young child benefits

Birth grant (means-tested): Paid at the start of the 7th month of pregnancy (or for an adoption). The grant is income-tested, and the benefit varies according to the number of children and family situation (single parent, double income).

Base allowance (means-tested): Paid from the month of birth until the child is age 3. The grant is income-tested, and the benefit varies according to the number of children and family situation (single parent, double income). The benefit cannot be paid simultaneously for more than one child, except for multiple births.

Income supplement for reduced work: Granted to parents who decide to suspend or reduce work in order to rear a child under age 3. The parent must have 2 years of activity in the 4 years prior to the child's birth for families with two children or in the last 5 years for families with more than two children. For the birth of a first child, the beneficiary should have worked during the 2 years prior to the child's birth. For the first child, the parent is awarded a benefit for a maximum of 6 consecutive months immediately after maternity leave; for the second and subsequent children, the benefit is paid until the child is age 3. The benefit can be paid partially or in full.

Supplement for child care: Awarded to children under age 6 if parents are working and pay for child care by an accredited carer or home worker.

Parent allowance: Awarded for a maximum of 12 months to a parent who has fully or partially ceased employment to care for a seriously sick, injured, or disabled child.

Special education allowance: For children up to age 20 with at least a 50% disability. The allowance is not means-tested.

Single-parent allowance (means-tested): Guarantees a minimum family income for a single parent who has at least one child or is pregnant.

New school year allowance (means-tested): Awarded to children between ages 6 and 18.

Family supplement (means-tested): Awarded to families with at least three children over age 3 but younger than age 21.

Housing allowance (means-tested): The claimant is entitled to one of the family allowance benefits.

Family Allowance Benefits

Family allowances: €13.15 a month for two children; €258.12 for three children; €403.09 for four children; €548.06 for five children; €693.03 for six children; €144.97 for each subsequent child.

A supplement of €1.82 is paid for children over age 11; €6.57 for children over age 16 (except for the first child in a two-child family).

A flat-rate allowance of €71.95 a month is paid for a maximum of 1 year to families with three children or more entitled to family allowances, including one child who is age 20 but is younger than age 21.

Young child benefits

Birth grant (means-tested): €808.

Base allowance (means-tested): €62 a month.

Income supplement for reduced work: The full rate is €340 a month; €502 if the beneficiary is not entitled to the base allowance. In case of part-time activity, the benefit is €220 if the insured person works less than half the normal working period or €127 if working between 50% and 80% of the normal working period.

Supplement for child care: The family allowances fund pays the social security contributions for an accredited carer or 50% of the social security contributions for a home worker. Social security contributions are paid on earnings up to a ceiling.

An income-related cash benefit is also directly paid to the family in order to compensate for child care costs. The benefit is €354, €253, or €152 (per child in the case of care provided by an accredited carer or per family if the carer is a home worker) according to family income level.

Parent allowance: €13.61, €406.82, or €247.86 a month according to the percentage reduction in working time. A supplement is paid for single-parent families.

Special education allowance: €13.15 a month. A supplement varying between €4.86 and €45.87 is paid for care provided by a third person and/or the amount of additional expenses incurred by the child's state of health.

Single-parent allowance (means-tested): The difference between the beneficiary's income and the amount of €30.39, plus an additional €76.80 for each child.

New school year allowance (means-tested): €258.90 per child.

Family supplement (means-tested): A flat-rate allowance of €47.27.

Housing allowance (means-tested): A variable amount depending on rent level, income, and the number of children.

Administrative Organization

Ministry of Labor and Social Affairs provides general supervision.

Governed by a tripartite body (representatives of employer, employee, and family organizations), the National Family Allowances Fund coordinates funds and ensures financial equalization.

Governed by a tripartite body (representatives of employer, employee, and family organizations), the Local Family Allowances Funds pay benefits.

Germany

Exchange rate: US\$1.00 equals 0.80 euros (€).

Old Age, Disability, and Survivors

Regulatory Framework

First law: 1889.

Current law: 2003.

Type of program: Social insurance system.

Note: Following the unification of the Federal Republic of Germany (FRG) and the German Democratic Republic (GDR) on October 3, 1990, the social security system of the FRG remained in force and the system of the GDR continued to apply on an interim basis within the former GDR territory. The FRG and GDR systems were merged effective January 1, 1992, at which time Part VI of the Social Act came into force throughout the entire federal territory. In the summary that follows, particular provisions that were in place on January 1, 2004, in the new federal states are preceded by the designation "E".

Coverage

Employed persons (including apprentices), certain self-employed persons, persons caring for a child under age 3, recipients of social benefits (such as unemployment benefits), conscripts or persons doing community service instead of military service, and voluntary care workers.

Voluntary affiliation for all others aged 16 or older who are currently exempt from compulsory insurance, including German citizens residing abroad and resident foreigners.

Special systems for certain self-employed persons, miners, public employees (supplementary insurance), and farmers.

Source of Funds

Insured person: 9.75% of earnings; none if earnings are below €400 a month; a reduced contribution if monthly earnings are between €400 and €800.

Self-employed person: 19.5% of income.

Employer: 9.75% of payroll; 12% of earnings for employees with monthly earnings below €400.

Government: A subsidy to compensate for the cost of benefits not covered by contributions.

The maximum annual earnings for contribution purposes are €1,800 (E - €2,200).

Qualifying Conditions

Old-age pension: Age 65 with 5 years of contributions.

Early pension: Retirement is possible from age 63 with 35 years of coverage; from age 60 with 15 years of contributions and unemployed for 1 year after age 58 and 6 months or for older employees in part-time work for at least 24 months before age 60; from age 60 for women with 10 years of compulsory contributions after age 40; from age 60 for severely disabled individuals with a minimum of 35 years of coverage.

Partial retirement is available for pensioners under age 65 with the partial cessation of employment; if monthly earnings are less than €345, the full pension is paid; if earnings are above €345, a partial pension is paid at 2/3, 1/2, or 1/3 depending on individual earnings.

Deferred pension: A deferred pension is possible after age 65.

Disability pension: The full reduction in earning capacity (unable to work more than 3 hours a day in any form of employment) or partial reduction in earning capacity (unable to work at least 6 hours a day in any form of employment; for insured persons born before January 2, 1961, unable to work at least 6 hours a day in his or her former occupation). The insured must have a total of 5 years of contributions and 36 months of compulsory contributions in the last 5 years.

Survivor pension: The insured had 5 years of contributions or was a pensioner at the time of death.

Old-Age Benefits

Old-age pension: The total of individual earnings points (individual annual earnings divided by the average earnings of all contributors multiplied by the entry factor) multiplied by the pension factor of 1.0 and the pension value.

From January 1, 2004, to June 30, 2005, the pension value is €6.13 (E - €2.97). The pension value is calculated as the monthly benefit amount for 1 year's average covered earnings, adjusted for changes in wages.

Periods of incapacity for work, unemployment, and schooling after age 17 are also taken into account. The normal entry factor is 1.0 and increases or decreases depending on the age at which the pension is first taken.

For low-income workers with 35 years of coverage, the value of compulsory contributions paid before 1991 is increased to 1.5 times the value, up to a maximum of 75% of the value of contributions for average earnings of all insured persons.

For persons with 25 years of coverage, the value of compulsory contributions paid after 1992 while caring for a child under age 10 is increased to 1.5 times the value, up to the value of contributions for average earnings of all insured persons.

Early pension: The entry factor (1.0) is reduced by 0.003 for each calendar month the pension is taken before age 65.

Deferred pension: The entry factor (1.0) is increased by 0.005 for each calendar month a pension is deferred after age 65.

Benefit adjustment: Benefits are to be adjusted on July 1, 2005, for changes in the pension value in proportion to changes in earnings and the contribution rate.

Permanent Disability Benefits

Disability pension: The total of individual earnings points (individual annual earnings divided by the average earnings of all contributors multiplied by the entry factor) multiplied by the pension factor and the pension value.

The pension factor for a full reduction in earning capacity is 1.0; for a partial reduction, 0.5.

From January 1, 2004, to June 30, 2005, the pension value is €6.13 (E - €2.97). The pension value is calculated as the monthly benefit amount for 1 year's average covered earnings, adjusted for changes in wages.

If disability occurs before age 60, the period from the onset of the reduction in earning capacity up to age 60 is taken fully into account for the purpose of calculating the pension.

The normal entry factor (1.0) is reduced by 0.003 for every calendar month a pension is awarded before age 63, up to a maximum reduction of 0.108.

Benefit adjustment: Benefits are to be adjusted on July 1, 2005, for changes in the pension value in proportion to changes in earnings and the contribution rate.

Survivor Benefits

Survivor pension: The total of individual earnings points (individual annual earnings divided by the average earnings of all contributors multiplied by the entry factor) multiplied by the pension factor and the pension value.

The pension factor is 1.0 in the first 3 months, then 0.55 if age 45, disabled, or caring for at least one child (0.6 if married before 2002 and one spouse was born before January 2, 1961); otherwise, 0.25.

From January 1, 2004, to June 30, 2005, the pension value is €6.13 (E - €2.97). The pension value is calculated as the monthly benefit amount for 1 year's average covered earnings, adjusted for changes in wages.

The pension is payable to a widow(er).

Special rules apply if the insured was recently married.

Orphan's pension: The pension factor is 0.1 for a half orphan and 0.2 for a full orphan. Supplements are paid depending on the insured's length of coverage period and other factors. The pension is payable in full if net income is less than a set limit; for income above the set limit, 40% is offset against the pension.

Benefit adjustment: Benefits are to be adjusted on July 1, 2005, for changes in the pension value in proportion to changes in earnings and the contribution rate.

Administrative Organization

Federal Ministry of Health and Social Security provides general supervision.

Separate organizations administer benefits for wage earners, salaried employees, and miners.

Sickness funds normally collect contributions for employees from employers and forward them to pension insurance organizations. Other sickness funds (for example, for the self-employed) pay contributions directly to the organizations.

Sickness and Maternity

Regulatory Framework

First law: 1883.

Current laws: 1924 (maternity benefits); 1988, 2002, and 2003 (sickness insurance); and 1994 (long-term care).

Type of program: Social insurance system.

Coverage

All wage and salary workers earning up to €41,850 a year; pensioners, students, and persons with disabilities under certain conditions; and apprentices and beneficiaries of unemployment benefits.

Voluntary insurance is possible for persons whose compulsory insurance ends, subject to certain conditions.

Special systems for miners, artists, public-sector employees, and self-employed farmers.

Long-term care for all persons covered by the statutory sickness insurance scheme and some special groups subject to certain conditions. Persons with private sickness insurance must buy equivalent private coverage for long-term care.

Source of Funds

Sickness and maternity benefits

Insured person: Contributions vary by fund. On average, 7% of covered earnings. No contribution if monthly earnings are less than €400; a reduced contribution if monthly earnings are between €400 and €800. Pensioners contribute 7% of the pension on average. (Pension insurance organizations pay the same contribution as, and on behalf of, compulsorily insured pensioners and a contribution subsidy for voluntarily insured pensioners.)

Employer: Contributions vary by fund. On average, 7% of covered earnings; 11% of covered earnings for employees with monthly earnings less than €400.

Government: Subsidy for maternity benefits and for pensioned farmers' and students' health benefits. The cost of benefits for unemployed and persons in authorized training.

The maximum annual earnings for benefit and contribution purposes are €41,850 (adjusted annually to 75% of the pension contributions ceiling).

Long-term care benefits

Insured person: In one federal state, 1.35% of earnings; in all other federal states, 0.85% of earnings. Pensioners contribute on 0.85% of the pension until March 31, 2004; thereafter, 1.7% of the pension. (Until March 31, 2004, pension insurance

organizations will pay the same contribution as, and on behalf of, compulsorily insured pensioners and a contribution subsidy for voluntarily insured pensioners; thereafter, the contributions will cease.)

Employer: In one federal state, 0.35% of payroll; in all other federal states, 0.85% of payroll.

Government: Contributes for unemployed persons and farmers and for students receiving benefits under the Federal Education Support Act.

The maximum annual earnings for contribution purposes (long-term care) are €1,850 (adjusted annually to 75% of the pension contributions ceiling).

Qualifying Conditions

Cash sickness and medical benefits: Membership in a sickness fund. No minimum membership period is required for medical benefits.

Cash sickness benefits: Insured persons who are unable to work or are taking care of a sick child younger than age 12.

Cash maternity benefits: Payable to female sickness fund members.

Long-term care benefits: Five years of insurance in the last 10 years. The benefit entitlement varies corresponding to a substantial need for care requiring at least one daily procedure, a severe need for care requiring procedures three times a day, or a critical need for care with round-the-clock care required.

Sickness and Maternity Benefits

Sickness benefit: Sickness funds pay 70% of gross earnings (up to a maximum of 90% of net earnings) for up to 78 weeks in a 3-year period for the same illness.

If a child is ill, sickness benefit is paid up to 10 working days per child but no longer than 25 days per insured person in each calendar year. In single-parent households, the benefit is payable for 20 working days per child, up to 50 days in a calendar year.

Maternity benefit: For female sickness fund members with an employment contract, a benefit equal to 100% of net earnings (up to €13 a day from the sickness fund with the remainder paid by the employer) is payable 6 weeks before and 8 weeks after the expected date of birth; other fund members receive the same amount as for sickness benefit.

Long-term care allowance: A carer's allowance is payable to insured persons who organize care provision for themselves (for example, care provided by relatives). The allowance is €205, €410, or €665 a month depending on the degree and frequency of care required.

The carer's allowance may be combined with benefits in kind (see home care benefits under Worker's Medical Benefits, below) provided by a professional care worker (the carer's allowance decreases in proportion to claimed in-kind benefits).

Social security contributions for carers: Contributions are paid for old-age pension insurance by long-term care funds on

behalf of unpaid relatives who provide care for at least 14 hours a week for a person needing care at home and who are not employed for more than 30 hours a week. The paid contributions depend on the level of care required. Insurance coverage for work injury is also provided. When care giving ceases, former carers have the right to a cost-of-living allowance in order to facilitate their return to employment.

Workers' Medical Benefits

Benefits are provided to patients by doctors, hospitals, and pharmacists under contract with sickness funds. Benefits include comprehensive medical and dental care, preventive examinations and treatment, laboratory tests, maternity care with a midwife or doctor, hospitalization, surgery, appliances, and prescribed medicines.

Cost sharing: A copayment is necessary for certain benefits (including medicines, appliances, ambulatory care, hospitalization, and transportation) but not for hardship cases (depending on means).

Long-term care (home care benefits): Benefits include care at home and housework provided by professional care workers or outpatient care services, appliances and technical assistance (such as home modification), day and night care (including services partially provided by a care establishment), short-term institutional care, care at home if the care organized by the insured person (see long-term care cash benefits, above) is temporarily unavailable. The maximum benefit amounts are fixed for the different services.

In-kind benefits for care at home are €84, €21, or €1,432, depending on the level of care required.

Long-term care (institutional care benefits): The cost of care services is covered up to maximum amounts. The insured pays the cost of room and meals.

Dependents' Medical Benefits

Medical benefits: Same as for the insured person.

Long-term care benefits: Same as for the insured person.

Administrative Organization

Federal Ministry of Health and Social Security provides general supervision.

Federal Insurance Institute supervises federal health insurance.

Supervision at state level by designated state authorities.

Sickness funds administer contributions and benefits. Separate sickness funds are organized within federations at the national level and, if applicable, at the state level. Day-to-day administration of funds is handled by a board of directors who are elected by an administrative council generally consisting of representatives of insured persons and employers.

Regional physicians' associations contract annually with federations of funds for payment for medical services.

The total sum paid by sickness funds to physicians' associations is apportioned by the latter to participating doctors.

Federal Ministry of Health and Social Security provides general supervision of long-term care. Separate funds for long-term care organized by sickness funds and private sickness insurance funds administer benefits. Federal states pay construction costs for long-term care institutions.

Work Injury

Regulatory Framework

First laws: 1884 (work accidents) and 1925 (occupational diseases).

Current law: 1996.

Type of program: Social insurance system.

Coverage

Employed persons; some categories of self-employed person; voluntarily insured employers; apprentice; students; children in day care institutions; family helpers in agriculture; persons engaged in specified voluntary activities, including blood donors, volunteers, and accident helpers; persons undergoing rehabilitation in hospitals paid by health or pension insurance; and any other persons with a status similar to that of an employee.

Special system for civil servants and public employees.

Source of Funds

Employees: None.

Employer: Contributions vary according to assessed classes of risk. The average contribution is 1.33% of payroll (2002).

Government: A subsidy to agricultural accident insurance and for the coverage of students, children in day care institutions, and persons engaged in specified voluntary activities.

For insured persons aged 18 or older, the minimum annual earnings for benefit purposes are €17,388 (E - €14,616).

The maximum annual earnings for benefit purposes vary depending on the accident insurance fund but are no more than €84,000.

Qualifying Conditions

Work injury and occupational disease benefits: There is no minimum qualifying period.

Temporary Disability Benefits

70% of gross earnings (up to a maximum of 90% of net earnings) for up to 78 weeks, including payment by the employer. After the termination of the continuous wage

payment (in most cases, 6 weeks), payment is assumed by the accident insurance fund. The benefit is payable from the day after the onset of the insured event until recovery or the award of a pension. A transition benefit is paid during vocational rehabilitation.

Permanent Disability Benefits

Permanent disability pension: 66.6% of last year's earnings if 100% disabled (full pension).

Partial disability: If the assessed loss of earning capacity is 20% or more, a percentage of the full pension in proportion to the loss of earning capacity.

Severe disability supplement: 10% of the basic pension if the assessed loss of earning capacity is 50% or more and the insured is not working and not receiving another pension; if the insured is unemployed, the pension is further increased for a maximum of 2 years.

Constant-attendance allowance: €95 to €1,180 a month (E - €56 to €1,023).

Workers' Medical Benefits

Benefits include comprehensive medical care; medical, occupational, and social rehabilitation; appliances; and help with housework. The benefits are provided exclusively by accident funds.

(Agricultural accident insurance covers the provision of assistance to guarantee vital farming operations.)

Survivor Benefits

Survivor pension: During the first 3 calendar months, 66.6% of the insured's earnings; thereafter, 40% of the insured's earnings if aged 45 or older, disabled, or caring for at least one child. Other eligible survivors receive a reduced survivor pension of 30% of the insured's earnings. The payment of the reduced survivor pension is limited to 2 years if the survivor is younger than age 40. The pension is payable to a widow(er).

Orphan's pension: 20% of the insured's earnings for each orphan under age 18 (under age 27 if a student); 30% for a full orphan.

Earnings test: Earnings over a certain limit are offset in the case of beneficiaries over age 18.

Other eligible survivors (means-tested): Parents and grandparents receive 20% of the insured's earnings as single beneficiaries; 30% if a couple.

Former spouses (if eligible) may receive a survivor pension. The amount is split between the surviving spouse and the former spouse according to the length of marriage.

The maximum survivor pension is 80% of the insured's earnings.

Death grant: €4,140 (E - €3,480).

Administrative Organization

Federal Ministry of Economics and Labor supervises accident prevention and primary care.

Federal Insurance Institute or relevant state authorities supervise other areas.

Accident insurance funds (nonagricultural, agricultural, public authorities) administer the scheme. Accident insurance funds operate under bipartite management involving elected representatives of employers and the insured.

Unemployment

Regulatory Framework

First law: 1927.

Current law: 2002.

Type of program: Social insurance system.

Coverage

Employed persons, including home workers, apprentices, and trainees. Under certain conditions, other groups (including participants in occupational training schemes) are also covered.

Exclusions: Persons engaged in negligible employment (mini-jobs).

Source of Funds

Insured person: 3.25% of covered earnings.

Employer: 3.25% of covered earnings.

Government: Loans or subsidies to cover any deficit; also covers cost of unemployment assistance.

The maximum annual earnings for contribution purposes are €1,800.

Qualifying Conditions

Unemployment benefit: 360 days of insured employment in last 3 years (180 days for seasonal workers). Personally registered at an employment office and capable of, available for, and actively seeking employment.

Unemployment assistance (means-tested): Based on need, payable to workers with 150 days of employment in the last year or who have exhausted their statutory unemployment benefit. Personally registered at an employment office and capable of, available for, and actively seeking employment.

In certain cases, the right to unemployment benefit or assistance can be suspended (for up to 12 weeks).

Unemployment Benefits

Unemployment benefit: 67% of net earnings for unemployed persons with children; 60% if without children. The benefit is

payable for 90 to 960 calendar days, according to the length of insured employment and age.

Unemployment assistance (means-tested): 57% of net earnings for unemployed persons with children; 53% if without children. There is no limit to duration.

Short-time work benefit: Paid to workers who lose working hours for short periods, in particular for economic reasons.

Bad weather allowance: Paid to construction workers whose work is halted because of bad weather. The allowance is payable after the 100th hour of stoppage between November 1 and March 31 of any year.

Cost-of-living allowance: Paid to participants in occupational training, retraining, and rehabilitation.

Administrative Organization

Federal Ministry of Economics and Labor supervises the program.

Local employment offices are responsible for employment placements, career guidance, and the administration of benefits.

Sickness funds collect contributions.

Family Allowances

Regulatory Framework

First law: 1954.

Current law: 2002.

Type of program: Universal system.

Coverage

Parents with one or more children.

Full orphans and children who have lost contact with their parents.

Source of Funds

Insured person: None.

Employer: None.

Government: Total cost.

Qualifying Conditions

Child benefit: Child must be under age 18 (under age 21 if unemployed; under age 27 if in education, if no apprenticeship is available, or if in voluntary work; no limit if disabled). For children older than age 18, the amount of child benefit depends on their income.

Family Allowance Benefits

Child benefit: €154 a month for the first, second, and third child; €179 for each subsequent child. (Lower rates may be

paid if the children of workers employed in Germany reside in countries where the cost of living is lower.) If a child supplement from a statutory work accident or pension program is also paid, only the portion of the child benefit higher than the supplement is payable.

Administrative Organization

Federal Finance Office (Family Fund) administers benefits through regional and local labor offices of the Federal Agency for Labor.

Benefits for public employees are administered through salary payment offices.

Administrative costs are reimbursed by the federal government.

Greece

Exchange rate: US\$1.00 equals 0.80 euros (€).

Old Age, Disability, and Survivors

Regulatory Framework

First law: 1934.

Current laws: 1951, 1981 (special noncontributory old-age pension), 1990, 1992, 1996, 1999, 2000, and 2002.

Type of program: Social insurance system.

Coverage

Employees in industry, commerce and related occupations, and certain urban self-employed workers.

Exclusions: Employees affiliated with approved occupational and establishment funds providing equivalent benefits.

Voluntary coverage for Greeks living abroad.

Special systems for agricultural workers, public employees, tradesmen, and craftsmen.

Source of Funds

Insured person: 6.67% of earnings; 8.87% if in arduous or unhealthy employment.

Employer: 13.33% of payroll; 14.73% if in arduous or unhealthy employment.

Government: 10% of payroll.

The maximum earnings for contribution and benefit purposes are €78.41 a day or €1,960.25 a month. (There is no ceiling for persons who were first insured after January 1, 1993.)

Qualifying Conditions

Old-age pension: Age 65 (men) or age 60 (women) with 4,500 days of contributions. Age 62 (men) or age 57 (women) with 10,000 days of contributions. Age 58 (men and women) with 10,500 days of contributions. The full pension is also payable at any age to insured persons with 11,100 days of contributions and to insured persons with specified disabilities with 4,050 days of contributions.

Age 60 (men) or age 55 (women) with 4,500 days of contributions of which at least 3,600 days were in arduous or unhealthy employment, including at least 1,000 days in the last 10 years. Age 58 (men) or age 53 (women) with 4,500 days of contributions of which at least 3,600 days were in the construction or technical sector, including at least 1,000 days in the last 10 years. Age 58 (men) or age 53 (women) with 4,500 days of contributions in the construction or technical sector, including at least 500 days in the last 10 years. Age 55 (men and women) with 10,500 days of contributions, including at least 7,500 days in arduous or unhealthy employment.

Age 55 (women with dependent or disabled children) with 5,500 days of contributions.

Early pension: Age 60 (men) or age 55 (women) with 4,500 days of contributions.

The pension is suspended if the pensioner is younger than age 55 and working.

Pensions are payable abroad under reciprocal agreement.

Pensioners' social solidarity grant (old age): Age 60 or older. Overall net income from salaries and pensions must not exceed €6,340.89; total personal taxable income must not exceed €7,397.72; and total annual family taxable income must not exceed €11,511.75.

Disability pension: For the full pension, the insured must be at least 80% disabled with a maximum of 4,500 days of contributions (1,500 days if the insured began working after 1993); 300 days if younger than age 21 (from age 21, the number of required contribution days increases with age up to the maximum); or 1,500 contribution days, including 600 in the 5 years before the onset of disability. (For insured persons who began working after 1993, the contribution days in the 5 years before the onset of disability can include credited contribution days.)

Partial disability: The insured must be at least 50% disabled.

The Health Committee of the Social Insurance Institute assesses the degree of disability.

Pensioners' social solidarity grant (disability): There is no age requirement. Overall net income from salaries and pensions must not exceed €6,340.89; total personal taxable income must not exceed €7,397.72; and total annual family taxable income must not exceed €11,511.75.

Survivor pension: The qualifying conditions for the survivor pension vary according to the date the deceased entered the system. Normally, the number of contribution days is half that required for the disability pension (see above).

For persons insured before 1993, eligible survivors include a widow (or a disabled widower without means) whose marriage lasted at least 6 months (2 years if the spouse of a pensioner); dependent children under age 18 (age 24 if a student, disabled, or a full orphan); dependent grandchildren and stepchildren; and dependent parents.

For persons insured from January 1, 1993, eligible survivors include a widow(er) whose marriage lasted at least 1 year (2 years if the spouse of a pensioner; the marriage condition is waived if the spouse has a dependent child); and dependent children under age 18 (age 24 if a student, disabled, or a full orphan).

The following changes, effective January 5, 1999, cover all insured persons regardless of when the insured entered the system: The surviving spouse, irrespective of age, is entitled to the survivor pension for a period of 3 years beginning the month following the insured's death. Survivors older than age 40 when their spouse dies may receive benefits beyond 3 years provided they do not work or receive any other

pension or are assessed with a mental or physical disability of at least 67%. Survivor pensions that have been interrupted or reduced will be paid in full when the survivor reaches age 65.

Pensioners' social solidarity grant (survivors): Age 60 or older. Overall net income from salaries and pensions must not exceed €6,340.89; total personal taxable income must not exceed €7,397.72; and total annual family taxable income must not exceed €1,511.75.

Old-Age Benefits

Old-age pension: The basic pension is based on the length of the insurance period and pensionable earnings in the last 5 years. The basic pension is increased according to the classification of the insured in one of 28 wage classes. The increase is calculated as 1% of earnings for every 300 days of contributions between 3,300 days and 7,800 days and 1.5% to 2.5% (depending on wage class) for every 300 days beyond 7,800 days. (For persons who started working after 1993, the pension is calculated as 2% of adjusted average earnings during the last 5 years.)

Early pension: The pension is reduced by 1/267th for each month of early retirement.

The minimum pension for a single person is €392.16 a month; €421.01, with a spouse; €439.74, with a spouse and one child; €458.24, with a spouse and two children; €476.80, with a spouse and three children; €411.53, with one child; €430.45, with two children; or €448.99 with three children.

The maximum pension is €2,966.

Schedule of payments: Fourteen payments a year.

Earnings-test: The pension is reduced by 70% if the beneficiary is age 55 or older, without dependents, and earnings more than €733.78 from employment; a supplement equal to 20% of the pension is paid for each child under age 18 (aged 18 to 24 if a student, no limit if disabled).

Benefit adjustment: Pensions are indexed to the pensions of civil servants.

Pensioners' social solidarity grant (old age): €11.18 a month with net income up to €5,774.74; €83.39 a month with net income from €5,774.75 to €6,001.22; €55.59 a month with net income from €6,001.23 to €6,152.17; €27.80 a month with net income from €6,152.18 to €6,340.89.

Permanent Disability Benefits

Disability pension: The basic pension is based on the length of the insurance period and pensionable earnings in the last 5 years. The basic pension is increased according to the classification of the insured in one of 28 wage classes. The increase is calculated as 1% of earnings for every 300 days of contributions between 3,300 days and 7,800 days and 1.5% to 2.5% (depending on wage class) for every 300 days beyond 7,800 days. (For persons who started working after 1993, the pension is calculated as 2% of adjusted average earnings during the last 5 years.)

Entitlement to the pension begins when the cash sickness benefit ends. For an assessed degree of disability of 80% or more (severe), 100% of the pension is paid; for an assessed degree of disability of 67% to 79.9% (ordinary), 75% of the pension is paid.

Partial disability: For an assessed degree of disability of 50% to 66.9%, 50% of the pension is paid.

The minimum pension is €392.16 a month, plus supplements for a dependent spouse and children.

Schedule of payments: Fourteen payments a year.

Pensioners' social solidarity grant (disability): €11.18 a month with net income up to €5,774.74; €83.39 a month with net income from €5,774.75 to €6,001.22; €55.59 a month with net income from €6,001.23 to €6,152.17; €27.80 a month with net income from €6,152.18 to €6,340.89.

Survivor Benefits

Survivor pension: The survivor pension varies according to the date the deceased entered the system. The surviving spouse, irrespective of age, is entitled to the survivor's pension for a period of 3 years beginning the month following the insured's death. A surviving spouse who is younger than age 40 when his or her spouse dies receives the full pension provided that they do not work or receive any other pension; 70% of the insured's pension is paid if the spouse is working or receiving a pension. Survivors aged 40 or older when their spouse dies may receive benefits beyond 3 years; 50% of the insured's pension is paid if the spouse is working or receiving a pension; 70% if working or receiving a pension after age 65; the full pension is paid if the survivor has an assessed degree of disability of 67% or greater.

Orphan's pension: 20% of the insured's basic pension if under age 18 (age 24 if a student, no limit if disabled).

Grandchild or parent (in absence of above): 20% of the insured's pension; 40% if a widowed mother.

The minimum survivor pension is €52.93 a month.

The maximum survivor pension is 100% of the insured's pension.

Schedule of payments: Fourteen payments a year.

Pensioners' social solidarity grant (survivors): €11.18 a month with net income up to €5,774.74; €83.39 a month with net income from €5,774.75 to €6,001.22; €55.59 a month with net income from €6,001.23 to €6,152.17; €27.80 a month with net income from €6,152.18 to €6,340.89.

Administrative Organization

Ministry of Labor and Social Security provides general supervision.

Managed by a governor and tripartite governing body, the Social Insurance Institute administers the program through branch offices for most covered workers.

Numerous special occupational and establishment funds administer programs for workers exempt from the general system.

Sickness and Maternity

Regulatory Framework

First law: 1922.

Current laws: 1951 and 1984 (national health service).

Type of program: Social insurance system.

Coverage

Employees in industry, commerce and related occupations, and certain urban self-employed workers. Pensioners are covered for medical benefits.

Exclusions: Employees affiliated with approved occupational and establishment funds with equivalent benefits.

Special systems operate for agricultural workers (noncontributory old-age pensioners are covered for medical benefits) and public employees.

Source of Funds

Insured person: 0.4% of earnings (cash benefits) and 2.15% of earnings (medical benefits). Pensioners contribute 4% of the pension.

Employer: 0.8% of payroll (cash benefits) and 4.3% of payroll (medical benefits).

Government: Subsidy to cover any deficit.

The maximum monthly earnings for contribution and benefit purposes are €1,960.25. (There is no earnings ceiling for those who start working after January 1, 1993.)

Qualifying Conditions

Cash sickness benefit: At least 100 days of contributions in the calendar year preceding illness or 100 days of contributions in the last 15 months excluding the last quarter. The benefit is payable for 182 days to 720 days, according to the length of the contribution period.

Cash maternity benefit: Insured women must have 200 days of contributions in the last 2 years.

Medical benefits: Has 50 days of contributions in the last year or last 15 months (excluding the last quarter) or is a pensioner.

Maternity medical benefits: Insured women and the dependent wife of an insured man or pensioner.

Sickness and Maternity Benefits

Sickness benefit: 50% of daily earnings, according to one of 28 insurance classes. (If the insured has worked for the

employer for at least 1 year, the employer must pay the difference between the cash benefit and the employee's earnings for 1 month; if the employment period is less than 1 year, the employer pays the difference for 2 weeks.)

Dependent supplement: 10% of the benefit for each dependent.

The maximum daily benefit, including dependent supplements, for the first 15 days must not exceed €12.89; from the 16th day to the 30th day, €23.69; after the 30th day, the maximum must not exceed 70% of the daily wage of the insurance class in which the worker is classified.

If the insured is hospitalized and there are no dependents, the benefit is paid at 33% of the awarded rate.

Funeral grant: A lump sum of €12.08.

Maternity benefit: 50% of earnings, plus 10% of benefit for each of the first four dependents. The benefit is payable for up to 56 days before and 63 days after childbirth.

The minimum benefit is €8.91 a day.

Birth grant: €98.70 for each child.

Workers' Medical Benefits

Medical services are ordinarily provided directly to patients through the facilities of the Social Insurance Institute. Benefits include general and specialist care; care in a hospital, sanatorium, or nursing home; medicines; maternity care; dental care; appliances; and transportation.

Cost sharing: The insured pays 25% of pharmaceutical costs and up to 25% of the cost of other services (including prostheses and eyeglasses) except for hospitalization. Social solidarity grant pensioners and their dependents pay 10% of costs.

There is no limit to duration.

Dependents' Medical Benefits

Same as for the insured worker.

Administrative Organization

Ministry of Labor and Social Security provides general supervision.

Managed by a governor and tripartite governing body, the Social Insurance Institute administers the program through branch offices for most covered workers.

Institute operates own dispensaries, clinics, and hospitals and also uses other public and private facilities.

Numerous special occupational and establishment funds administer programs for workers exempt from the general system.

Work Injury

Regulatory Framework

First law: 1914.

Current law: 1951.

Type of program: Social insurance system.

Coverage

Employees in industry, commerce, and related occupations are covered.

Exclusions: Employees affiliated with approved occupational and establishment funds with equivalent benefits.

Source of Funds

Insured person: None.

Employer: 1% of payroll.

Government: None.

Qualifying Conditions

Work injury benefits

Work injury: Benefit is payable after a 1-day waiting period.

Occupational disease: The minimum qualifying period is set by law for each specified occupational disease. In certain cases, eligibility is determined by the Health Commission of the Social Insurance Institute.

Temporary Disability Benefits

50% of daily earnings, according to one of 28 insurance classes. (If the insured has worked for the employer for at least 1 year, the employer must pay the difference between the cash benefit and the employee's earnings for 1 month; if the employment period is less than 1 year, the employer pays the difference for 2 weeks.)

Dependent supplement: 10% of the benefit for each dependent.

The maximum daily benefit, including dependent supplements, for the first 15 days must not exceed €12.89; from the 16th day to the 30th day, €23.69; after the 30th day, the maximum must not exceed 70% of the daily wage of the insurance class in which the worker is classified.

If the insured is hospitalized and there are no dependents, the benefit is paid at 33% of the awarded rate.

Permanent Disability Benefits

Permanent disability pension: For an assessed degree of disability of 80% or over (severe), 100% of the pension is paid; for an assessed degree of disability of 67% to 79.9% (ordinary), 75% of the pension is paid.

Partial disability: For an assessed degree of disability of 50% to 66.9%, 50% of the pension is paid.

The minimum pension is €92.16 a month, plus supplements for a dependent spouse and children.

Schedule of payments: Fourteen payments a year.

Pensioners' social solidarity grant (disability): €11.18 a month with net income up to €5,774.74; €83.39 a month with net income from €5,774.75 to €6,001.22; €55.59 a month with net income from €6,001.23 to €6,152.17; €27.80 a month with net income from €6,152.18 to €6,340.89.

Workers' Medical Benefits

Medical services are ordinarily provided directly to patients through the facilities of the Social Insurance Institute. Benefits include general and specialist care; care in a hospital, sanatorium, or nursing home; medicines; maternity care; dental care; appliances; and transportation.

There is no cost sharing.

There is no limit to duration.

Survivor Benefits

Survivor pension: The survivor pension varies according to the date the deceased entered the system. The surviving spouse, irrespective of age, is entitled to the survivor's pension for a period of 3 years beginning the month following the insured's death. A surviving spouse who is younger than age 40 when his or her spouse dies receives the full pension provided that they do not work or receive any other pension; 70% of the insured's pension is paid if the spouse is working or receiving a pension. Survivors aged 40 or older when their spouse dies may receive benefits beyond 3 years; 50% of the insured's pension is paid if the spouse is working or receiving a pension; 70% if working or receiving a pension after age 65; the full pension is paid if the survivor has an assessed degree of disability of 67% or greater.

Orphan's pension: 20% of the insured's basic pension if under age 18 (age 24 if a student, no limit if disabled).

Grandchild or parent (in absence of above): 20% of the insured's pension; 40% if a widowed mother.

The minimum survivor pension is €52.93 a month.

The maximum survivor pension is 100% of the insured's pension.

Schedule of payments: Fourteen payments a year.

Pensioners' social solidarity grant (survivors): €11.18 a month with net income up to €5,774.74; €83.39 a month with net income from €5,774.75 to €6,001.22; €55.59 a month with net income from €6,001.23 to €6,152.17; €27.80 a month with net income from €6,152.18 to €6,340.89.

Administrative Organization

Ministry of Labor and Social Security provides general supervision.

Social Insurance Institute administers the program through branch offices for most covered workers.

Numerous special occupational and establishment funds administer programs for workers exempt from the general system.

Unemployment

Regulatory Framework

First law: 1954.

Current laws: 1985, 1989, and 1990.

Type of program: Social insurance system.

Coverage

Employees in industry, commerce, and related occupations.

Exclusions: Self-employed persons.

Special systems for seamen and printing workers.

Source of Funds

Insured person: 1.33% of earnings.

Employer: 3.67% of payroll.

Government: None.

Qualifying Conditions

Unemployment benefit: 125 days of contributions in the last 14 months, excluding working days in the last 2 months; 200 days in the last 2 years, excluding working days in the last 2 months (for a first-time beneficiary, also 80 days in each of the last 2 years). The insured must be capable of, and available for, work and registered at an employment office.

Unemployment must be involuntary. The insured must be younger than age 65 and not receiving a disability pension.

Young persons' benefit: Aged 20 to 29 and has never worked.

Special unemployment benefit (means-tested): Awarded in cases in which the person does not qualify for unemployment benefit or where entitlement is exhausted.

Special seasonal allowance: Paid to workers in seasonal employment (including builders, tobacco workers, and actors) who worked during the preceding year.

Unemployment Benefits

40% of wages (blue-collar workers) or 50% of salary (white-collar workers). The benefit is payable after a 6-day waiting period. The duration of entitlement, up to a maximum of 1 year, depends on the length of the contribution period.

The minimum benefit is 66.6% of the daily minimum wage.

Dependents' allowance: 10% of earnings for each dependent.

Young persons' benefit: Payable for 5 months at the single-person rate, plus a supplement for each child.

Special unemployment benefit (means-tested): A lump sum is payable.

Special seasonal allowance: Paid once a year, the lump sum varies according to the nature of employment of the entitled person.

Administrative Organization

Ministry of Labor provides general supervision.

Managed by a tripartite board, the Manpower Employment Organization administers benefits and employment services through local employment offices.

Social Insurance Institute collects contributions.

Family Allowances

Regulatory Framework

First and current law: 1958.

Type of program: Employment-related system.

Coverage

Employees in industry, commerce, and related occupations, with one or more children.

Exclusions: Employees receiving equivalent allowances from their employer.

Source of Funds

Insured person: 1% of earnings.

Employer: 1% of payroll.

Government: None.

Qualifying Conditions

Family allowances: The child must be under age 18 (no limit if disabled, age 22 if a student), single, and living in Greece or another EU member country. For full allowances, the parent must have had 50 days of employment in the preceding year.

Family Allowance Benefits

Family allowances: The allowance for one child is €8.87 a month; two children, €18 a month; three children, €40 a month; four children, €48 a month; and for each additional child, €8.07 a month. An additional €3.67 a month for each child may be paid to widows, widowers, and soldiers.

Administrative Organization

Ministry of Labor provides general supervision.

Managed by a tripartite board, the Manpower Employment Organization administers allowances through local offices.

Social Insurance Institute collects contributions.

Guernsey

Exchange rate: US\$1.00 equals 0.56 pounds (£).

Old Age, Disability, and Survivors

Regulatory Framework

First laws: 1925 (old-age) and 1935 (old-age and survivors).

Current laws: 1971 (social assistance), 1978 (social insurance), 1984 (attendance allowance), and 2002 (long-term care).

Type of program: Social insurance and social assistance system.

Coverage

Old-age pension: All persons over school-leaving age.

Voluntary coverage for nonemployed persons under age 20, married women, and widows who were covered by their husband's insurance.

Long-term care: All residents.

Disability pension (invalidity benefit): All employed and self-employed persons.

Voluntary coverage for married women and widows.

Disability attendance allowances: All residents.

Social assistance: All residents.

Source of Funds

Insured person: 6% of earnings up to a maximum weekly earning level of £621.

Self-employed person: 10.5% of earnings (nonemployed persons may contribute 9.9% of annual income) up to a maximum annual earnings level of £32,292. (Contributions do not cover unemployment benefits.)

Employer: 5.5% of earnings up to a maximum weekly earnings level of £621.

Government: A grant equal to 50% of total contribution receipts. The total cost of social assistance and other noncontributory benefits.

All the above contributions also finance sickness and maternity benefits, work injury benefits, unemployment benefits (except for the self-employed), prescription medicines, long-term care, and some medical services.

Qualifying Conditions

Old-age pension: Age 65 (men and women) with a minimum of 156 contributions paid between the later of 1952 or the date that insurance coverage first began and age 65. The full-rate pension is calculated as the yearly average of 50 contributions paid or credited.

Partial pension: The pension is proportionately reduced for a yearly average of less than 50 contributions paid or credited. No pension is payable if the yearly average is less than 10.

The pension is payable worldwide.

Disability pension (invalidity benefit): Incapacity for work following entitlement to sickness benefits for 6 months. A minimum of 26 contributions paid since the date that insurance coverage first began. The full benefit is payable if 50 contributions are paid or credited in the relevant contribution year.

Partial pension: The benefit is proportionately reduced for fewer than 50 paid or credited contributions in the relevant contribution year. No benefit is payable if there are fewer than 26 contributions.

Long-term care: The insured has been resident in Guernsey for 5 years at any time and 1 year immediately prior to receiving long-term care benefit.

Attendance allowance: The person was born in Guernsey or has been resident in Guernsey for 5 years. The noncontributory benefit is paid after 3 months of severe disability (except if terminally ill). The maximum allowable income is £63,000 a year.

Invalid care allowance: The noncontributory benefit is paid to a person caring for a severely disabled person for 35 hours or more a week and earning less than £87 a week from employment. The maximum allowable income is £63,000 a year.

Widowed parent's allowance: Payable to a widow(er) with at least one dependent child.

Bereavement payment: The grant is paid to a surviving spouse on the basis of the insurance record of the deceased.

Bereavement allowance: Payable to a surviving spouse older than age 45 who has no dependent children.

Death grant: A minimum of 26 contributions paid or credited between the later of 1971 or the date that insurance coverage first began and the date of death. A full grant award is made if 45 contributions are paid or credited in the relevant contribution year. The grant is proportionately reduced for fewer than 45 contributions. No grant is paid if there are fewer than 10 contributions.

Supplementary benefit (social assistance): Noncontributory means-tested benefit for persons older than age 60, persons who are incapacitated or disabled, persons caring for a member of the family, or a single parent.

Old-Age Benefits

Old-age pension: The full-rate benefit for the insured person is £130 a week.

Dependent supplement: A weekly supplement of £70 is payable for a dependent adult, and a weekly supplement of £9 is payable for each dependent child.

Death grant: The grant is payable in the case of the death of the insured, spouse, child, or survivor. The full grant is £385.

Supplementary benefit (social assistance): The benefit is paid according to need but is subject to a maximum of £263 a week.

Permanent Disability Benefits

Disability pension (invalidity benefit): The full-rate benefit is £120 a week.

Long-term care: Up to £290.50 a week for residential home care and up to £539 a week for nursing home care.

Attendance allowance: £69 a week.

Invalid care allowance: £55.50 a week.

Supplementary benefit (social assistance): The benefit is paid according to need, up to a maximum of £263 a week.

Survivor Benefits

Bereavement allowance: £141.25 a week.

Bereavement payment: £1,220.

Widowed parent's allowance: £141.25 a week.

Supplementary benefit (social assistance): The benefit is paid according to need, up to a maximum of £263 a week.

Administrative Organization

Guernsey Social Security Authority administers the program.

Sickness and Maternity

Regulatory Framework

First laws: 1964 (sickness), 1971 (maternity), and 1972 (medicines).

Current laws: 1971 (social assistance), 1978 (social insurance sickness and maternity), 1990 (medicines and health care), and 2002 (long-term care).

Type of program: Social insurance (cash benefits), social assistance (means-tested benefits), and universal system (specialist medical care, medical consultations, consultation grants, and long-term care).

Coverage

Sickness benefit: Employed and self-employed persons with weekly earnings of £87 or more.

Maternity allowance: Employed and self-employed persons with weekly earnings of £87 or more.

Long-term care: All residents.

Supplementary benefit: Persons incapable of work, single parents, and pregnant women not cohabiting.

Source of Funds

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

Self-employed 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. The total cost of supplementary benefit.

Qualifying Conditions

Sickness benefit: At least 26 qualifying contributions must be paid between the later of 1965 or the date that insurance coverage first began and the date of claim. For entitlement to full benefit, 50 contributions or credits must have been paid in the relevant contribution year. Benefits are proportionately reduced for fewer than 50 contributions or credits. No benefit is payable with fewer than 26 contributions or credits.

Long-term care: The person has been resident for 5 years at any time and for 1 year immediately prior to receiving long-term care benefit.

Maternity allowance: Resident with 50 qualifying contributions or credits, including 26 in the year preceding the 13th week before the expected week of childbirth. The benefit is proportionately reduced for fewer than 50 contributions or credits. No benefit is payable with fewer than 26 contributions.

Maternity grant: Must be insured and ordinarily resident.

Sickness and Maternity Benefits

Sickness benefit: £99 a week.

Long-term care: Up to £290.50 a week for residential home care and up to £539 a week for nursing home care.

Maternity allowance: £99 a week.

Maternity grant: A lump-sum payment of £248.

Workers' Medical Benefits

Medical benefits: Acute hospital accommodation is provided by the government. Specialist medical services are provided by specialist group practices contracted to the government.

Cost sharing: A flat-rate fee of £2.30 is charged for medical prescriptions. There is no charge for persons over age 65 or persons with low income.

Medical grant: A sum of £8 is provided toward the cost of primary care medical consultation and a £4 grant is provided toward the cost of nurse consultation.

Dependents' Medical Benefits

Same as for the insured.

Administrative Organization

Guernsey Social Security Authority administers cash benefits. States of Guernsey Board of Health administers hospital benefits.

Work Injury

Regulatory Framework

First law: 1925.

Current law: 1978.

Type of program: Social insurance system.

Coverage

Employed and self-employed persons.

Source of Funds

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

Self-employed 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.

Qualifying Conditions

Work injury benefits: There is no minimum qualifying period.

Temporary Disability Benefits

Industrial injury benefit: £99 a week.

Permanent Disability Benefits

Industrial disablement benefit: £108 a week if 100% disabled. The benefit is proportionately reduced for an assessed degree of disability of less than 100%. No benefit is paid if the assessed degree of disability is under 20%.

Benefits are also provided through the sickness benefit under Sickness and Maternity and the disability pension under Old Age, Disability, and Survivors, above.

Survivor Benefits

Bereavement allowance: £141.25 a week.

Bereavement payment: £1,220.

Widowed parent's allowance: £141.25 a week.

Administrative Organization

Guernsey Social Security Authority administers the program.

Unemployment

Regulatory Framework

First law: 1964.

Current law: 1978.

Type of program: Social insurance system.

Coverage

Employed persons with weekly earnings of £87 or more.

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.

Qualifying Conditions

Unemployment benefit: At least 26 qualifying contributions paid since insurance coverage first began. The full benefit is paid with 50 or more contributions or credits in the relevant contribution year. The benefit is proportionately reduced if the insured has fewer than 50 contributions or credits. No benefit is payable with fewer than 26 contributions or credits.

The insured must register at a job center every week to confirm his or her availability for work. The insured may be disqualified for 10 weeks for leaving employment voluntarily, misconduct, or refusing a suitable work offer.

Unemployment Benefits

£99 a week. The cash benefit is limited to 180 days. Requalification for benefit requires 13 weeks of employment with at least 20 hours of work a week.

Administrative Organization

Guernsey Social Security Authority administers the program.

Family Allowances

Regulatory Framework

First law: 1943.

Current law: 1950.

Type of program: Universal system.

Coverage

Residents with one child or more.

Source of Funds

Insured person: None.

Employer: None.

Government: Total cost.

Qualifying Conditions

Family allowances: The claimant was born in Guernsey or has been resident in Guernsey for at least 52 weeks in the previous 2 years. The child must be under age 16; under age 20 and in full-time education.

Family Allowance Benefits

Family allowances: £11.75 a week for each child.

Administrative Organization

Guernsey Social Security Authority administers the program.

Hungary

Exchange rate: US\$1.00 equals 211.39 forints.

Old Age, Disability, and Survivors

Regulatory Framework

First law: 1928.

Current law: 1997 (private pensions), implemented in 1998.

Type of program: Social insurance and mandatory individual account system.

Note: Persons insured before June 30, 1998, or who became insured after this date but before reaching age 42, can choose between the social insurance system and the mixed system of social insurance and mandatory individual accounts. The mixed system is mandatory for all others.

Coverage

Employees, members of handicraft and agricultural cooperatives, self-employed entrepreneurs, apprentices of professional training schools, outside workers, artistic performers, lawyers, public notaries, the clergy, and recipients of unemployment benefits.

Voluntary coverage for persons, including independent farmers, not covered by compulsory insurance.

Source of Funds

Insured person

Social insurance only: 8.5% of gross earnings.

Social insurance and mandatory individual account: 0.5% (social insurance) and 8% (mandatory individual account).

Self-employed person: Equal to the total employee and employer contribution.

Employer: 18% of payroll for social insurance only.

Government: Any deficit in the social insurance system.

All of the above social insurance contributions also finance work injury benefits.

The minimum earnings for contribution purposes are equal to the national minimum wage (53,000 forints).

The maximum earnings for contribution purposes for employees are three times gross average earnings.

Qualifying Conditions

Old-age pension: Age 62 (men) with 20 years of service. The retirement age for women is 59 (rising to age 60 by 2005, age 61 by 2007, and age 62 by 2009) with 20 years of service.

Partial pension: A partial pension is paid with at least 15 years of service at age 62.

Early pension: Age 60 (men) or age 57 (women) with 38 years of service; a reduced pension is paid with at least 33 years of service.

Deferred pension: A deferred pension is possible.

Disability pension: For a nonaccident-related disability pension, the required insurance period depends on age at the onset of disability, up to a maximum of 20 years at age 55. For an accident-related disability pension, there is no qualifying period. There are three classes of pension: Class I, 100% loss of working capacity and need for permanent care provided by others; Class II, 100% loss of working capacity but no need for permanent care provided by others; and Class III, with at least a 67% loss of working capacity.

The national medical board determines the assessed degree of loss in working capacity.

Survivor pension: The deceased was a pensioner or met the qualifying period for an old-age pension or disability pension at the time of death.

Old-Age Benefits

Old-age pension (social insurance): The pension is based on a percentage of average monthly earnings since 1988 and the length of the insurance period; 53% of average earnings is paid with 20 years of service, plus 2% for each year between 21 and 25 years, plus 1% for each year between 26 and 36 years, plus 1.5% for each year beyond 36.

Average income for calculating the pension is subject to an annual ceiling and is indexed.

The minimum old-age pension is 23,200 forints.

Partial pension: A reduced pension is paid with at least 15 years of service at age 62.

Early pension: A full or reduced pension is paid.

Deferred pension: The pension is increased by 0.5% for each month of deferral.

Benefit adjustment: Benefits are adjusted annually in January according to the average estimated annual change in consumer prices and in the national net average wage level.

Old-age pension (mandatory individual account): The value of accumulated contributions plus accrued interest. At retirement, the insured purchases an annuity; a lump sum is paid with less than 180 months or contributions at the time of retirement.

Permanent Disability Benefits

Disability pension (social insurance): If younger than age 35, 51% of average monthly earnings with less than 2 years of contributions (Class III). The pension increases by 0.5% for each additional year of service, up to a maximum of 25 years. If aged 35 or older, the pension is between 37.5% and 67% of average monthly earnings, depending on age at the onset of disability and the length of the insurance period (Class III). A Class II pension is paid at a rate 5% higher than Class III; a Class I pension is paid at a rate 10% higher than Class III.

Benefit adjustment: Benefits are adjusted annually in January according to the average estimated annual change in consumer prices and in the national net average wage level.

Disability pension (mandatory individual account): There is no benefit provision.

Survivor Benefits

Survivor pension (social insurance): 50% of the insured's pension, payable to a widow(er) who at the time of the spouse's death was age 55 (age 60 for a widower), disabled, or caring for two children. A limited pension is paid to other widow(er)s for 1 year only; 18 months in certain cases.

The pension is reduced to 20% if the survivor receives a pension in his or her own right and ceases if the survivor remarries before the pensionable age for the old-age pension.

Orphan's pension (social insurance): 30% of the insured's pension for each orphan under age 16 (age 25 if a student, no limit if disabled); 60% for a full orphan or an orphan with a disabled surviving parent.

Other eligible survivors (dependent parents and grandparents): 20% of the insured's pension, if disabled or aged 65 or older.

Benefit adjustment: Benefits are adjusted annually in January according to the average estimated annual change in consumer prices and in the national net average wage level.

Survivor pension (mandatory individual account): There is no benefit provision.

Administrative Organization

Social insurance: Ministry of Health, Social, and Family Affairs supervises the program.

Central Administration of National Pension Insurance administers social insurance benefits through its local branches.

National Health Insurance Fund collects contributions through its local branches.

Mandatory individual accounts: Ministry of Finance supervises the mandatory individual accounts.

Authorized private pension funds administer the mandatory individual accounts.

Sickness and Maternity

Regulatory Framework

First law: 1891.

Current law: 1997.

Type of program: Social insurance system.

Coverage

Cash sickness benefits: Employees, members of cooperatives, apprentices of skilled labor, the self-employed, and outdoor workers.

Cash maternity benefits: All pregnant employed or self-employed women who have worked for at least 180 days in the 2 years before childbirth.

All resident women in Hungary are entitled to in-kind benefits.

Medical benefits: All insured persons entitled to cash sickness benefits, pensioners, unemployment beneficiaries, recipients of social assistance and allowances, beneficiaries of pensions provided by churches, regular students (if Hungarian citizens), and all dependent family members and children.

Source of Funds

Insured person: 4% of gross earnings.

Self-employed person: 15% of earnings.

Employer: 11% of payroll.

Government: Any deficit. The government reimburses the National Health Insurance Fund for the cost of the child care fee.

All of the above contributions also finance short-term work injury cash benefits and medical benefits for work injuries.

Qualifying Conditions

Cash sickness benefit: Currently insured or a loss of earning capacity due to illness within 3 days after the cessation of insured employment.

If the insured has less than 1 year of continuous insurance, the benefit is reduced in proportion.

Maternity benefit (maternity and confinement allowance): Currently insured or the expected date of childbirth is within 42 days after the cessation of insured employment and the insured has 180 days of insurance during the last 2 years.

Maternity benefit (child care fee): Paid to a father with 180 days of insurance in the 2 years before the birth of his child.

Birth grant: See Family Allowances.

Medical benefits: Provided to the beneficiaries of cash sickness and maternity benefits; family members supported by the insured person; pensioners; beneficiaries of unemployment benefits, social assistance, and allowances; beneficiaries of pensions provided by churches; regular students; and dependent children.

Sickness and Maternity Benefits

Cash sickness benefit: 60% of daily average net earnings in the previous calendar year; 70% with 2 years of continuous employment. The benefit is payable from the first day of

incapacity for up to 1 year (or for the length of the continuous insurance period immediately before the onset of illness, if less).

The employer pays benefits for the first 15 days.

Maternity and confinement allowance: 70% of daily average net earnings in the previous calendar year. In the absence of earnings, the current minimum wage is used. The benefit is payable for the period of maternity leave (4 weeks before and 20 weeks after the expected date of childbirth).

The national minimum wage is 53,000 forints.

Child care fee: Up to a maximum of 83,000 forints a month, until the child is age 2.

Birth grant: See Family Allowances.

Workers' Medical Benefits

Medical benefits are provided directly through the facilities of the public health services in contractual relationship with the health insurance scheme. Benefits include preventive care; general and specialist care, including basic dental care; hospitalization; maternity care; medical rehabilitation; sanatorium care; and ambulance services.

Cost sharing: Copayments for medicines, appliances, dental prosthetics, orthodontic services, and spa treatment.

Life-saving medicines and medicines for maternity and infant care are provided free of charge.

Travel expenses are covered by the health insurance scheme.

There is no limit to duration.

Dependents' Medical Benefits

Same as for the insured person.

Administrative Organization

Ministry of Health, Social, and Family Affairs supervises the program.

National Health Insurance Fund, with county health insurance funds, administers cash sickness and maternity benefits.

Hungarian Tax Authority collects contributions.

Specified health care providers, including private providers contracted by the National Health Insurance Institute, provide medical care.

Work Injury

Regulatory Framework

First laws: 1900 (agriculture) and 1907.

Current law: 1997.

Type of program: Social insurance system.

Coverage

Employees, members of cooperatives, apprentices in industrial training, artisans, the self-employed, independent farmers, artistic performers, and lawyers.

Source of Funds

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

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

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

Government: See source of funds under Old Age, Disability, and Survivors and Sickness and Maternity, above.

Qualifying Conditions

Work injury benefits: There is no minimum qualifying period.

Temporary Disability Benefits

100% of average net earnings is payable from the first day of incapacity for up to 1 year. In some cases, the Medical Experts Institute can extend entitlement to 2 years.

Permanent Disability Benefits

Permanent disability pension: There are three classes of pension: Class I, 100% loss of working capacity and need for permanent care provided by others; Class II, 100% loss of working capacity but no need for permanent care provided by others; and Class III, at least a 67% loss of working capacity. The Class I pension is 70% of monthly average earnings; Class II, 65%; and Class III, 60%.

The minimum pension varies according to pension class.

Work injury allowance: Paid for a permanent disability of more than 15%. The allowance rises in steps from 8% of monthly average earnings with an assessed degree of disability of between 16% and 25% to 30% of monthly average earnings with an assessed degree of disability of between 50% and 66%.

Benefits are limited to 2 years if the loss of working capacity is less than 25%.

Benefit adjustment: Benefits are adjusted annually in January according to the average estimated annual change in consumer prices and in the national net average wage level.

Workers' Medical Benefits

Medical benefits are provided directly to patients through the facilities of the public health services in contractual relationship with the health insurance scheme. Benefits include preventive care; general and specialist care, including basic dental care; hospitalization; medical rehabilitation;

sanatorium care; and ambulance services. Medicines and appliances are free of charge.

Survivor Benefits

Survivor pension: 50% of the insured's pension, payable to a widow(er) who at the time of the spouse's death was at least age 55 (age 60 for a widower), disabled, or caring for two children. A limited pension is paid to other widow(er)s for 1 year only; 18 months in certain cases.

Orphan's pension: 30% of the insured's pension for each orphan under age 16 (age 25 if a student); 60% for a full orphan or an orphan with a disabled surviving parent.

Other eligible survivors (dependent parents and grandparents): 20% of the insured's pension, if disabled or aged 65 or older.

Benefit adjustment: Benefits are adjusted annually in January according to the average estimated annual change in consumer prices and in the national net average wage level.

Administrative Organization

National Health Insurance Fund administers work injury benefits.

Hungarian Tax Authority collects contributions.

National Pension Insurance Directorate administers cash benefits.

Specified health care providers, including private providers contracted by the National Health Insurance Institute, provide medical care.

Unemployment

Regulatory Framework

First law: 1957.

Current law: 1991.

Type of program: Social insurance system.

Coverage

Wage earners and salaried employees.

Source of Funds

Insured person: 1% of gross earnings.

Employer: 3% of payroll.

Government: None.

Qualifying Conditions

Unemployment benefit: Insurance coverage for at least 200 days in the last 4 years. The insured must be involuntarily unemployed, actively seeking employment, and without entitlement to an old-age or disability pension.

Unemployment assistance (means-tested): Paid when entitlement to unemployment benefit ceases.

Unemployment Benefits

65% of the gross average salary of the previous calendar year, for a maximum of 270 calendar days.

The minimum benefit is 90% of the minimum old-age pension (20,880 forints).

The maximum benefit is 1.8 times the minimum old-age pension (41,760 forints).

Unemployment assistance (means-tested): 70% of the minimum old-age pension (16,240 forints).

Administrative Organization

Ministry of Employment and Labor provides general supervision.

State Employment Service administers the program.

Family Allowances

Regulatory Framework

First law: 1938.

Current law: 1998.

Type of program: Universal system.

Coverage

All residents with one or more children.

Source of Funds

Insured person: None.

Employer: None.

Government: Total cost (90% from central government and 10% from local government).

Qualifying Conditions

Family allowances: Child under age 16 (age 20 if a full-time student) or disabled.

Family Allowance Benefits

Family allowances: For the first child, 4,600 forints a month; for two children, 5,600 forints a month per child; and for three or more children, 7,100 forints a month per child.

Family allowances (single parents): For the first child, 5,400 forints a month; for two children, 6,500 forints a month per child; for three or more children, 7,600 forints a month per child.

For families with a child with a long-term illness or serious disability, 12,600 forints a month per child.

For a child in a foster home or living with foster parents, 6,500 forints a month per child.

Child home care allowance: The minimum monthly old-age pension (doubled for twins) is paid up to age 3; until twins begin primary education; up to age 10 if disabled.

Child-rearing support: The minimum monthly old-age pension is paid to parents rearing three or more children. The benefit is paid when the youngest child is age 3 until he or she reaches age 8.

Birth grant: Paid to a mother (or adopting parents) on the condition that the mother completed at least four prenatal examinations. A lump sum equal to 225% of the minimum old-age pension is paid after each birth; 300% for twins.

Income-tested cash and in-kind benefits are provided by local government to bring family income up to a minimum level.

Administrative Organization

Ministry of Health, Social, and Family Affairs provides general supervision.

Regional Directorates of the Hungarian State Treasury pay benefits.

Iceland

Exchange rate: US\$1.00 equals
72.25 Icelandic kronur (IKr).

Old Age, Disability, and Survivors

Regulatory Framework

First laws: 1909 and 1980.

Current laws: 1993 (social security) and 1997 (general pension funds).

Type of program: Universal and mandatory occupational pension system.

Coverage

Universal pension: All residents.

Mandatory occupational pension: All employees and self-employed persons.

Source of Funds

Insured person

Universal pension: None.

Mandatory occupational pension: 4% of wages.

Self-employed person

Universal pension: A social security contribution of 5.64% is imposed on the presumptive income of the self-employed. (Presumptive income is employment income comparable with the remuneration one would receive if similarly employed by an unrelated person.)

Mandatory occupational pension: 10% of earnings.

Employer

Universal pension: A social security contribution of 5.64% is imposed on all remuneration paid for employment. (Contributions also finance maternity/paternity, work injury, and unemployment benefits.)

Mandatory occupational pension: 6% of employee's wages.

Government

Universal pension: Remaining costs.

Mandatory occupational pension: None.

Qualifying Conditions

Old-age pension

Universal pension: Age 67 with a minimum 3 years' residency in Iceland between ages 16 and 66 (40 years' residency for a full pension) and annual income below a certain ceiling.

The pension is payable abroad under reciprocal agreement.

Mandatory occupational pension: Age 67 for private-sector employees and age 65 for public-sector employees.

Disability pension

Universal pension: Between ages 16 and 66 with 3 years' residency in Iceland before the claim to benefit, a permanent disability assessed at a minimum of 75% as a result of a medically recognized disease or disability, and annual income below a certain ceiling.

The pension is payable abroad under reciprocal agreement.

Mandatory occupational pension: The loss of 50% or more of earning capacity, at least 2 years' contributions, and a loss of income due to the reduction in earning capacity.

Survivor pension

Universal pension: A child pension is payable to an orphan, or to a parent, with 3 years' residency in Iceland.

Mandatory occupational pension: The surviving spouse pension and orphan's pension are paid if the insured contributed for at least 24 of the 36 months before death or was receiving an old-age or disability pension at the time of death. Eligible orphans are defined as children up to age 18.

Old-Age Benefits

Old-age pension

Universal pension: The basic pension for a single person is IKr 21,249 a month. The benefit is reduced when annual income exceeds IKr 1,716,020 and ceases when income exceeds IKr 2,565,980.

Pension supplement: The supplement for a single person is IKr 41,655 a month. The supplement is reduced when annual income exceeds IKr 550,656 and ceases when income exceeds IKr 1,661,456.

Additional pension supplement: The additional pension supplement for a single person is IKr 20,540 a month. The supplement is reduced if the insured has other income and ceases when annual income exceeds IKr 547,733.

The maximum pension is awarded for 40 years' residency; the pension is reduced in proportion to the number of years of residency less than 40 (for example, 3 years' residency gives entitlement to 3/40 of the full amount).

Different amounts apply for married or cohabiting couples.

Supplement for children: IKr 16,025 a month for each child under age 18.

Other means-tested allowances: Means-tested allowances contribute toward certain living expenses such as housing and medicine costs.

Benefit adjustment: Benefits are adjusted annually according to the current state budget for changes in wage trends and are adjusted at least to the cost-of-living index.

Mandatory occupational pension: A minimum pension of at least 56% of lifetime average salary is paid for a contribution

period of 40 years (equivalent to 1.4% of average lifetime salary per contribution year) and is paid for life.

Benefit adjustment: Benefits must be, at a minimum, indexed to the consumer price index.

Permanent Disability Benefits

Disability pension

Universal pension: The basic pension for a single person is IKr 21,249 a month. The pension is reduced when annual income exceeds IKr 1,748,655 and ceases when income exceeds IKr 2,768,608.

Pension supplement: The pension supplement for a single person is IKr 42,678 a month. The supplement is reduced when annual income exceeds IKr 568,574 and ceases when income exceeds IKr 1,706,653.

Additional pension supplement: The additional supplement for a single person is IKr 20,540 a month. The additional supplement is reduced if the insured has other income and ceases when annual income exceeds IKr 547,733.

Age-related pension supplement: The age-related pension supplement for a single person is from a minimum of IKr 3,828 to a maximum of IKr 254,988 a year depending on the insured's age when entitlement to a disability pension was first established.

Invalidity allowance: IKr 15,937 a month is payable for an assessed degree of disability of 50% to 74%.

The maximum pension is awarded for 40 years' residency, with coverage projected up to age 67; the pension is reduced in proportion to the number of years of residency less than 40 (for example, 3 years' residency gives entitlement to 3/40 of the full amount).

Different amounts apply for married or cohabiting couples.

Supplement for children: IKr 16,025 a month for each child under age 18; this amount is doubled if both parents are disabled.

Other means-tested allowances: Means-tested allowances contribute toward certain living expenses such as housing and medicine costs.

Benefit adjustment: Benefits are adjusted annually according to the current state budget for changes in wage trends and are adjusted at least to the cost-of-living index.

Mandatory occupational pension: The pension is calculated according to the assessed degree of disability and fund regulations.

Supplement for children: IKr 7,294 a month per child for active members.

Benefit adjustment: Benefits are indexed to the consumer price index.

Survivor Benefits

Survivor pension

Universal pension: The pension is IKr 16,025 a month for each orphan under age 18. The pension is doubled for full orphans.

Benefit adjustment: Benefits are adjusted annually according to the current state budget for changes in wage trends and are adjusted at least to the cost-of-living index.

Occupational mandatory survivor pension: The insured must have been receiving a pension from the fund at the time of death or have paid contributions for a certain period before death. The survivor pension is equal to 50% of the potential disability pension to which the pension fund member would have been entitled in the case of full disability. The pension is paid for 24 months; there is no time limit for a spouse supporting a child under age 18 or for a spouse who is at least 50% disabled and under age 67.

Occupational mandatory orphan's pension: Pensions are paid to orphans up to age 18. Different amounts apply for the orphan of an old-age pensioner and the orphan of a disability pensioner.

Benefit adjustment: Benefits are indexed to the consumer price index.

Administrative Organization

Universal pensions: Ministry of Health and Social Security provides general supervision.

State Social Security Institute administers the programs through local offices.

Mandatory occupational pensions: Ministry of Finance provides general supervision.

Administration is provided by 56 independent pension funds.

Sickness and Maternity

Regulatory Framework

First laws: 1936 (social security), 1975 (maternity leave and benefits), and 1973 (health service).

Current laws: 1993 (social security), 2000 (maternity/paternity leave and benefits), and 1990 (health service).

Type of program: Universal and social insurance system.

Coverage

Cash sickness benefit: Employed and self-employed residents.

Cash maternity benefits: Employed and self-employed persons and resident parents.

Medical benefits: All residents.

Source of Funds

Insured person: None.

Employer: None for cash sickness and medical benefits. See source of funds for the universal pension under Old Age, Disability, and Survivors, above, for cash maternity/paternity benefits.

Government: Total cost of cash sickness and medical benefits. Remaining costs for cash maternity/paternity benefits.

Qualifying Conditions

Sickness benefits: Aged 16 or older, not receiving old-age or disability benefits, incapacity for work due to sickness for at least 21 days, and gainful employment in Iceland has ceased.

Maternity benefits: For both parents, active participation in the domestic labor market for 6 consecutive months before the first day of parental leave.

Maternity/paternity grants: Twelve months' residency before the expected date of childbirth for new residents.

Medical benefits: Six months' residency for new residents.

Sickness and Maternity Benefits

Sickness benefit: A statutory minimum of IKr 846 a day for persons who have to give up full-time gainful employment; IKr 423 for persons who have to give up at least half-time employment. The benefit is payable after a 15-day waiting period provided that the incapacity has lasted at least 21 days and income has ceased. The duration of benefits is 52 weeks in any one 24-month period.

Daily supplement for dependent children: A supplement of IKr 231 is awarded for each child under age 18.

Collective agreements provide for the continued payment of wages and salaries for a certain period (depending on agreements), in which case cash benefits are not granted until wages have ceased.

Maternity benefits: Parental benefit entitlements exist for both parents. For employees and the self-employed, the benefit is 80% of the insured's average wage or income during a 12-month consecutive period ending 2 months before the first day of the parental leave.

The minimum benefit if the insured is part-time employed (between 25% and 49%) is IKr 62,121; if employed between 50% and 100%, the minimum benefit is IKr 86,096.

Maternity/paternity grants: The award for parents in less than 25% employment or who are nonactive is IKr 40,409 a month. The grant for a parent attending a full-time education program is IKr 91,200 a month.

Workers' Medical Benefits

A minimum fee is necessary for a doctor's consultation. Inpatient treatment in a public hospital is free of charge. Free

medicine is provided for some chronic diseases; for other medicines, the insured pays a minimum fee. Inpatient care in a maternity ward is free of charge. A minimum fee is paid for X-rays and travel costs. Children up to age 15 receive a 75% refund for dental care, children age 16 receive a 50% refund, and pensioners receive a 50% to 100% refund (subject to an income test).

Dependents' Medical Benefits

Same as for the family head.

Administrative Organization

Ministry of Health and Social Security and Ministry of Social Affairs provide general supervision.

State Social Security Institute administers the programs through local offices.

Work Injury

Regulatory Framework

First law: 1925.

Current law: 1993 (social security).

Type of program: Social insurance system.

Coverage

Employed and self-employed persons, apprentices, persons engaged in rescue operations, and athletes participating in organized athletic activities.

Source of Funds

Insured person: None.

Employer: See source of funds for the universal pension under Old Age, Disability, and Survivors, above.

Government: None.

Qualifying Conditions

Work injury benefits: There is no minimum qualifying period.

Temporary Disability Benefits

A daily cash benefit of IKr 1,038. The benefit is payable after a 7-day waiting period for up to 52 weeks.

Dependent supplement: IKr 222 for each dependent child under age 18.

The maximum benefit is 75% of earnings.

Collective agreements provide for the continued payment of wages and salaries for a certain period (depending on agreements), in which case cash benefits are not granted until wages have ceased.

Permanent Disability Benefits

Permanent disability pension: IKr 254,988 a year if assessed as at least 75% disabled. For individuals who are 50% or more disabled, the award is 50% of the full pension increasing by 2% for each additional degree of assessed disability up to a level of 75% disability. If 10% to 49% disabled, a lump sum is awarded in proportion to the assessed degree of disability.

Pension supplement: A supplement of IKr 512,136 a year plus an additional pension supplement of IKr 246,480 a year and an age-related pension supplement from a minimum of IKr 3,828 to a maximum of IKr 254,988 a year (see permanent disability benefits under Old Age, Disability, and Survivors, above).

Child's supplement: IKr 16,025 a month for each child under age 18 maintained by the beneficiary at the time of the injury. If the disability is assessed at 75% or more, a supplement is also paid for children maintained by the beneficiary beyond age 18.

Other means-tested allowances: Means-tested allowances contribute toward certain living expenses such as housing and medicine costs.

Workers' Medical Benefits

All necessary care is provided, including specialist services and hospitalization.

Survivor Benefits

Survivor pension: If an injury results in death within 2 years of when the injury occurred, the surviving spouse receives IKr 24,040 a month for 8 years.

Orphan's pension: IKr 16,025 a month for each orphan under age 18; the pension is doubled for full orphans. Children older than age 16 who, because of a disability, were supported by the deceased when the injury occurred receive a benefit of between IKr 300,421 and IKr 901,263, depending on the degree of necessary support.

A lump-sum payment of IKr 420,592 is paid to the deceased's surviving children when there are no other surviving relatives or, otherwise, to the estate.

Administrative Organization

Ministry of Health and Social Security provides general supervision.

State Social Security Institute administers benefits through local offices.

Unemployment

Regulatory Framework

First law: 1956.

Current law: 1997.

Type of program: Social insurance system.

Coverage

Employed persons and covered self-employed persons.

Source of Funds

Insured person: None.

Employer: See source of funds for the universal pension under Old Age, Disability, and Survivors, above.

Government: None.

Qualifying Conditions

Unemployment benefits: Aged 16 to 69 and resident in Iceland, with a minimum of 10 weeks of insurable and full employment in the previous 12 months. Must be registered at an employment office and actively seeking, and available for, work. The insured must have been unemployed for at least 3 days before registration. For continuing entitlement, the insured must register every 2 weeks at the employment agency.

Unemployment Benefits

The maximum benefit is IKr 3,681 a day. The minimum benefit, after 10 weeks of full employment, is IKr 920 a day. Benefits are reduced proportionally in cases of part-time work.

Daily supplement for children: A supplement equal to 4% of the full benefit is paid for each child under age 18.

Administrative Organization

Ministry of Social Affairs provides general supervision.

Directorate of Labor administers the Unemployment Insurance Fund and the employment agencies.

Family Allowances

Regulatory Framework

First law: 1946.

Current law: 1981 (income tax and net wealth tax).

Type of program: Universal system.

Coverage

Resident children and parents or persons responsible for the support of the children.

Source of Funds

Insured person: None.

Employer: None.

Government: Total cost.

Qualifying Conditions

Child must be under age 16 and resident in Iceland and supported by those who are subject to unlimited tax liability in Iceland according to the tax law.

Family Allowance Benefits

Child benefit: The benefit is assessed and paid on the basis of the previous year's income. Advance payments are made on the first day of February and the first day of May each year.

The annual child benefit award in 2004 is IKr 36,308 for children under age 7 at the end of the 2003 income year.

Supplement: In addition, married parents or cohabiting parents receive a supplement of IKr 123,254 for the first child and IKr 146,713 for the second child and additional children. Single parents receive a supplement of IKr 205,288 for the first child and IKr 210,584 for the second child and additional children.

The benefits are granted as a tax reduction. Benefits are reduced according to certain rules when taxable income exceeds IKr 1,444,139 (married and cohabiting parents) or IKr 722,070 (single parents).

Administrative Organization

Ministry of Finance provides general supervision.

Tax authorities administer benefits in the form of a tax reduction.

Ireland

Exchange rate: US\$1.00 equals 0.80 euros (€).

Old Age, Disability, and Survivors

Regulatory Framework

First laws: 1908 (old-age assistance), 1911 (disability insurance), and 1935 (survivor insurance).

Current law: 1993 (consolidated legislation), with amendments.

Type of program: Social insurance and social assistance system.

Coverage

Employed persons aged 16 to 65 with €38 or more in weekly covered earnings.

Self-employed persons with annual earnings of €3,174 or more are covered for contributory old-age and survivor benefits.

Exclusions: Part-time employees earning less than €38 a week; public servants who were permanent and pensionable before April 6, 1995; and casual domestic workers.

Source of Funds

Insured person: No contributions are made if weekly earnings are €287 or less; for weekly earnings of €356 or less, no contributions are made for the first €127, with 4% paid on the remaining balance of covered weekly earnings.

If annual earnings are €2,160 or less and weekly earnings are higher than €356, 2% of the first €127 and 6% of the remaining balance; if the insured has a means-tested medical card or receives specified benefits or allowances, no contributions are made for the first €127, with 4% paid on the remaining balance of weekly earnings.

All of the insured's contributions also finance cash sickness, maternity, work injury, unemployment, and adoptive benefits.

Self-employed person: For annual income of €18,512 or less, 3% of gross income; for annual income greater than €18,512, 5% of gross income.

All of the self-employed person's contributions also finance cash maternity and adoptive benefits.

Employer: For employees with weekly earnings of €356 or less, 8.5% of wages; for employees with weekly earnings higher than €356, 10.75% of wages.

There is no ceiling for contribution purposes for employers.

All of the employer's contributions also finance cash sickness, maternity, work injury, unemployment, and adoptive benefits.

Government: Any deficit and the total cost of means-tested allowances.

Qualifying Conditions

Old-age contributory pension: Age 66 with social insurance coverage beginning before age 56. To qualify for the maximum pension, the insured must have 260 weeks of paid contributions, with an annual average of at least 48 weeks of paid or credited contributions (from April 5, 1979, to the end of the last tax year) before reaching age 66; for the minimum pension, the insured must have an annual average of at least 10 weeks paid or credited contributions and a total of 260 weeks of paid contributions overall (beginning from 1953 or the date of entry into insurable employment, whichever is later, up to the end of the last tax year) before reaching age 66. There is no retirement test.

There is also a special provision as of May 5, 2000, for persons who were contributors before 1953 and who have at least 260 weeks of paid contributions.

Any years since 1994 spent caring for children under age 12 (or disabled of any age) are disregarded when calculating the annual contribution.

Retirement pension: Age 65. The contribution conditions are the same as under the old-age contributory pension, except the insured must have at least 24 weeks of paid or credited contributions rather than 10 to receive the minimum pension. The insured must be retired from employment or self-employment, unless earning less than €38 a week from employment; €3,174 a year from self-employment.

Carer's benefit: Aged 16 or older and under age 65 or age 66 and having left the workforce to care for a person in need of full-time care and attention. The carer must not be employed or self-employed for more than 10 hours a week outside the home. The carer must have 156 paid contributions with 39 paid in the relevant tax year or 39 paid in 12 months before applying or 26 paid in the relevant tax year with 26 paid in the relevant tax year prior to that.

Credited contributions that count toward the qualifying conditions for certain benefits are awarded if an individual is receiving cash benefits for sickness, maternity, permanent disability, unemployment, work injury, or the retirement pension.

Contributory benefits are payable abroad. The carer's benefit is not payable abroad.

Old-age noncontributory pension (means-tested): Residents with limited means aged 66 or older.

Preretirement allowance (means-tested): Residents with limited means and aged 55 to 65 who have opted to retire from the labor force.

Carer's allowance (means-tested): Residents with limited means, aged 18 or older, who are living with and caring for people requiring full-time care and attention. The carer may work for up to 10 hours a week but must not be receiving any other benefits.

Disability pension (invalidity pension): Permanent incapacity for work. The benefit is payable after 1 year's ordinary sickness benefit (or less than 1 year for a severe incapacity).

The insured must have 260 weeks of paid contributions with 48 weeks paid or credited in the last tax year.

Blind person's pension (means-tested): Residents with severely reduced vision, of limited means, and aged 18 or older.

Disability allowance (means-tested): Residents with limited means, aged 16 to 66, physically or mentally disabled, and substantially handicapped in the undertaking of suitable work.

Widow(er)'s contributory pension: The deceased insured or the spouse has paid 156 weeks of contributions and meets either of the following conditions:

1. Must have an annual average of 39 weeks of paid or credited contributions in either the last 3 or the last 5 fiscal years prior to the date the spouse died or attained age 66; or
2. To receive the minimum pension, must have an annual average of at least 24 weeks of paid or credited contributions since entry into insured employment; for the maximum pension, must have an annual average of 48 weeks of paid or credited contributions.

Orphan's contributory allowance: Both parents are deceased; one parent is deceased or unknown or has abandoned/refused/failed to provide for the child and the other parent is unknown or has abandoned/refused/failed to provide for the child, plus 26 weeks of contributions paid by a parent or stepparent.

Bereavement grant: Payable on the death of an insured person, the insured's spouse, the surviving spouse of an insured person, or the insured's child (under age 18). The deceased, surviving spouse, or parent had 26 weeks of paid contributions since starting work and either 39 contributions paid or credited in the relevant tax year or an annual average of 39 contributions paid or credited over the 3 or 5 tax years before age 66 or the date of death.

Widowed parent's grant: Payable to a widow(er) who is entitled to certain benefits with at least one qualified child and who was widowed on or after December 1, 1999.

Widow(er)'s noncontributory pension (means-tested): Widowed residents with limited means who are not cohabiting.

Orphan's noncontributory pension (means-tested): Orphaned residents with limited means. Both parents must be deceased; one parent is deceased or unknown or has abandoned/refused/failed to provide for the child and the other parent is unknown or has abandoned/refused/failed to provide for the child.

Old-Age Benefits

Old-age contributory pension: The maximum pension is €67.30 a week.

Partial pension: The pension is reduced if the annual average number of contributions is less than 48 weeks.

Qualified adult supplement: The maximum supplement is €11.50 a week for a qualified adult and €129.20 if aged 66 or older (these rates are reduced if the pensioner is receiving less than the maximum personal rate or if the qualified adult has

earnings or income between €88.88 and €10 a week; no supplement is paid if the qualified adult has earnings or income over €10 a week), plus €19.30 a week for each dependent child; €9.65 if there is no qualified adult.

Retirement pension: The maximum pension is €67.30 a week.

Partial pension: The pension is reduced if the annual average number of contributions is less than 48 weeks.

Carer's benefit: €149.70 a week, plus €6.80 for a child dependent or €8.40 per child for carers living with their spouse or partner or €24.60 if caring for more than one person.

Old-age noncontributory pension (means-tested): Up to €54 a week depending on a means test, plus up to €101.80 for a qualified adult and €6.80 for each child dependent; €8.40 if there is no qualified adult.

Preretirement allowance (means-tested): Up to €34.80 a week depending on a means test, plus up to €9.40 for a qualified adult and €6.80 for each child dependent (€8.40 if there is no qualified adult).

Special allowances: For a single pensioner aged 66 or older who lives alone, €7.70 a week; for a pensioner aged 80 or older, €6.40 a week; for a pensioner aged 66 or older and living on certain offshore islands, €2.70 a week.

Carer's allowance (means-tested): Up to €39.60 a week; €57.80 a week if aged 66 or older. An additional 50% is payable if the carer is caring for two persons. An additional €6.80 is payable for each child dependent; €8.40 per child if the carer is living with his or her spouse or partner.

Permanent Disability Benefits

Disability pension (invalidity pension): €140.30 a week; €67.30 a week if aged 65 or older.

Dependent supplement: €100.10 a week for a qualified adult (€129.20 if aged 66 or older), plus €19.30 a week for each dependent child under age 18; €9.70 if there is no qualified adult.

Blind person's pension (means-tested): Up to €34.80 a week (€54 if aged 66 or older), plus €9.40 a week for a qualified adult; €101.80 if aged 66 or older.

Special allowances: €7.70 a week for a single pensioner aged 66 or older living alone; €6.40 a week for a pensioner aged 80 or older; €2.70 a week for a pensioner aged 66 or older and living on certain offshore islands.

Disability allowance (means-tested): Up to €34.80 a week, plus €9.40 a week for a qualified adult and €6.80 for each dependent child; €8.40 if there is no qualified adult.

Survivor Benefits

Widow(er)'s contributory pension: Up to €40.30 a week; €67.30 if aged 66 or older.

Partial pension: The pension is reduced if the insured's average annual number of contributions was less than 48 weeks but more than 24.

Dependent supplement: €1.60 for each dependent child.

Widowed parents who do not qualify for the contributory pension may be entitled to the one-parent family payment (see Family Allowances, below).

Orphan's contributory allowance: €107 a week per orphan.

Bereavement grant: A lump sum of up to €35.

Widowed parent's grant: A lump sum of €2,700.

Widow(er)'s noncontributory pension (means-tested): Up to €34.80 a week; €154 if aged 66 or older.

Special allowances: €7.70 a week for a single pensioner aged 66 or older; €6.40 a week for a pensioner aged 80 or older.

Orphan's noncontributory pension (means-tested): Up to €107 a week depending on a means test.

Administrative Organization

Department of Social and Family Affairs administers the program.

Revenue Commissioners collect contributions for the majority of insured persons.

Sickness and Maternity

Regulatory Framework

First law: 1911.

Current law: 1993 (consolidated legislation), with amendments.

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

Coverage

Cash sickness and maternity benefits: Employees under age 66.

Cash maternity benefits only: The self-employed.

Exclusions: Part-time employees earning less than €38 a week; public servants who were permanent and eligible for a pension before April 6, 1995; and casual domestic workers.

Medical benefits: 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

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

Medical benefits: Total cost for low-income residents and part of the cost for the remainder of the population.

Qualifying Conditions

Cash sickness benefit (disability benefit): Under age 66 with 39 weeks (52 weeks from April 2004) of paid contributions, including 39 weeks paid or credited in the last year (of which 13 are paid contribution weeks, unless the insured was receiving the long-term unemployment assistance or preretirement allowance immediately before claiming benefits); 260 contribution weeks are required for benefits to be paid beyond 1 year.

Cash maternity benefit: In covered employment at least 14 weeks before the expected date of childbirth with 39 weeks of paid contributions in the 12-month period immediately before maternity leave or a total of 39 weeks of paid contributions with 39 weeks paid or credited in the relevant tax year (self-employed women must have 52 weeks paid contributions in the relevant tax year or in the tax year before or immediately after the relevant tax year). A claimant may also qualify if she has 26 weeks of paid contributions in the last fiscal year and 26 paid contributions in the prior year.

Health and safety benefit: Paid to pregnant workers, to workers who have recently given birth and are breastfeeding, or to those who are unable to continue working because of an unavoidable risk to their health and safety arising at the workplace and who satisfy the relevant social insurance contributions.

Night workers are also entitled to this payment for the duration of pregnancy and for a period following childbirth during which no alternative (daytime) work is available.

Medical benefits: Full eligibility for medical-card holders (low-income residents and residents over age 70); limited eligibility for those with moderate and high income.

Sickness and Maternity Benefits

Sickness benefit (disability benefit): Up to €34.80 a week, depending on weekly income. The benefit is payable after a 3-day waiting period for up to 52 weeks; may be extended if contribution weeks total 260 or more.

Dependent supplement: Up to €9.40 for a qualified adult; €6.80 for each child dependent; €8.40 if there is no qualified adult.

Maternity benefit: Employed women receive 70% of weekly earnings for 18 weeks, including at least 4 weeks (up to 10 weeks) before the expected date of childbirth.

The minimum benefit is €151.60 a week.

The maximum benefit is €32.40 a week.

Health and safety benefit: Up to €34.80 a week, depending on the level of earnings. The first 21 days are paid by the employer. The benefit is payable until the insured becomes eligible for maternity benefit; for 14 weeks following the birth if the mother is involved in night work; or for 26 weeks following childbirth if breastfeeding.

Dependent allowance: Up to €9.40 a week for a qualified adult dependent; €6.80 for each child dependent; €8.40 if there is no qualified adult.

Workers' Medical Benefits

All services are provided free in public clinics and hospital wards to medical-card holders (means-tested except for those older than age 70); partial cost sharing for the remainder of the population.

Benefits include outpatient and inpatient care; specialist and laboratory services; maternity and infant care; and optical, dental, and hearing treatment. Free prescription drugs are available to medical-card holders; there is partial cost sharing for those without a medical card.

Patients without a medical card receive hospital outpatient services free of charge; a fee of €45 applies only to a first visit for an accident or emergency that is not referred by a general practitioner. Inpatient care is €45 a night, subject to a maximum of €450 in any 12 consecutive months.

Dependents' Medical Benefits

All services are provided free in public clinics and hospital wards to medical-card holders (means-tested except for those older than age 70); partial cost sharing for the remainder of the population.

Benefits include outpatient and inpatient care; specialist and laboratory services; maternity and infant care; and optical, dental, and hearing treatment. Free prescription drugs are available to medical-card holders; there is partial cost sharing for those without a medical card.

Patients without a medical card receive hospital outpatient services free of charge; a fee of €45 applies only to a first visit for an accident or emergency that is not referred by a general practitioner. Inpatient care is €45 a night, subject to a maximum of €450 in any 12 consecutive months.

Administrative Organization

Cash benefits: Department of Social and Family Affairs administers benefits.

Medical benefits: Department of Health and Children administers services and benefits through eight regional health boards.

Regional health boards provide services through their own institutions, clinics, and dispensaries, or elsewhere by arrangement.

Optical, dental, and hearing treatment services are provided with cost-sharing arrangements by private practitioners on behalf of the Department of Social and Family Affairs.

Work Injury

Regulatory Framework

First law: 1897 (workmen's compensation act).

Current law: 1993 (consolidated legislation), with amendments.

Type of program: Social insurance system.

Coverage

Employed persons.

Exclusions: Self-employed persons, domestic workers, and members of the security and defense forces.

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: Any deficit for private-sector employees and the total cost for public-sector employees.

Qualifying Conditions

Work injury benefit: An injury sustained in the course of, and arising out of, covered employment or the contraction of an occupational disease. There is no minimum qualifying period.

Temporary Disability Benefits

Injury benefit: €134.80 a week is payable after a 3-day waiting period for up to 26 weeks starting from the onset of the accident or disease. (Disability benefit may be paid after 26 weeks, see cash sickness benefit under Sickness and Maternity, above).

Dependent supplement: €89.40 a week for a qualified adult and €16.80 a week for each dependent child; €8.40 if there is no qualified adult.

Permanent Disability Benefits

Disablement benefit: €165.90 a week if assessed as over 90% disabled.

Partial disability: From 20% to 90% disabled, the benefit is reduced in proportion to the assessed degree of disability; if less than 20% disabled, a lump sum up to a maximum of €11,610 is paid depending on the assessed degree of disability.

Unemployability supplement: €134.80 a week if the insured is not eligible for disability benefit (see cash sickness benefits under Sickness and Maternity, above) and is permanently incapable of work.

Dependent supplement: €89.40 a week for a qualified adult and €16.80 a week for each dependent child; €8.40 if there is no qualified adult.

Constant-attendance supplement: Up to €49.70 a week.

Workers' Medical Benefits

Same as the general medical benefits provided under Sickness and Maternity, above, plus all necessary medical care and transportation not covered under general medical benefits.

Survivor Benefits

Survivor pension: €163.60 a week is paid to a widow or dependent disabled widower under age 65 (€171.70 if aged 66 or older), plus €21.60 for each dependent child.

Special allowance for a survivor living alone: €7.70 a week if aged 66 or older; €6.40 a week if aged 80 or older.

Orphan's pension: €109.90 a week for each child.

Dependent parents: If the insured was single, €163.60 a week to the first parent; €79.10 a week to the other parent. If the insured person was married, €79.10 a week to each parent.

Funeral grant: A lump sum of €35.

Administrative Organization

Department of Social and Family Affairs administers cash benefits.

Department of Health and Children administers medical services and benefits through eight regional health boards.

Unemployment

Regulatory Framework

First law: 1911.

Current law: 1993 (consolidated legislation), with amendments.

Type of program: Social insurance and social assistance system.

Coverage

Employees under age 66.

Exclusions: Certain part-time employees; self-employed persons; public servants who were permanent and pensionable before April 6, 1995; and casual domestic workers.

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: Any deficit and the total cost of means-tested assistance.

The maximum annual earnings for contribution purposes are €2,160.

Qualifying Conditions

Unemployment benefit: Aged 16 to 65, unemployed for at least 3 days in 6 consecutive days, and with 39 weeks of paid contributions including 39 weeks paid or credited in the last tax year or at least 26 contributions paid in each of the last 2 complete contribution years before the beginning of the

benefit year for which benefit is claimed. The applicant must be available for, and capable of, work and be registered at a Social Welfare Local Office.

Unemployment assistance (means-tested): Resident with limited means, aged 18 to 65, unemployed for at least 3 days in 6 consecutive days, and not eligible for unemployment benefit. The applicant must be available for, and capable of, work and be registered at a Social Welfare Local Office.

Unemployment must not be due to voluntary leaving, misconduct, refusal of a suitable job offer (disqualification for up to 9 weeks for any offense), or a trade union dispute (disqualification for the duration of dispute).

Unemployment Benefits

The maximum benefit is €34.80 a week, payable for up to 15 months (156 days if under age 18; 156 weeks if aged 65 or older).

Dependent supplement: €89.40 a week for a qualified adult and €6.80 a week for a dependent child; €8.40 if there is no qualified adult.

Unemployment assistance (means-tested): Up to €34.80 a week.

Dependent supplement: €89.40 a week for a qualified adult and €6.80 a week for a dependent child; €8.40 if there is no qualified adult.

Administrative Organization

Department of Social and Family Affairs administers the program through its local offices.

Family Allowances

Regulatory Framework

First laws: 1944 (child benefit), 1984 (family income support), 1990 (single parent's allowance), and 1996 (one-parent family payment).

Current law: 1993 (consolidated legislation), with amendments.

Type of program: Universal and social assistance system.

Coverage

Residents with one or more children.

Source of Funds

Insured person: None (except the contribution for adoptive benefit that is included in the contribution to Old Age, Disability, and Survivors, above).

Employer: None (except the contribution for adoptive benefit that is included in the contribution for Old Age, Disability, and Survivors, above).

Government: Total cost (except for the cost of adoptive benefit).

Qualifying Conditions

Child benefit: For a child under age 16 (under age 19 if a student or disabled).

One-parent family payment (means- and earnings-tested): Paid to a single noncohabiting parent with limited means and earnings of €93 or less a week who has at least one dependent child.

Widowed parent's grant: Payable on the death of a spouse to a person widowed on or after December 1, 1999, who is entitled to the one-parent family payment.

Adoptive benefit: The insured has 39 weeks of paid contributions in the 12-month period immediately before the placement date of the adoptive child or a total of 39 weeks of paid contributions with 39 weeks paid or credited in the last fiscal year (self-employed persons must have 52 weeks of paid contributions in either of the last 2 fiscal years).

Family income supplement (income-tested): Parents with at least one child under age 18 (aged 18 to 22 if in full-time education), who are in full-time employment (at least 19 hours a week or 38 hours every 2 weeks), and who have an average weekly joint income below €407 for one child, €433 for two children (the income threshold increment is €25 each for the third and fourth child, €32 for the fifth child, €26 for the sixth child, €21 for the seventh child, and €22 in the case of a family with eight or more children).

The benefit is payable for 52 weeks while employed.

The benefit is not affected by changes in family income or short periods of illness.

Family Allowance Benefits

Child benefit: €125.60 a month for the first and second child; €157.30 a month for the third and each additional child. For twins, the child benefit is payable at one and a half times the monthly rate for each child. For the birth of triplets or more, the benefit is doubled for each child.

Multiple birth grant: €635 for each child.

One-parent family payment (means- and earnings-tested): Up to €34.80 a week (€154 if aged 66 or older).

Dependent supplement: €9.30 for each child dependent.

Special allowance: €6.40 a week for a pensioner aged 80 or older.

Widowed parent's grant: A one-time payment of €2,500.

Adoptive benefit: 70% of weekly earnings is payable for 10 weeks. The minimum benefit is €151.60. The maximum benefit is €32.40 a week.

Family income supplement (income-tested): 60% of the difference between family income and the applicable income threshold, depending on the number of children. The minimum

supplement is €20 a week. The supplement is payable for 52 weeks while the parent or parents are employed.

Administrative Organization

Department of Social and Family Affairs administers allowances. Payments are made at post offices on behalf of the department or by electronic funds transfer.

Isle of Man

Exchange rate: US\$1.00 equals 0.56 pounds (£).

Old Age, Disability, and Survivors

Regulatory Framework

First law: 1948.

Current laws: 1992 (consolidated legislation) and 1995 (pensions).

Type of program: Social insurance and social assistance system.

Coverage

Basic state retirement pension and State Second Pension (S2P): Mandatory for employed persons at or above the lower earnings limit for national insurance contributions (£77 per week) and for self-employed persons with net annual income of £4,095 or more. Also available to nonemployed persons who choose to pay voluntary contributions.

Additional pension (earnings-related): For employed earners who have earnings at or above the lower earnings limit and who are contracted into the State Earnings-Related Pension Scheme (SERPS) between 1978 and April 2002 and/or the Scheme's successor, the State Second Pension Scheme (S2P), from April 6, 2002. Employed earners can be contracted out of SERPS/S2P if their employer is contributing to an approved pension scheme or if the contributor is a member of an appropriate personal pension scheme, in which case their contributions count only toward the basic state retirement pension.

Source of Funds

Insured person: 10% of weekly earnings between £89 and £595 (certain married women and widows pay only 3.85%); if contracted out of S2P, 8.4%. The insured's contributions also finance benefits for sickness and maternity, work injury, and unemployment.

Self-employed person: Flat rate of £2 a week, plus 8% of net income between £4,615 and £30,940 a year. Self-employed contributions cover all benefits except the jobseeker's allowance (social insurance) and the additional pension under S2P.

Voluntary contributor: Flat rate of £6.95 a week. Contributions cover only the flat-rate basic state retirement pension and bereavement benefits.

A percentage of all of the above contributions is allocated to the Health Services Division of the Department of Health and Social Security to assist with the costs of health care provision, the rest of which are met by the government.

Employer: 12.8% of the employee's weekly earnings over £89. If contracted out of S2P, between 9.3% and 11.8% of weekly earnings over £89, depending on the type of contracted-out scheme. The employer's contributions also finance benefits for sickness and maternity, work injury, and unemployment.

Government: Total cost of means-tested allowances and other noncontributory benefits, and most of the expense of health care, through the Health Services Division.

Qualifying Conditions

Old-age pension: Age 65 (men) or age 60 (women); the state retirement age for women will rise gradually to age 65 between 2010 and 2020.

Basic state retirement pension (flat-rate): To qualify for a full pension, contributions must have been paid or credited for approximately 90% of years in the working life. Reduced coverage results in a proportionately reduced pension. For years before April 1975, 50 weeks of contributions. For tax years April 1975 to April 1978, contributions are based on earnings of at least 50 times the lower earnings level. Since April 1978, contributions are based on 52 times the lower earnings level. If contributions (paid or credited) cover less than 25% of years in the working life, the basic state retirement pension is not payable.

Deferred pension: The pension can be deferred until age 70 (men) or age 65 (women), subject to a minimum deferral period of 7 weeks.

SERPS/S2P: Employee's contributions paid on earnings between the lower and upper earnings limit in any tax year from 1978.

Old person's pension (noncontributory retirement pension): Aged 80 and ineligible for the contributory pension of £46.35 a week. Ordinarily resident in Isle of Man, and resident in Isle of Man or the UK for 10 years in any consecutive 20-year period after age 60.

Retirement pension premium: Over age 75, ordinarily resident in Isle of Man and qualifies for or receives a retirement pension. At least 10 years of contributions paid on Isle of Man.

Pension supplement: Over age 45, ordinarily resident in Isle of Man, at least 10 years of contributions paid in Isle of Man, and entitled to one of the following: retirement pension; the basic pension in a widowed mother's allowance, widowed parent's allowance, widow's pension, or long-term incapacity benefit.

Long-term incapacity benefit: Men (under age 65) and women (under age 60) who are unable to work because of illness or disability. Contributions paid on earnings of at least 25 times the lower earnings level in any one of 3 complete tax years (April to March) before the start of the benefit year (January to December), plus contributions paid or credited on earnings of at least 50 times the weekly lower earnings level in each of the 2 complete tax years before the start of the benefit year in which the claim is made. The benefit is payable after

52 weeks of incapacity for work (as determined by a medical test), or after 28 weeks if terminally ill or receiving the highest-rate care component of disability living allowance.

An age-related supplement is provided if disability begins before age 45 and the insured is ordinarily resident in the Isle of Man.

Disability living allowance (noncontributory, no means test): Disability begins before age 65, payable after 3 months of disability. Present in Isle of Man at time of claim and ordinarily resident. Present in Isle of Man or the UK for 6 of the 12 preceding months. The allowance comprises two components: the care component for people who need help with personal care, and the mobility component for people who are unable to walk, are virtually unable to walk, or require supervision to get around. The care component is payable at three different rates (depending on the level of care required); the mobility component is payable at the higher rate for those who are unable or virtually unable to walk and at the lower rate for those who require guidance or supervision to get around. Special rules apply to the terminally ill with a life expectancy of 6 months or less.

Attendance allowance (noncontributory, no means test): Disability begins after age 65 and the person needs a high level of care; usually payable after 6 months of disability. The person must be present in Isle of Man at time of claim and be ordinarily resident and present in Isle of Man or the UK for 6 of the 12 preceding months. Special rules for terminally ill with a life expectancy of 6 months or less.

Disability working allowance (noncontributory, means-tested): Employment for at least 16 hours a week, with an illness or disability that puts the person at a disadvantage in securing employment. Personal savings over £11,000 may reduce the benefit payable. The person is receiving a qualifying benefit (such as disability living allowance or attendance allowance) or had been receiving one of the following benefits in the 8 weeks before making the claim: incapacity benefit (short-term high rate or long-term rate), severe disablement allowance, or income support (in certain circumstances). The insured or his or her partner must have been born in Isle of Man, qualify as an Isle of Man worker, or be resident in Isle of Man for at least 6 months.

Carer's allowance (noncontributory, earnings-tested): Payable to an insured person who earns less than £77 per week, after allowable expenses, and who cares for a severely disabled person (who receives certain qualifying benefits) for 35 hours or more each week.

Widow's pension: The deceased was a pensioner or met requirements for a basic state pension at the time of death. The pension is payable to widows and for transitionally protected cases only.

Widowed parent's allowance: For widow(er)s with at least one dependent child under age 19 for whom they receive child benefit. The surviving spouse is dependent on the deceased's national insurance contributions. The allowance is the same as

the basic state pension, with a reduced coverage period resulting in a proportionately reduced allowance.

Bereavement allowance: Over age 45 when the spouse died or when the widowed parent's allowance ceased. The surviving spouse is dependent on the deceased's national insurance contributions. The allowance is the same as the basic state pension, with a reduced coverage period resulting in a proportionately reduced pension.

Bereavement payment: A lump sum for widow(er)s under age 60 or for a survivor whose spouse was not entitled to the basic state pension at the time of death. The surviving spouse is dependent on the deceased spouse's having paid sufficient national insurance contributions in any tax year.

Guardian's allowance: Raising an orphan or, in very limited circumstances, a child with one surviving parent. At least one of the child's deceased parents was born in Isle of Man or spent 52 weeks of any 2-year period after age 16 in Isle of Man.

Payment for funeral expenses (tax-free, noncontributory): To assist with funeral expenses and payable if the deceased was ordinarily resident in Isle of Man. An additional payment is available if receiving income support, family income supplement, disability working allowance, or income-based jobseeker's allowance and if personal savings are less than £11,000.

Income support (noncontributory, means-tested social assistance benefit): Available to those with income below certain levels. Certain income may be disregarded when calculating entitlement, for example, child benefit. The benefit is payable to unemployed persons not required to seek employment, such as the elderly, sick, disabled, single parents, and carers. Assistance can be given with housing costs, and single payments can be made to cover urgent and exceptional needs. Personal savings over £11,000 may reduce the benefit payable. The benefit is not payable to persons who are working more than 16 hours a week. The benefit is subject to a residential qualification.

Old-Age Benefits

Basic state retirement pension (flat-rate): £77.45 a week, plus £46.35 a week for each dependent adult and £11.35 a week for each dependent child. An additional £2 a week is payable to those over age 80.

Note: Supplements for child dependents ceased for new claims as of April 2003.

Deferred pension: An increment of 0.1428% of the pension for each week of deferred retirement between ages 65 and 70 (men) or ages 60 and 65 (women), subject to a minimum deferral period of 7 weeks.

SERPS/S2P: The pension is based on average indexed surplus earnings, up to a maximum of £131.35 a week.

Old person's pension: £46.35 a week less any basic state pension entitlement.

Retirement pension premium: £11.40 a week less any increase paid if over age 80 or for an additional pension entitlement.

Pension supplement: The weekly rate is equal to 50% of the qualifying benefit. A reduced pension entitlement results in a proportionately reduced supplement.

Income support (noncontributory, means-tested social assistance benefit): Cash benefits are payable to those with income below certain levels.

Permanent Disability Benefits

Long-term incapacity benefit: The benefit is payable from the 53rd week of incapacity (unless terminally ill, in which case it is payable from the 29th week) following the payment of short-term incapacity benefit. The benefit is £72.15 a week, plus £43.15 a week for each dependent adult and £11.35 a week for each dependent child. If the disability began before age 45, an additional benefit of £7.60 or £15.15 a week is paid.

Note: Supplements for child dependents ceased for new claims as of April 2003.

Severe disablement allowance: £43.60 a week plus between £4.85 and £15.15, depending on age at the onset of disability; £25.90 a week for each dependent adult and £11.35 a week for each dependent child.

Note: Severe disablement allowance was discontinued for new claims as of April 9, 2001. All persons incapacitated from that date are required to claim incapacity benefit.

Disability living allowance (noncontributory, no means test): For those who need help with personal care, the care component is payable at three different rates depending on the level of care required. For those who are unable or virtually unable to walk or require supervision to get around, the mobility component is payable at the higher rate for those who are unable or virtually unable to walk and at the lower rate for those who require guidance or supervision to get around. Special rules apply to the terminally ill with a life expectancy of 6 months or less.

Attendance allowance (noncontributory, no means test): The allowance is paid at two rates depending on care needs.

Disability working allowance (noncontributory, means-tested): Employment for at least 16 hours a week, with an illness or disability that puts the person at a disadvantage in securing employment. Personal savings over £11,000 may reduce the benefit payable.

Carer's allowance (noncontributory, earnings-tested): The allowance is payable to an insured person who earns less than £77 a week, after allowable expenses, and who cares for a severely disabled person (who receives certain qualifying benefits) for 35 hours or more each week.

Income support (noncontributory, means-tested social assistance benefit): Cash benefits are payable to those with income below certain levels.

Survivor Benefits

Widowed parent's allowance: £77.45 a week plus £11.35 for each dependent child.

Note: Supplements for child dependents ceased for new claims as of April 2003.

Bereavement allowance: The allowance varies according to the age when widowed, up to a maximum rate of £77.45 a week.

Bereavement payment: A lump sum of £2,000.

Guardian's allowance: £11.55 a week for each child.

Universal funeral payment: If death occurs in Isle of Man, £190; if death occurs outside Isle of Man and burial or cremation is to take place within Isle of Man, £310. Further help is available to those who receive income-related benefits and whose personal savings are less than £11,000.

Administrative Organization

Isle of Man Department of Health and Social Security, Social Security Division, collects national insurance payments and administers and distributes pensions and benefits.

Sickness and Maternity

Regulatory Framework

First law: 1951.

Current laws: 1951 (national health service), 1992 (consolidated legislation), 1994 (incapacity benefit), and 1999 (welfare reform and pensions).

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

Coverage

Short-term incapacity benefit: All those who satisfy certain contribution conditions, whether or not employed when they become sick.

Maternity allowance: All women who satisfy certain employment and earnings rules.

Payment for maternity expenses: Expectant mothers who receive, or whose partner receives, income-related benefits.

Medical care: All residents.

Source of Funds

Insured person: For incapacity benefit and maternity allowance, see source of funds under Old Age, Disability, and Survivors, above.

Employer: For incapacity benefit and maternity allowance, see source of funds under Old Age, Disability, and Survivors, above.

Government: Most of the cost of medical care and the total cost of means-tested allowances.

Qualifying Conditions

Short-term incapacity benefit: At least 4 consecutive days of sickness within a period of incapacity for work. Contributions must be paid on earnings of at least 25 times the weekly lower earnings level in any one of the 3 complete tax years (April to March) before the start of the benefit year (January to December), plus contributions must be paid or credited on earnings of at least 50 times the weekly lower earnings level in each of the 2 complete tax years before the start of the benefit year in which the claim is made.

The benefit is payable only to people who are below the current state pension age of 65 (men) or 60 (women).

Maternity allowance (contributory, not income-related): Expectant mothers who have worked as an employee or a self-employed earner for at least 26 of the 66 weeks before the expected week of childbirth and have earned at least £30 a week or paid self-employed contributions for at least 13 of those weeks. Mothers who do not meet the qualifying conditions for a maternity allowance may qualify for a short-term incapacity benefit for a limited period.

Payment for maternity expenses: Expectant mothers aged 16 or older whose pregnancy lasts to the 25th week and who are receiving, or whose partner is receiving, an income-related benefit. Personal savings over £11,000 will be offset against payment.

Medical benefits: All residents.

Income support (noncontributory, means-tested social assistance): The benefit is payable depending on circumstances and to those with income below prescribed levels. Certain income may be disregarded when calculating entitlement, for example, child benefit. The benefit is also payable to unemployed persons who are not required to seek employment, such as the elderly, sick, disabled, single parents, and carers. Assistance can be given with housing costs, and single payments can be made to cover urgent and exceptional needs. Personal savings over £11,000 may reduce the benefit payable. The benefit is not payable to persons who are working 16 hours or more a week. The benefit is subject to residential qualification.

Sickness and Maternity Benefits

Short-term incapacity benefit: The benefit is payable for the first 28 weeks at £54.40 a week and from the 29th to the 52nd week at £64.35 a week. The benefit is payable after a 3-day waiting period.

Dependent supplement: £33.65 a week for a dependent adult; £11.35 a week for each dependent child from the 29th week.

Maternity allowance: The benefit is payable at a standard rate of £100 a week or 90% of average earnings, whichever is lower.

Dependent supplement: £33.65 a week for a dependent adult.

Payment for maternity expenses: £215 less any personal savings over £11,000.

Income support (noncontributory, means-tested social assistance benefit): Cash benefits are payable to those with income below certain levels.

Workers' Medical Benefits

Medical services are provided by doctors and dentists under contract with and paid directly by the Health Services Division of the Department of Health and Social Security. Benefits include general practitioner care, specialist services, hospitalization, maternity care, dental care, medicines, appliances, home nursing, and family planning.

Cost sharing: Patients pay £2.60 for each prescription and a percentage of dental work subject to a £150 maximum. Patients pay 55% for routine dental treatment and 70% for specialist dental treatment. Exemptions from prescription and dental charges are available to those receiving income-related benefits and their dependents, all children under age 16, students under age 19, nursing mothers, all people aged 60 or older, and war pensioners.

Dependents' Medical Benefits

Same as for the insured.

Administrative Organization

Isle of Man Department of Health and Social Security, Social Security Division, administers and distributes benefits.

Health Services Division administers and provides medical services.

Work Injury

Regulatory Framework

First law: 1948.

Current law: 1992 (consolidated legislation).

Type of program: Social insurance system.

Coverage

Employed earners only.

Exclusions: The self-employed.

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.

Qualifying Conditions

Work injury (industrial injuries disablement benefit): There is no minimum qualifying period. The benefit is not payable to those whose accident was suffered or whose disease was contracted while self-employed or engaged as a member of the armed forces of the Crown. The insured must be at least 14% disabled. The assessed degree of disability is determined by medical examination.

Temporary Disability Benefits

Short-term incapacity benefit: Available for the first 52 weeks to those who meet certain contribution conditions. If incapacity continues beyond 52 weeks, long-term incapacity benefit is paid.

Income support (noncontributory, means-tested social assistance): Available to those with income below prescribed levels. Certain income may be disregarded when calculating entitlement, for example, child benefit. The benefit is payable to unemployed persons not required to seek employment, such as the elderly, sick, disabled, single parents and carers, or those caring for children. Assistance can be given with housing costs, and single payments can be made to cover urgent and exceptional needs. Personal savings over £11,000 may reduce benefit payable. Benefit is not payable to persons who are working 16 hours or more a week. The benefit is subject to a residential qualification.

Permanent Disability Benefits

Industrial injuries disablement benefit: If 100% disabled, up to £116.80 a week. The benefit is payable from the 15th week after the accident or the onset of the disease.

Partial disability: The benefit varies from £23.36 a week for an assessed degree of disability of 15% up to a maximum of £105.12 a week for an assessed degree of disability of 90%.

Workers' Medical Benefits

Provided by the Health Services Division of the Department of Health and Social Security.

Survivor Benefits

Widowed parent's allowance: £77.45 a week plus £11.35 for each dependent child.

Note: Supplements for child dependents ceased for new claims as of April 2003.

Bereavement allowance: The allowance varies according to the age when widowed, up to a maximum rate of £77.45 a week.

Bereavement payment: A lump sum of £2,000.

Guardian's allowance: £11.55 a week for each child.

Universal funeral payment: If death occurs in Isle of Man, £190; if death occurs outside Isle of Man and burial or cremation is to take place within Isle of Man, £310. Further

help is available to those receiving income-related benefits and whose personal savings are less than £11,000.

Administrative Organization

Isle of Man Department of Health and Social Security, Social Security Division, collects National Insurance payments and distributes benefits.

Health Services Division administers and provides health care.

Unemployment

Regulatory Framework

First law: 1948.

Current laws: 1995 (jobseekers).

Type of program: Social insurance and social assistance system.

Coverage

Social insurance: Registered unemployed persons who have paid contributions as an employed earner in each of the 2 tax years (April to March) before the benefit year (January to December) in which the claim is made.

Exclusions: Self-employed persons and certain married women and widows who pay reduced-rate contributions. Excluded persons may qualify for assistance under the social assistance program.

Social assistance: Registered unemployed persons with income below prescribed levels. Assistance can be given with housing costs, and single payments can be made to cover urgent and exceptional needs. Personal savings over £11,000 may reduce the benefit payable. Coverage is subject to a residential qualification.

Exclusions: Persons who are working 16 or more hours a week or those whose partner works 24 or more hours a week.

Source of Funds

Insured person: See source of funds under Old Age, Disability, and Survivors, above. (Self-employed contributions do not count for the contribution-based jobseeker's allowance.)

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

Government: Total cost of income-tested allowances.

Qualifying Conditions

Jobseeker's allowance (social insurance): Aged 16 or older (but younger than the state pension age), involuntarily unemployed, or working fewer than 16 hours a week. Contributions have been paid on earnings of at least 25 times the lower earnings level in one of the last 2 complete tax years

(April to March) before the start of the benefit year (January to December) in which the claim is made. The insured must have paid or credited contributions on earnings of at least 50 times the lower earnings level in both of the 2 tax years immediately before the start of the benefit year in which the claim is made. The insured must be registered as unemployed, be capable of and actively seeking employment, have a current Jobseeker's Agreement, be earning less than a prescribed amount, and be physically present in Isle of Man. The allowance is payable for up to 26 weeks in conjunction with jobseeker's enhanced allowance.

Jobseeker's enhanced allowance: Additional weekly payment for those entitled to jobseeker's allowance (social insurance) provided that the period of unemployment is preceded by 2 years' continuous employment in Isle of Man. The allowance is payable for up to 26 weeks in conjunction with jobseeker's allowance (social insurance).

Jobseeker's allowance (social assistance): The allowance is payable to those not entitled to jobseeker's allowance (social insurance) or if that allowance is less than a prescribed amount. Income must not exceed a prescribed amount, and personal savings over £11,000 may reduce the benefit payable. Certain income may be disregarded when calculating entitlement, for example, child benefit. The person must be registered as unemployed, be capable of and actively seeking employment, have a current Jobseeker's Agreement, be earning less than a prescribed amount, and be physically present in Isle of Man. There is no entitlement if a partner works 24 or more hours a week. The benefit is subject to a residential qualification.

Unemployment Benefits

Jobseeker's allowance (social insurance): The allowance is payable for up to 6 months after a 3-day waiting period. The allowance is £32.90 a week if aged 16 or 17; £43.25 a week if between ages 18 and 24; and £54.65 a week if aged 25 or older.

Jobseeker's enhanced allowance: The allowance is payable for up to 6 months in conjunction with jobseeker's allowance (social insurance). The allowance is £43.25 a week for those between ages 18 and 24 and £54.65 a week for those aged 25 or older.

Jobseeker's allowance (social assistance): The allowance varies depending on age, family income, and household composition. For example, a person aged 18 or older who lives with parents may receive £68.90 a week; a married man with two teenage children may receive £145.75 a week plus an allowance towards housing costs.

Administrative Organization

Isle of Man Department of Health and Social Security, Social Security Division, collects National Insurance payments and distributes cash benefits.

Family Allowances

Regulatory Framework

First law: 1951.

Current law: 1992 (consolidated legislation).

Type of program: Universal (child benefit) and social assistance (family income supplement) system.

Coverage

Residents with one or more dependent children.

Source of Funds

Insured person: None.

Employer: None.

Government: Total cost.

Qualifying Conditions

Child benefit (noncontributory, universal benefit): The benefit is payable to parents of children under age 16 (or students under age 19) who have been in Isle of Man for at least 182 days in the preceding 52 weeks.

Family income supplement (income-tested): The supplement is payable to parents, or childless married couples, working at least 16 hours a week whose income is below a prescribed level. The supplement is subject to a residential qualification.

Family Allowance Benefits

Child benefit: £18.20 a week for children under age 16 and £26.80 a week for young persons between ages 16 and 18 who are receiving relevant education.

Family income supplement: The amount depends on family income, number of children, housing costs, number of hours worked, and child care charges. There is an award of £0.70 for every £1.00 that income falls short of a prescribed amount. Certain income may be disregarded when calculating actual family income, for example, child benefit.

Administrative Organization

Isle of Man Department of Health and Social Security, Social Security Division, administers and distributes benefits.

Italy

Exchange rate: US\$1.00 equals 0.80 euros (€).

Old Age, Disability, and Survivors

Regulatory Framework

First law: 1919.

Current laws: 1952, 1965, 1968, 1974, 1975, 1978, 1980, 1981, 1984, 1992, 1995, 1997, and 2001.

Type of program: Social insurance system.

Coverage

Employed persons, including domestic employees.

Voluntary coverage for contract and professional workers not covered by any specific fund.

Special systems for public-sector workers and the self-employed.

Source of Funds

Insured person: 8.89% of earnings.

Employer: 23.81% of payroll. (A lower contribution rate is paid by specific employers and/or employers in certain economically distressed areas.)

Government: Full cost of income-tested allowances and any overall deficit.

The minimum daily earnings for contribution purposes are €9.16 for workers in industry or, if higher, the minimum wage.

The minimum wage is established by sector and by category through collective bargaining.

There are no maximum earnings for contribution or benefit purposes, except for the newly insured. The maximum earnings for newly insured persons entering the system after January 1, 1996, are €4,401 a year.

Qualifying Conditions

Old-age pension: Conditions vary according to three categories of insured person:

- Category 1. New entrants to the labor force as of 1996. Age 57 with 5 years of contributions. Cessation of gainful employment is necessary. The pension must not be less than the social allowance plus 20%. There is no entitlement to a pension below this level, unless the insured is aged 65 or older or has 40 years of contributions.
- Category 2. Insured persons with less than 15 years of contributions as of December 31, 1992. Age 65 (men) or age 60 (women) with 20 years of contributions. Cessation of any gainful employment is necessary.

- Category 3. Insured persons with at least 15 years of contributions as of December 31, 1992. Age 65 (men) or age 60 (women) with 15 years of contributions. Cessation of any gainful employment is necessary.

Old-age allowance (means tested): Age 70. Payable for a single person or a couple.

Seniority pension: Age 57 with 35 years of contributions or regardless of age with 38 years of contributions (for the self-employed, age 58 with 35 years of contributions or regardless of age with 40 years of contributions). The contribution period will rise gradually to 40 years by 2008. Cessation of gainful employment is necessary.

New entrants to the labor force as of 1996 are not eligible for the seniority pension.

Social allowance: Age 65 and an Italian citizen or a citizen of a member state of the EU resident in Italy; also payable to non-EU citizens resident in Italy with a residence permit. Income, including that of a partner, must be below a government-set level.

Disability pension: Total and permanent inability to perform any work with at least 5 years of contributions, including 3 in the 5 years before the claim. Entitlement is based on the absence of all other forms of income, including earnings from self-employment and unemployment benefits.

Disability allowance (means-tested): The loss of 2/3 of working capacity with at least 5 years of contributions, including 3 in the 5 years before the claim. The allowance is payable in the first instance for a period of 3 years; may be extended for additional 3-year periods. After the allowance has been extended for a second consecutive time, the award becomes permanent. At retirement age and if the insured satisfies the qualifying conditions for the old-age pension, entitlement ceases and the old-age pension is awarded. The disability allowance is reduced by 25% if the insured has income four times greater than the minimum income (€1,433.36) and by 50% if income is five times greater than the minimum income (€6,791.70).

Survivor pension: The insured was either receiving an old-age, seniority, or disability pension, had 15 years of contributions, or had 5 years of contributions, including 3 in the 5 years preceding death.

Eligible survivors are the spouse, a separated spouse entitled to alimony, dependent minor children, dependent children who were students or disabled at the time of the insured's death, and nephews, nieces, or grandchildren who were dependent on the deceased.

Other eligible survivors (in the absence of the above) are parents older than age 65 without entitlement to a pension who were dependent on the deceased.

Death grant: Awarded if the qualifying conditions for the survivor pension are not met. The deceased must have paid at least 1 year's contributions in the previous 5 years.

Old-Age Benefits

Old-age pension: The pension calculation varies according to the starting date of the insurance period.

Category 1: For insured persons whose insurance period began on or after January 1, 1996, the pension is 33% (20% for the self-employed) of annually adjusted insured earnings multiplied by a variable coefficient (4.72 at age 57 or 6.136 at age 65).

Category 2: For insured persons with less than 18 years of contributions as of December 31, 1995, the pension for the contribution period before January 1, 1996, is based on a progressive percentage (0.9% to 2%) of earnings times the number of years of contributions. The pension for the contribution period beginning January 1, 1996, is 33% (20% for the self-employed) of annually adjusted insured earnings multiplied by a variable coefficient (4.72 at age 57 or 6.136 at age 65).

Category 3: For insured persons with at least 18 years of contributions as of December 31, 1995, the pension is based on a progressive percentage (0.9% to 2%) of salary multiplied by the number of years of contributions, up to a maximum of 40.

The minimum monthly pension for pensioners with an annual income lower than a predetermined level (€10,716.68 for a single person; €21,433.36 for a couple) is €12.18.

The minimum monthly pension for pensioners aged 70 or older receiving a special supplement to the pension and with annual income lower than a predetermined level (€6,967.35 for a single person and €11,750.96 for a couple) is €35.95.

Schedule of payments: The pension is paid monthly, with a 13th payment in December.

Benefit adjustment: Benefits are adjusted annually according to the average change in the cost of living.

Seniority pension: The pension is based on a progressive percentage (0.9% to 2%) of earnings multiplied by the number of years of contributions, up to a maximum of 40.

Social allowance: €4,738.61 a year; may be increased to €35.95 a month for pensioners aged 70 or older receiving a special supplement to the pension and with annual income lower than a predetermined level (€6,967.35 for a single person and €11,750.96 for a couple).

Schedule of payments: The pension is paid monthly, with a 13th payment in December.

Benefit adjustment: Benefits are adjusted annually according to the average change in the cost of living.

Permanent Disability Benefits

Disability pension: The pension calculation varies according to the starting date of the insurance period.

Category 1: For insured persons whose insurance period began on or after January 1, 1996, the pension is 33% (20% for the self-employed) of annually adjusted insured earnings multiplied by a variable coefficient depending on the insured's age.

Category 2: For insured persons with less than 18 years of contributions as of December 31, 1995, the pension for the contribution period before January 1, 1996, is based on a progressive percentage (0.9% to 2%) of earnings times the number of years of contributions. The pension for the contribution period beginning January 1, 1996, is 33% (20% for the self-employed) of annually adjusted insured earnings multiplied by a variable coefficient depending on the insured's age.

Category 3: For insured persons with at least 18 years of contributions as of December 31, 1995, the pension is based on a progressive percentage (0.9% to 2%) of salary multiplied by the number of years of contributions, up to a maximum of 40.

For each of the above three categories, an increment based on the anticipated number of years between the date of the onset of disability and the normal pension age is paid.

The minimum pension is €92.69; €26.46 for an insured person aged 60 with income below a predetermined level (€6,714 for a single person and €11,271.39 for a couple).

Constant-attendance supplement: €369.27 a month.

Disability allowance (means-tested): The calculation is the same as for the disability pension but without the increment for the anticipated number of years between the date of the onset of disability and normal pension age.

The minimum disability allowance is the minimum pension.

Schedule of payments: Benefits are paid monthly, with a 13th payment in December.

Benefit adjustment: Benefits are adjusted annually according to the average change in the cost of living.

Survivor Benefits

Survivor pension: 60% of the pension paid or accrued to the insured is payable to the spouse; 80% for a spouse with one child; 100% for a spouse with two or more children.

Full orphan's pension: 70% of the pension paid or accrued to the insured for one orphan; 80% for two orphans; 100% for three or more orphans.

Other eligible survivors (in the absence of the above): 15% of the pension paid or accrued to the insured for each parent, brother, or sister.

Income test: For survivor pensions awarded after September 1, 1995, the pension is reduced by between 25% and 50% if the eligible survivor has income above certain limits.

The maximum survivor pension is 100% of the insured's pension.

Death grant: A variable lump-sum award of between €2.31 and €6.93.

In the case of the death of an insured person who entered the labor force on or after January 1, 1996, a lump-sum benefit may be paid equal to the disability allowance multiplied by the number of years of contributions.

Administrative Organization

Ministry of Labor and Social Welfare and Ministry of Economy and Finance provide general supervision.

National Social Insurance Institute administers the mandatory national program through its branch offices as well as administering a number of special programs for certain categories of insured worker.

Sickness and Maternity

Regulatory Framework

First laws: 1912 (maternity), 1927 (tuberculosis), and 1943 (sickness).

Current laws: 2001 (maternity); 1978, 1983, 1999, and 2001 (sickness); and 1970, 1975, and 1998 (tuberculosis).

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

Coverage

Sickness benefit: Employed persons and contract workers.

Maternity benefit: Employed persons, contract workers, and the self-employed.

Tuberculosis benefits: Employed persons; some self-employed categories are covered.

Medical benefits: All residents.

Source of Funds

Insured person

Sickness benefits: None; some categories of contract workers make variable contributions.

Maternity benefits: None; self-employed persons contribute. Some categories of contract workers make variable contributions.

Tuberculosis benefits: None.

Employer

Sickness and maternity benefits: Total cost for employed persons. Variable contributions are made on behalf of some categories of contract workers.

Tuberculosis benefits: None.

Government (sickness, maternity, and tuberculosis benefits): Total cost of maternity benefits for certain categories of worker and the total cost of tuberculosis benefits.

Qualifying Conditions

Sickness and maternity benefits: Currently covered; self-employed and contract workers must meet contribution conditions.

Tuberculosis benefits: One year of coverage.

Medical benefits: There is no minimum qualifying period.

Sickness and Maternity Benefits

Sickness benefit: 50% of average earnings for the first 20 days; thereafter, 2/3 of average earnings. The benefit is payable after a 3-day waiting period for up to 180 days; may be extended in special cases.

For contract workers, the daily benefit is awarded only for days of hospitalization and the amount is variable and based on a percentage of the value of the contributions made in the 12 months before hospitalization. The benefit is payable for 180 days of hospitalization a year.

Maternity benefit: Employees are entitled to 80% of earnings, payable from 2 months (or 1 month) before the expected date of childbirth and for 3 months (or 4 months) after childbirth.

The self-employed are entitled to 80% of earnings, payable from 2 months before the expected date of childbirth and for 3 months after childbirth.

Different rules for maternity benefits apply in cases of adoption, for contract workers, and for part-time workers.

Parental leave: Six months' leave for either parent, to be taken before the child is age 3; the self-employed receive 3 months' leave, to be taken before the child is age 1. The benefit is equal to 30% of earnings. Parents are entitled to an additional 6 months' leave before the child is age 8 plus an income-tested allowance of 30% of earnings if the parent's income is less than 2.5 times the minimum pension.

Tuberculosis benefits

Daily benefit: A fixed daily benefit paid while receiving institutional care and payable for up to 180 days.

Postsanatorium benefit: A fixed benefit paid after leaving institutional care and payable for 2 years.

Care and support allowance: A fixed allowance paid for a 2-year period. The award is renewable.

Christmas allowance: A supplementary allowance paid in addition to the benefits already received.

Workers' Medical Benefits

Services are provided by doctors and pharmacists under contract with, and paid directly by, the National Health Service. Benefits are paid for by the Health Service or by hospitals, most of which are public. Benefits include general and specialist care, hospitalization, prescribed medicines, dental care, the attendance of midwife or doctor at childbirth, specified appliances, and spa treatment. Tuberculosis care includes curative and convalescent care in sanatorium, postsanatorium care, and rehabilitation.

Cost sharing: A copayment by patients is required for certain prescribed medicines and hospital tests; copayments are waived for certain categories of insured persons and for persons with certain medical conditions.

There is no limit to duration.

Dependents' Medical Benefits

Services are provided by doctors and pharmacists under contract with, and paid directly by, the National Health Service. Benefits are paid for by the Health Service or by hospitals, most of which are public. Benefits include general and specialist care, hospitalization, prescribed medicines, dental care, the attendance of midwife or doctor at childbirth, specified appliances, and spa treatment. Tuberculosis care includes curative and convalescent care in sanatorium, postsanatorium care, and rehabilitation.

Cost sharing: A copayment by patients is required for certain prescribed medicines and hospital tests; copayments are waived for certain categories of insured persons and for persons with certain medical conditions.

There is no limit to duration.

Administrative Organization

Ministry of Labor and Social Welfare and Ministry of Economy and Finance provide general supervision.

National Social Insurance Institute administers cash sickness, maternity, and tuberculosis benefits.

Twenty regional health authorities and their respective local health authorities administer the National Health Service.

Work Injury

Regulatory Framework

First law: 1898.

Current laws: 1965, 1998, and 2000.

Type of program: Social insurance system.

Coverage

Manual workers, nonmanual employees in dangerous work, the self-employed in agriculture, domestic workers, company managers, contract workers, professional sportsmen.

Special system for seamen.

Source of Funds

Insured person: None.

Employer: 0.5% to 16% of payroll, according to the assessed degree of risk. The average basic rate for industrial workers is 3.0%.

Government: Administrative costs.

Qualifying Conditions

Work injury benefits: There is no minimum qualifying period.

Temporary Disability Benefits

60% of the average daily wage for the first 90 days of disability; thereafter, 75%. The benefit is payable after a 3-day waiting period (during which the employer must pay the benefit).

Average daily wage: Calculated on the 15-day period preceding the accident or the onset of the occupational disease.

Permanent Disability Benefits

Permanent disability pension (for incidents before July 25, 2000): The pension is awarded for an assessed degree of disability of 11% or more. The pension is based on wages for the year preceding the date of the accident or the onset of the occupational disease and on the assessed degree of disability. The amount of wages used to calculate the benefit is set within recognized minimum and maximum established limits. The amount of the pension may be revised according to changes in the assessed degree of disability. The pension cannot be combined with old-age, disability, and survivors pensions.

Dependent supplement: 5% of the pension for a spouse and for each child under age 18 (age 26 if a student, no limit if disabled).

Constant-attendance supplement: €369.40 a month with a permanent disability of 100%.

Benefit adjustment: Benefits are adjusted annually according to changes in consumer prices.

Permanent disability pension (for incidents on or after July 25, 2000): If the assessed degree of disability is 6% to 15%, a lump sum is paid based on disability and biological damage indemnity tables. If the assessed degree of disability is 16% or greater, a pension is paid according to the assessed degree of disability plus a cash supplement calculated according to wages (ceiling) and a coefficient table.

Constant-attendance supplement: €369.40 a month to those with a permanent disability of 100%.

Benefit adjustment: Benefits are adjusted annually according to changes in consumer prices.

Transitional compensation for silicosis and asbestosis: Benefit is payable for 1 year to compensate insured workers who are forced to abandon a harmful work position in order to avoid aggravation of a diagnosed disease. In cases in which the insured has become unemployed, the amount payable is equal to 2/3 of the average daily wage received in the 30 days preceding the abandonment of a harmful work position. In cases in which the insured has changed employment, the amount is equal to 2/3 of the difference between the average daily wage received in the period of 30 days preceding the actual abandonment of the former harmful work position and the remuneration received in the new employment.

Unemployment pension: A monthly payment of €205.30 is provided in cases in which the assessed degree of disability is

not less than 34%. The insured must be under age 65, have lost all capacity for work, or be a risk to colleagues' or workplace safety.

Benefit adjustment: Benefits are adjusted annually according to changes in consumer prices.

Workers' Medical Benefits

Benefits include medical, surgical, and hospital care; appliances; and rehabilitation.

Survivor Benefits

Survivor pension: 50% of the insured's earnings is payable to the surviving spouse.

Orphan's pension: 20% of earnings for each orphan under age 18 (age 26 if a student and dependent, no limit if disabled); 40% for a full orphan.

Other eligible survivors (in the absence of the above): 20% of the insured's earnings for each parent, brother, or sister of the deceased.

The maximum survivor pension is 100% of the insured's earnings.

Funeral grant: A lump sum to the person who paid the funeral expenses.

Administrative Organization

Ministry of Labor and Social Welfare provides general supervision.

National Accident Insurance Institute administers the program through provincial offices.

National Health Service administers medical benefits.

Unemployment

Regulatory Framework

First law: 1919.

Current laws: 1924, 1935, 1957, 1972, 1975, 1977, 1988, 1991, 1994, 1996, 1997, 1998, and 2000.

Type of program: Social insurance system.

Coverage

Private-sector employees. (Construction workers are also covered for a special supplementary benefit.)

Source of Funds

Insured person: None.

Employer: 1.61% (for managers in industry) or 1.91% (for employees in industry and commerce) of payroll. Industrial employers also pay 0.3% (0.8% in construction) of payroll to a

special unemployment fund and 2.2% of payroll (1.9% for firms with fewer than 50 workers) for wage supplement funds.

Government: Administrative costs, plus subsidies for agricultural workers.

Qualifying Conditions

Unemployment benefit: At least 2 years of coverage with 52 weeks of contributions in the last 2 years; construction workers must have 43 weeks of contributions during 2 years of employment in the sector. Unemployment must be involuntary.

Special supplementary allowance: Awarded to construction workers.

Mobility allowance: Paid to industrial workers with at least 1 year of insurance and 6 months of employment. Workers must be registered at an employment office and be capable of, and available for, work. Unemployment must be involuntary.

Unemployment Benefits

Private-sector employees are entitled to 40% of the gross average daily wage received in the previous 3 months. The maximum duration of benefit is 180 days; 270 days for workers older than age 50.

Construction workers receive 80% of earnings for a period of between 18 months and 27 months, depending on the location of the employing firm.

Special supplementary allowance: 80% of earnings for a period of 90 days is paid to construction workers.

Mobility allowance: For the first 12 months, 100% of benefit from the special unemployment fund; thereafter, 80%. The maximum duration of the allowance is dependent on the age of the worker and the location of the place of employment but can be no more than 48 months.

Administrative Organization

Ministry of Labor and Social Welfare and Ministry of Economy and Finance provide general supervision.

National Social Insurance Institute administers the program through its branch offices.

Family Allowances

Regulatory Framework

First law: 1937.

Current laws: 1955, 1986, 1988, 1994, 1995, 1996, and 1997.

Type of program: Employment-related system.

Coverage

Employees and social insurance, welfare, and unemployment beneficiaries with one or more children or other dependents.

Special systems for the self-employed and for pensioners of the special systems.

Source of Funds

Insured person: None.

Employer: 2.48% of payroll.

Government: Subsidies, including 0.8% of the employer contribution.

The minimum daily earnings for contribution purposes are €39.16 or, if higher, the minimum wage.

Qualifying Conditions

Family allowances: A dependent spouse; children under age 18 (no limit if disabled); orphaned brothers, sisters, nieces, and nephews who are dependent and under age 18 (no limit if disabled) and not eligible for a survivor pension.

Family Allowance Benefits

Family allowances: The amount varies in relation to family size and income, from €10.33 to €65.26 for up to seven children.

Supplements for larger families: An extra 10% and €3.72 for each additional child.

Income ceilings are increased for single-parent families and for families with at least one totally disabled family member.

Benefit adjustment: Benefits are adjusted annually according to a government index.

Administrative Organization

Ministry of Labor and Social Welfare and Ministry of Economy and Finance provide general supervision.

National Social Insurance Institute administers the program through the Central Family Allowances Fund.

Individual employers pay allowances directly to their own employees (except in agriculture) and domestic workers and settle the surplus or deficit of contributions due with the local branch office of the Institute.

Jersey

Exchange rate: US\$1.00 equals 0.56 pounds (£).

Old Age, Disability, and Survivors

Regulatory Framework

First law: 1951.

Current laws: 1972 (attendance allowance), 1974 (social security), 1978 (invalid care and disability benefits), and 1997 (disability transport allowance).

Type of program: Social insurance (social security benefits) and social assistance (disability benefits) system.

Coverage

Old-age and survivor benefits: Employed and self-employed persons.

Voluntary insurance for nonemployed persons.

Disability benefits: All residents.

Source of Funds

Insured person: 5.2% of earnings (old-age and survivor pensions).

Self-employed person: 10.5% of earnings (old-age and survivor pensions).

Employer: 5.3% of payroll (old-age and survivor pensions).

Government: Total cost of disability benefits.

The maximum monthly earnings for contribution purposes are £2,884.

All of the above contributions also cover sickness, maternity, and work injury benefits, as well as part of the cost of medical services.

Qualifying Conditions

Old-age pension: Payable at age 65 (men and women); women who were registered with the scheme before 1975 are eligible for a pension at age 60. The full pension is paid with 45 years of contributions.

Partial pension: The pension is reduced proportionately for reduced coverage. No pension is payable if the proportion of contributions required for a full pension is less than 10%.

Early pension: A pension may also be claimed at an actuarially reduced rate from age 63.

Disability pension: Permanent incapacity for work and payable after the 1-year entitlement to sickness benefit has expired.

Attendance allowance (income-tested): Payable to a severely disabled person needing extra care and attention. The

allowance is paid after 6 months of disability. The allowance is subject to an income ceiling of £47,396 a year.

Invalid care allowance (income-tested): Payable to a person who cares for a beneficiary of attendance allowance. The allowance is subject to an income ceiling of £47,396 a year.

Adult disablement allowance: Payable to persons who are congenitally disabled and have no contribution record.

Child disablement allowance: Payable to severely disabled children under age 16 who are not disabled enough to qualify for attendance allowance.

Survivor allowance: Paid for the first year of widowhood if the deceased met the coverage requirements for the old-age pension. The surviving spouse or the insured was younger than the pensionable age at the time of the insured's death.

Survivor pension: The deceased met the coverage requirements for the old-age pension or was a pensioner at the time of death. The pension is paid when entitlement to the survivor allowances ceases, up to age 65 when it is converted to an age-related pension.

Death grant: The deceased must have paid 1 year of contributions.

Old-Age Benefits

Old-age pension: The full pension is £140.84 a week for a single person; £233.80 for a married couple.

Partial pension: A reduced pension is paid. The insured must have at least 10% of the full contribution record.

Early pension: The pension is actuarially reduced.

Benefit adjustment: Pensions are adjusted annually according to changes in the earnings index.

Permanent Disability Benefits

Disability pension: £140.84 a week.

Dependent supplement: An additional £92.96 a week is paid for an adult dependent.

Attendance allowance (income-tested): £379.83 a month.

Invalid care allowance (income-tested): £609.84 a month.

Adult disablement allowance: £312.07 a month.

Child disablement allowance: £207.97 a month.

Benefit adjustment: Benefits are adjusted annually according to a formula reflecting changes in the earnings index and retail price index.

Survivor Benefits

Survivor allowance: £169.05 a week for the first year of widowhood.

Survivor pension: The full pension is £140.84 a week and payable when entitlement to survivor allowance ceases.

Death grant: £563.36.

Benefit adjustment: Benefits are adjusted annually according to changes in the earnings index.

Administrative Organization

Employment and Social Security Department administers the program.

Sickness and Maternity

Regulatory Framework

First law: 1951.

Current law: 1974.

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

Coverage

Cash benefits: Employed and self-employed persons.

Medical care: All residents.

Source of Funds

Insured person

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

Health insurance: 0.8% of earnings.

Hospital care: None.

Self-employed person

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

Health insurance: 2% of earnings.

Hospital care: None.

Employer

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

Health insurance: 1.2% of payroll.

Hospital care: None.

Government

Cash benefits: None.

Health insurance: None.

Hospital care: Total cost.

The maximum monthly earnings for contribution purposes are £2,884.

Qualifying Conditions

Sickness benefit: Three months of contributions before the claim for benefit; has paid contributions in the calendar quarter 6 months before the claim.

Maternity allowance: Women must have paid 13 weeks of contributions and also have paid contributions in the relevant quarter, which is 1 year before the expected date of birth.

Maternity grant: One year of contributions by either the husband or wife.

Medical benefits: General practitioner care requires 6 months of residence.

Sickness and Maternity Benefits

Sickness benefit: £140.84 a week for 1 year.

Dependent supplement: An additional £92.96 a week is paid for an adult dependent.

Maternity allowance: £140.84 for up to 18 weeks, starting anytime from the 11th week before the expected date of birth.

Maternity grant: A lump sum of £422.52 (payable also to adoptive parents).

Benefit adjustment: Benefits are adjusted annually according to changes in the earnings index.

Workers' Medical Benefits

The medical care provided by hospitals is free of charge.

Cost sharing: The cost of general practitioner care varies between practices, but the government subsidizes each consultation by £13, and the cost of each prescription of pharmaceuticals is limited to £1.95 an item. Low-income families are exempted from the cost of some medical care services.

Dependents' Medical Benefits

Same as workers' medical benefits, above.

Administrative Organization

Employment and Social Security Department administers social security and health insurance.

Department of Health and Social Services administers hospital treatment.

Work Injury

Regulatory Framework

First law: 1930.

Current law: 1974.

Type of program: Social insurance system.

Coverage

Employed and self-employed persons.

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.

Qualifying Conditions

Work injury benefits: There is no minimum qualifying period.

Temporary Disability Benefits

The injury benefit is £140.84 a week, payable for 1 year.

Dependent supplement: £92.96 a week.

Benefit adjustment: Benefits are adjusted annually according to changes in the earnings index.

Permanent Disability Benefits

Permanent disability pension: £140.84 a week.

Dependent supplement: An additional £92.96 a week is paid for an adult dependent.

Attendance allowance: £422.52 a month.

Disablement gratuity: A lump sum is paid if the assessed degree of disability resulting from the accident is less than 15%.

Workers' Medical Benefits

See benefits under Sickness and Maternity, above.

Survivor Benefits

Survivor allowance: Paid for the first year of widowhood if the deceased met the coverage requirements for the old-age pension. The surviving spouse or the insured was younger than the pensionable age at the time of the insured's death.

Survivor pension: The deceased met the coverage requirements for the old-age pension. The pension is paid when entitlement to the survivor allowance ceases, up to age 65 when it is converted to an age-related pension.

Special rules apply for widows.

Benefit adjustment: Benefits are adjusted annually according to changes in the earnings index.

Administrative Organization

Employment and Social Security Department administers social insurance benefits.

Department of Health and Social Services administers hospital treatment.

Unemployment

Regulatory Framework

First and current law: 1930.

Type of program: Social assistance system.

Coverage

Five years' residence in Jersey.

Source of Funds

Insured person: None.

Employer: None.

Government: Local taxes and general revenue.

Qualifying Conditions

Must be actively seeking employment and be involuntarily unemployed.

Unemployment Benefits

The benefit is means-tested and dependent on individual circumstances including the level of rent paid. The assessment of an individual's claim to benefit is undertaken at the local (parish) level.

Administrative Organization

The program is administered by 12 separate parish authorities and coordinated by the Committee of Constables.

Family Allowances

Regulatory Framework

First and current law: 1972.

Type of program: Universal system.

Coverage

Residents with one or more children.

Source of Funds

Insured person: None.

Employer: None.

Government: Total cost.

Qualifying Conditions

Family allowances: Child is under age 16 or in full-time education in Jersey.

Family Allowance Benefits

Family allowances: The allowance is assessed in relation to the previous year's income tax return, with the maximum rate being paid for children in a family whose income was less than £6,950 in the previous year.

The maximum allowance is £2,916 a year for the first child, £2,490 for the second child, and £2,355 for each subsequent child.

Administrative Organization

Employment and Social Security Department administers the program.

Latvia

Exchange rate: US\$1.00 equals 0.53 lats.

Old Age, Disability, and Survivors

Regulatory Framework

First law: 1922.

Current laws: 1995, 1996, 1998, and 2001.

Type of program: Notional defined contribution (NDC) social insurance and mandatory individual accounts system.

Note: Membership of an individual account is mandatory for individuals who were under age 30 in 2001 and voluntary for those who were between ages 30 and 49 in 2001.

Coverage

Old-age and survivor pensions: Employed persons, self-employed persons, active military personnel, individuals caring for children less than 18 months old, unemployed persons, diplomatic staff spouses, and sickness and maternity benefit recipients.

Voluntary coverage is possible.

Disability pension: Employed and self-employed persons.

Source of Funds

Insured person

NDC: Included in the employer contribution.

Individual account: 2% of earnings, rising gradually to 10% by 2010.

Employer

NDC: 18% of payroll, decreasing gradually to 10% by 2010 (includes the employee contribution).

Individual account: None.

Government: Contributes for active military personnel, individuals caring for children less than 18 months old, and spouses of diplomatic staff.

Qualifying Conditions

Old-age pension: Age 62 (men) or age 59.5 (women) with 10 years of insurance. The age requirement for women will increase by 6 months each year to age 62 by 2009.

Early pension: Age 60 (men) or age 57.5 (women) with 30 years of insurance. Employment must cease.

Disability pension: Three years of insurance.

Survivor pension: The deceased was insured or was a pensioner at the time of death.

Old-Age Benefits

Old-age pension

NDC: The amount of the insured's contributions plus annual capital growth adjusted according to changes in the earnings index divided by the average remaining life expectancy.

The minimum pension is equal to the state social security benefit of 35 lats. The minimum pension is increased by 1.1% for an insurance period of at least 20 years; by 1.3% for an insurance period of 20 to 30 years; and by 1.5% for an insurance period of more than 30 years.

Early pension: Equal to 80% of the old-age pension until the insured reaches the statutory retirement age; thereafter, the full amount is paid.

Individual account: The pension is based on the amount of the insured's contributions plus annual capital growth. At retirement, the insured can purchase an annuity or have the funds transferred to his or her NDC account.

Permanent Disability Benefits

Disability pension: The disability pension is paid according to three categories of disability.

Category I: 0.45 times the average wage in 3 consecutive years in the last 5 years, plus the average wage times the ratio of actual contribution years to total possible number of years between age 15 and retirement.

The minimum pension is 1.6 times the minimum state social security benefit.

Category II: 0.4 times the average wage in 3 consecutive years in the last 5 years, plus the average wage times the ratio of actual contribution years to total possible number of years between age 15 and retirement.

The minimum pension is 1.4 times the minimum state social security benefit.

Category III: The minimum state social security benefit (35 lats).

Survivor Benefits

Survivor pension: 50% of the insured's potential old-age pension for one survivor; 75% for two; 90% for three or more. The pension is payable to children and dependent brothers, sisters, and grandchildren. The full-orphan's pension is based on the potential old-age pensions of both parents.

The minimum survivor pension is equal to the state social security benefit.

Administrative Organization

Ministry of Welfare handles general supervision.

State Social Insurance Agency and its local offices grant and pay cash benefits.

Sickness and Maternity

Regulatory Framework

First law: 1924.

Current law: 1995.

Type of program: Social insurance system.

Coverage

Sickness and maternity benefits: Employed and self-employed persons.

Medical benefits: All permanent residents.

Source of Funds

Insured person and employer: 2.37% of payroll.

Government: Finances minimum health care services.

Qualifying Conditions

Cash and medical benefits: There is no minimum qualifying period.

Sickness and Maternity Benefits

Sickness benefit: 80% of average earnings. The benefit is payable from the 15th day of incapacity for work until recovery or, if declared permanently disabled, up to 52 weeks from day of incapacity for work or 78 weeks within a 3-year period if the incapacity for work recurs. The benefit is payable from the first day if caring for a child younger than age 14.

The employer pays for the 2nd to the 14th day of incapacity.

Maternity benefit: 100% of average earnings. The benefit is payable for 112 calendar days (56 days before and 56 days after the expected date of childbirth); payable for 14 additional calendar days for complications during pregnancy, delivery, or postnatal period as well as for multiple births and in cases in which medical care associated with pregnancy has been started at a medical institution and continued before the 12th week of pregnancy.

Workers' Medical Benefits

Benefits are provided by state-owned and private hospitals under contract with a sickness fund. Benefits include general and specialist care, medicines, hospitalization, maternity care, and dental treatment.

Free treatment for maternity care, for persons with low income, for persons suffering from certain infectious diseases, and for emergency treatment.

Special provisions for victims of the Chernobyl catastrophe.

Cost sharing: Copayments are required for inpatient and dental care; free dental care for children under age 18.

Dependents' Medical Benefits

Insured in their own right.

Administrative Organization

Ministry of Welfare handles general supervision.

State Social Insurance Agency and its local offices grant and pay cash benefits.

State Health Insurance Agency manages medical benefits.

Work Injury

Regulatory Framework

First law: 1927.

Current laws: 1995 and 1998.

Type of program: Social insurance system.

Coverage

Employed persons.

Source of Funds

Insured person: None.

Employer: 0.09% of payroll.

Government: Finances state-guaranteed health care services.

Qualifying Conditions

Work injury benefits: There is no minimum qualifying period.

Temporary Disability Benefits

80% of average earnings. The benefit is payable from the 15th day of incapacity for work until recovery or, if declared permanently disabled, up to 52 weeks from day of incapacity for work or 78 weeks within a 3-year period if the incapacity for work recurs. The benefit is payable from the first day if caring for a child younger than age 14.

The employer pays for the 2nd to the 14th day of incapacity.

Permanent Disability Benefits

A percentage of the insured's average monthly earnings depending on the loss of earning capacity: 80% for a 100% loss of earning capacity, 75% for a loss of 90% to 99%, and 70% for a loss of 80% to 89%. The benefit decreases by 5% for each successive reduced degree of disability, down to a minimum of 25% for a loss of 10% to 14%.

Workers' Medical Benefits

Same as for sickness benefit, plus reimbursement for additional expenses for medical treatment, nursing care, prosthesis, travel expenses, and occupational rehabilitation.

Survivor Benefits

Survivor pension: 25% of the insured's average monthly earnings for one survivor, up to 35% for two, up to 45% for three, and up to 55% for four or more.

A higher percentage is paid for orphans.

Eligible survivors: Children and dependent brothers, sisters, grandchildren, surviving spouse, parents, and grandparents.

Administrative Organization

Ministry of Welfare handles general supervision.

State Social Insurance Agency and local insurance offices grant and pay insurance-based and related benefits.

Unemployment

Regulatory Framework

First law: 1991.

Current law: 1999.

Type of program: Social insurance system.

Coverage

Employed and self-employed persons, active military personnel, and individuals taking care of children under age 18 months.

Source of Funds

Insured person and employer: 1.89% of payroll.

Government: Contributes for active military personnel and for individuals taking care of children under age 18 months.

Qualifying Conditions

Unemployment benefit: Registration at a state employment office, total insurance contributions for not less than 1 year, and 9 months of insurance contributions in the 12 months before unemployment.

Unemployment Benefits

The benefit is based on the length of insurance contributions and the length of unemployment: 50% of earnings is paid with 1 to 9 years of insurance, 55% with 10 to 19 years, 60% with 20 to 29 years, 65% with over 30 years. The full amount is paid for the first 3 months, 75% for 3 to 6 months, and 60% for 6 to 9 months.

Administrative Organization

Ministry of Welfare handles general supervision.

State Social Insurance Agency and local insurance offices grant and pay benefits.

State Employment Service and local employment offices handle placement, training, and retraining.

Family Allowances

Regulatory Framework

First law: 1990.

Current laws: 1995 and 1998.

Type of program: Universal system.

Coverage

Permanent residents with a child of prescribed age.

Source of Funds

Insured person: None.

Employer: None.

Government: Total cost.

Qualifying Conditions

Family allowances: Child under age 15; age 20 if at secondary school.

Family Allowance Benefits

Family allowances: 20% of the monthly minimum state social security benefit for the first child, 1.2 times the amount awarded for the first child for the second, 1.6 times for the third, and 1.8 times for the fourth and subsequent children.

The minimum state social security benefit is 35 lats.

Administrative Organization

Ministry of Welfare handles general supervision.

State Social Insurance Agency and local insurance offices grant and pay benefits.

Liechtenstein

Exchange rate: US\$1.00 equals 1.27 Swiss francs.

Old Age, Disability, and Survivors

Regulatory Framework

First and current laws: 1954 (old age and survivors), 1960 (disability), and 1989 (mandatory occupational pensions).

Type of program: Social insurance and mandatory occupational pension system.

Coverage

Social insurance: All residents and employed and self-employed nonresidents.

Mandatory occupational pension: All public and private-sector employees with annual earnings above 25,320 francs (in 2003). Coverage is mandatory from age 23 for old-age benefits if the employment contract exceeds 9 months and from age 17 for disability and survivor benefits regardless of the duration of the employment contract.

Voluntary coverage is possible for excluded employees and the self-employed.

Source of Funds

Social insurance

Insured person: Employees contribute 3.8% of salary (old age and survivors), plus 0.6% (disability).

Self-employed person: 7.6% of income (old age and survivors), plus 1.2% (disability). The self-employed pay an additional 4% of their individual contribution amount for administrative costs.

Nonemployed person: Variable contributions depending on assets and income. The nonemployed pay an additional 4% of their individual contribution amount for administrative costs.

Employer: 3.8% of the payroll (old age and survivors), plus 0.6% (disability), plus an additional 4% of the employer contribution amount for administrative costs.

Government: 20% of annual expenditure, plus 2/3 of income from the Heavy Vehicle Fee (old age and survivors) and any deficit up to 50% of annual expenditure (disability).

Mandatory occupational pension

Insured person: The combined insured person and employer contribution must be no less than 10% of the covered salary. Normally, the covered salary includes earnings between 12,660 francs and 75,960 francs (in 2003).

Employer: The combined insured person and employer contribution must be no less than 10% of the covered salary.

Normally, the covered salary includes earnings between 12,660 francs and 75,960 francs (in 2003).

Government: None.

Qualifying Conditions

Old-age pension

Social insurance old-age pension: Age 64 (men) or age 63 (women) with 1 year of contributions. The pensionable age for women will increase to age 64 by 2009.

Early pension: Age 60 (men and women).

Mandatory occupational old-age pension: Age 64 (men and women).

Early pension: Age 60 (men and women) if eligible for a social insurance early pension.

Disability pension

Social insurance disability pension: For a full pension, a permanent loss of at least 66.6% of work capacity and 1 year of contributions.

Partial pension: For a half pension, a 50% to 66.6% reduction in the capacity to work and 1 year of contributions. For a quarter pension, a 40% to 49% reduction in the capacity to work and 1 year of contributions.

Mandatory occupational disability pension: The onset of disability is before the pensionable age for the old-age pension. The degree of disability is assessed in relation to the loss in earning capacity. The pension ceases when the insured reaches retirement age.

Survivor pension

Social insurance survivor pension: The insured had 1 year of contributions.

Mandatory occupational survivor pension: Survivor benefits are paid to the insured's spouse and orphans under age 18 (age 25 if a student, no limit if disabled). The pension ceases when the deceased would have attained retirement age.

Old-Age Benefits

Old-age pension

Social insurance old-age pension: For a full pension based on a complete insurance period for the age cohort (defined by the year of birth), the pension is between 1,055 francs and 2,110 francs a month depending on the yearly average earnings during the total insurance period.

The yearly average earnings are calculated on the basis of employment income, contributions made while nonemployed, and recognized care-giving periods for children or persons in need of care. If married, the yearly average earnings are divided equally between both partners for the marriage period.

Child supplement: 40% of the old-age pension for each child under age 18 (age 25 if a student or in vocational training).

Partial pension: Awarded for an incomplete contribution period.

Early pension: The reduced value of the pension depends on when the pension is first drawn. The rate at which the early pension is reduced is lower for women born in, or before, 1951.

Deferred pension: The pension increase is from 5.22% for a 1-year deferral to 40.71% for the maximum deferral of 6 years.

Christmas bonus: 100% of the monthly pension, payable in December.

Benefit adjustment: Periodic adjustment of pensions for changes in the consumer price index and wage index (in principle, every 2 years). If the price index increases by more than 4% in a year, the adjustment may be brought forward.

Mandatory occupational old-age pension: Benefits may be paid as a pension for life or as a lump sum, depending on plan regulations.

The minimum pension is based on the insured's accumulated capital and the annuity rate of the pension institution. Annuity rates are defined by plan regulations.

Benefit adjustment: Pensions are adjusted according to the financial situation of each institution.

Permanent Disability Benefits

Disability pension

Social insurance disability pension: The full pension is based on a complete insurance period for the age class (defined by the year of birth). If the level of disability is at least 66.6% (total disability), the pension is between 1,055 francs and 2,110 francs a month depending on yearly average earnings during the total insurance period.

The yearly average earnings are calculated based on employment income, contributions made while nonemployed, and for recognized care-giving periods for children or persons in need of care. If married, the yearly average earnings are divided equally between both partners for the marriage period.

Partial disability: If the level of disability is between 50% and 66%, the award is 50% of the full pension; if the level of disability is between 40% and 49%, the award is 25% of the full pension.

Child supplement: 50% of the disability pension for each child under age 18 (age 25 if a student or in vocational training).

Partial pension: Awarded for an incomplete contribution period.

Christmas bonus: 100% of the monthly pension, payable in December.

Benefit adjustment: Periodic adjustment of pensions for changes in the consumer price index and wage index (in principle, every 2 years). If the price index increases by more than 4% in a year, the adjustment may be brought forward.

Mandatory occupational disability pension: Benefits may be paid as a pension or as a lump sum, depending on plan regulations. The full pension must be at least equal to 30% of covered earnings.

Partial disability: A reduced pension is paid for a partial disability.

Dependent supplement: 6% of covered earnings for each child under age 15 (age 25 if a student, no limit if disabled).

Benefit adjustment: Pensions are adjusted according to the financial situation of each institution.

Survivor Benefits

Survivor pension

Social insurance survivor pension: The full pension is based on a complete insurance period for the age cohort (defined by the year of birth) and is 80% of the deceased's hypothetical pension. The full pension is payable to a widow(er) with children, as well as to a widow(er) without children but who is aged 45 or older at the time of the insured's death and who was married to the insured for at least 5 years.

In cases in which the age and marriage qualifying conditions are not met in full, a pension is paid for a limited period of 2 to 5 years (according to the age of the surviving spouse and the duration of the marriage).

Partial pension: Awarded in cases in which the insured had an incomplete contribution period.

Social insurance orphan's pension: 40% of deceased's hypothetical pension is paid for each orphan under age 18 (age 25 if a trainee or a student).

Partial pension: Awarded in cases in which the insured had an incomplete contribution period.

Benefit adjustment: Periodic adjustment of pensions for changes in the consumer price index and wage index (in principle, every 2 years). If the price index increases by more than 4% in a year, the adjustment may be brought forward.

Mandatory occupational survivor pension: Benefits may be paid as a pension or as a lump sum, depending on plan regulations. The survivor pension must be at least equal to 18% of covered earnings for the spouse and 6% of covered earnings for each orphan. The pension ceases when the insured would have attained retirement age, with the surviving spouse receiving a lump sum equal to the value of the insured's vested old-age pension rights.

Benefit adjustment: Pensions are adjusted according to the financial situation of each institution.

Administrative Organization

Social insurance: Old Age, Survivor, and Disability Insurance Institute administers the program.

Mandatory occupational pension: Mandatory occupational pension plans are administered by private pension institutions under government supervision.

Office for Economy supervises and regulates pension institutions and ensures compliance with legal requirements.

Sickness and Maternity

Regulatory Framework

First law: 1910.

Current laws: 1971 (sickness) and 1981 (maternity).

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

Coverage

Cash benefits: Employed persons.

Voluntary insurance for other defined categories.

Medical benefits: All residents and persons employed in Liechtenstein.

Source of Funds

Insured person: A variable percentage of salary (the average is between 1.5% and 2%) or a fixed sum.

Employer: A variable percentage of payroll (the average is between 1.5% and 2%).

Government: Varying contributions are made toward the cost of medical benefits payable to health insurance funds according to the age and gender makeup of each fund.

The maximum annual earnings for contribution and benefit purposes are 106,800 francs.

Qualifying Conditions

Cash sickness benefit: Membership in a health insurance fund.

Cash maternity benefit: 270 days of membership in a health insurance fund without interruptions of longer than 3 months.

Sickness and Maternity Benefits

Sickness benefit: 80% of covered earnings. The benefit is paid after a 2-day waiting period for a total of 720 days in 900 consecutive days.

The maximum sickness benefit is 267 francs a day.

Maternity benefit: 80% of covered earnings is payable for 20 weeks, of which at least 16 weeks are after the expected date of childbirth.

The maximum maternity benefit is 267 francs a day.

Workers' Medical Benefits

Provided by approved doctors, public hospitals, private hospitals, and clinics contracted with health insurance funds and by recognized sanatoriums.

Medical benefits include primary and specialist treatment, hospitalization, pharmaceuticals, maternity care, and convalescence.

Cost sharing: Cost sharing by patients includes a set fee of up to 800 francs per calendar year and a 10% copayment for all costs exceeding the set fee. Cost-sharing rates are halved for pensioners and adolescents over age 15 but under age 20; no cost sharing for children under age 16 or for preventive and maternity care.

There is no limit to duration.

Dependents' Medical Benefits

Same as for the insured person. Individuals are insured in their own right because they have separate insurance coverage.

Administrative Organization

Registered Compulsory Health Insurance Funds administer contributions and benefits.

Work Injury

Regulatory Framework

First law: 1910.

Current law: 1989.

Type of program: Social insurance system.

Coverage

Employed persons.

Voluntary coverage for the self-employed.

Source of Funds

Insured person: Employed persons make no contributions.

Self-employed person: A contribution according to the extent of coverage and the assessed degree of risk.

Employer: Premiums according to the assessed degree of risk.

Government: None.

The maximum annual earnings for contribution and benefit purposes are 106,800 francs.

Qualifying Conditions

Work injury benefits: There is no minimum qualifying period.

Temporary Disability Benefits

80% of earnings, covered up to a maximum of 106,800 francs a year. The benefit is payable after a 2-day waiting period.

The maximum benefit is 293 francs a day.

Permanent Disability Benefits

80% of earnings, covered up to a maximum of 106,800 francs a year for total disability.

Partial disability: A percentage of the full pension according to the degree of disability.

There is no minimum limit for each level of disability (in practice, 10% is the minimum limit).

Constant-care allowance: The value of the allowance depends on the level of dependency and care required.

Physical integrity damage grant: Cash lump sum depending on the degree of damage.

Workers' Medical Benefits

Expenses are covered in full.

There is no limit to duration.

Survivor Benefits

Survivor pension: 40% of earnings, covered up to a maximum of 106,800 francs a year. The pension is payable to a surviving widow(er) or to a divorced spouse (if the deceased was required to pay maintenance) if he or she has dependent children, is at least 2/3 disabled, or is aged 45 or older.

Orphan's pension: 15% of earnings (25% for a full orphan), covered up to a maximum of 106,800 francs a year. The pension is payable for each child under age 18 (under age 25 if a student).

The maximum survivor pension is 70% of the deceased's covered earnings (90% if a divorced spouse is also receiving a survivor pension). If survivors are eligible for pensions under the Old Age, Disability, and Survivor program and if the survivor benefit under work injury is higher, only the differential amount is paid. Beneficiaries receive cost-of-living allowances that are incorporated into the pension.

Benefit adjustment: As a general rule, pensions are adjusted every 2 years.

Survivor allowance: Payable to a surviving spouse or to a divorced or separated spouse who has no right to a pension. The allowance is a variable lump sum, depending on the duration of marriage (from 1 to 5 times the annual pension).

Administrative Organization

Registered Compulsory Accident Insurance Funds administer contributions and benefits.

Unemployment

Regulatory Framework

First and current law: 1969.

Type of program: Social insurance system.

Coverage

Employed persons.

Source of Funds

Insured person: 0.25% of salary.

Employer: 0.25% of payroll.

Government: Under certain conditions the government covers up to 20% of the cost of benefits. The government also meets up to 20% of the cost of any deficit.

The maximum annual earnings for contribution and benefit purposes are 97,200 francs.

Qualifying Conditions

Unemployment benefit: Six months of insurance coverage. The insured is available for work and satisfies any other necessary requirements.

Unemployment Benefits

80% of daily covered earnings. The daily benefits are payable for 250 days (400 days for unemployed persons aged 50 to 59 and 500 days for those aged 60 to 64) in a 2-year period.

Dependent supplement: 10 francs a day for one dependent; 5 francs a day for each additional dependent.

The maximum benefit is 85% of daily covered earnings.

Administrative Organization

National Unemployment Insurance Fund administers contributions and benefits.

Family Allowances

Regulatory Framework

First law: 1958.

Current law: 1986.

Type of program: Social insurance system.

Coverage

All residents and nonresident employees and self-employed persons.

Source of Funds

Insured person: Employed persons make no contributions.

Self-employed person: 2.1% of gross earnings. The self-employed pay an additional 4% of their individual contribution amount for administrative costs. (The nonemployed make variable contributions depending on their assets and income and pay an additional 4% of their individual contribution amount for administrative costs.)

Employer: 2.1% of payroll and an additional 4% of their contribution amount for administrative costs.

Government: Any eventual deficit.

Qualifying Conditions

Family allowance: Children under age 18.

Family Allowance Benefits

Family allowances: 260 francs a month per child for the first two children if under age 11; 310 francs per child for the first two children over age 10; 310 francs per child for the third and each subsequent child.

Single-parent allowance: 100 francs a month per child (payable in addition to family allowances).

Birth grant: 2,100 francs per child; 2,600 francs per child for multiple births.

If eligible parents receive family allowances from another country that are paid at a rate lower than those paid in Liechtenstein, only the difference between the amounts is payable.

Administrative Organization

National Family Allowances Fund administers contributions and benefits.

Lithuania

Exchange rate: US\$1.00 equals 2.78 litas (Lt).

Old Age, Disability, and Survivors

Regulatory Framework

First law: 1925.

Current laws: 1956, 1994, and 2003.

Type of program: Social insurance system.

Note: As of January 1, 2004, employees can allocate a portion of their social security contribution equal to 2.5% of total income to an individual account. The portion of the social security contribution that can be allocated will increase by 1% a year until it reaches 5.5% in 2007.

Coverage

Insured workers and permanent residents.

Source of Funds

Insured person: 2.5% of wage.

Employer: 23.4% of payroll.

Government: Any deficit. In addition to pensions, the state social insurance budget finances the other social insurance programs.

Qualifying Conditions

Old-age pension: Age 62.5 (men) and age 59 (women). (The pensionable age for women will gradually increase to age 60 by 2006.)

Early pension: Up to 5 years before the normal retirement age with 30 years of insurance and after 1 year of unemployment (beginning July 1, 2004).

Disability pension: Disability involving either a permanent or prolonged incapacity for work. Depending on age, the insured must have a minimal social insurance work record.

Survivor pension: The insured must have been a pensioner or have been entitled to a disability pension at the time of death.

Old-Age Benefits

Old-age pension: The basic pension is no less than 110% of the poverty level. The supplementary pension is based on years of coverage and the ratio of individual earnings to national average earnings.

Early pension: The pension is reduced by 0.4% for each month the pension is awarded before the normal retirement age (beginning July 1, 2004).

Permanent Disability Benefits

Disability pension: The pension varies according to the assessed degree of disability.

Survivor Benefits

Survivor pension: Paid to a spouse who has reached old age or is disabled. The spouse receives 20% of the insured's pension.

Orphan's pension: Orphans up to age 18 (age 24 if a student) receive 25% of the insured's pension each.

The total survivor pension must not exceed 80% of the insured's pension.

Administrative Organization

Ministry of Social Security and Labor is responsible for the program.

State Social Insurance Fund Council (composition determined by the government).

State Social Insurance Fund Board, and its territorial social insurance departments, administers cash benefits.

Sickness and Maternity

Regulatory Framework

First law: 1925.

Current laws: 1991 and 2000.

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

Coverage

Sickness and maternity benefits: Persons insured under compulsory or voluntary social insurance.

Medical benefits: All residents.

Source of Funds

Insured person: 0.5% of wage.

Employer: 2.8% of payroll.

Government: Any deficit.

Qualifying Conditions

Sickness and maternity benefits: At least 3 months coverage during the past 12 months; 6 months during the past 24 months. If an incomplete sickness or maternity social insurance record is as a consequence of parental leave to care for a child aged 1 to 3, a social insurance record is calculated from 12 months prior to the leave commencing.

Sickness and Maternity Benefits

Sickness benefit: 85% of the insured's average compensatory wage is paid after a 2-day waiting period. (The employer pays at least 80% of the insured's average wage for the first 2 days.) The monthly benefit must not be less than 25% of the average wage in Lithuania.

Compensatory wage: The insured's average wage for the last 3 months on which contributions have been paid. The compensatory wage must not exceed 3.5 times the average wage in Lithuania (as defined by the Department of Statistics).

Maternity benefit: 100% of the insured's compensatory wage for 70 calendar days before and 56 calendar days after the expected date of childbirth. The benefit must not be less than 25% of average monthly insurable income.

Compensatory wage: The insured's average wage for the last 3 months on which contributions have been paid. The compensatory wage must not exceed 3.5 times the average wage in Lithuania (as defined by the Department of Statistics).

Paid leave benefit (child care): Either parent may take official leave from employment for up to 1 year to care for the newborn infant and receive benefit equal to 60% of wages. The benefit must not be less than 33% of average monthly insurable income.

Workers' Medical Benefits

Medical services are provided directly by government health facilities. Benefits include the cost of medication for inpatient treatment.

Cost sharing: Part of the cost of medication for outpatient treatment for insured persons is covered by the state social insurance budget.

Dependents' Medical Benefits

Same as for the family head (see medical benefits, above).

Administrative Organization

Ministry of Social Security and Labor is responsible for the cash benefit program.

Ministry of Health is responsible for medical benefits.

State Social Insurance Fund Board, and its territorial social insurance departments, administers cash benefits.

Local authorities.

Work Injury

Regulatory Framework

First law: 1991.

Current laws: 1991 and 1999.

Type of program: Social insurance system.

Coverage

Wage earners.

Source of Funds

Insured person: None.

Employer: 0.3% of payroll.

Government: None.

Qualifying Conditions

Work injury benefits: There is no minimum qualifying period.

Temporary Disability Benefits

100% of wages is payable until the resumption of work capacity or the determination of disability.

Permanent Disability Benefits

Permanent disability benefit: The benefit varies according to the assessed degree of disability.

Survivor Benefits

Survivor pension: Paid to a spouse who has reached old age or is disabled. The spouse receives 20% of the insured's total pension.

Orphan's pension: Orphans up to age 18 (age 24 if a student) receive 25% of the insured's pension each.

The total survivor pension must not exceed 80% of the insured's pension.

Administrative Organization

Ministry of Social Security and Labor is responsible for the program.

State Social Insurance Fund Board, and its territorial social insurance departments, administers cash benefits.

Unemployment

Regulatory Framework

First law: 1919.

Current laws: 1991, 1996, and 2003.

Type of program: Social insurance system.

Coverage

Employed persons.

Source of Funds

Insured person: None.

Employer: 1.5% of payroll.

Government: Allocations from the state budget in case of a deficit.

Qualifying Conditions

Unemployment benefit: Must have 24 months of contributions in the last 3 years (to be decreased to 18 months of contributions in the last 3 years by 2005).

Unemployment Benefits

The amount of benefit depends on the insured's coverage record and the reason for job loss. The benefit is payable from the eighth day after registration but for no more than 6 months in any 12-month period.

The minimum benefit is the government-set state-supported income (135 Lt).

The maximum benefit is twice the minimum standard of living (250 Lt).

Administrative Organization

Ministry of Social Security and Labor is responsible for the program.

Employment Exchange of Lithuania, comprising the national and territorial employment exchanges, administers cash benefits.

Unemployment Fund collects contributions.

Family Allowances

Regulatory Framework

First law: 1990.

Current laws: 1990, 2000, and 2003.

Type of program: Social assistance system.

Coverage

Resident families.

Source of Funds

Insured person: None.

Employer: None.

Government: Total cost is financed by state and municipal budgets.

Qualifying Conditions

Family allowances: Low-income families.

Family Allowance Benefits

Social pension: Pensions are provided to low-income families who satisfy a means-test.

Small grants: Subject to conditions, grants may be provided to low-income families. Grants are not subject to a means test.

Administrative Organization

State Social Insurance Fund Board and its territorial social insurance departments administer cash benefits.

Luxembourg

Exchange rate: US\$1.00 equals 0.80 euros (€).

Old Age, Disability, and Survivors

Regulatory Framework

First laws: 1911 (wage earners) and 1931 (salaried employees).

Current laws: 1987 (unified pension insurance scheme); and 1989 (pension schemes coordination), implemented January 1990.

Type of program: Social insurance system.

Coverage

All economically active persons in the private and public sectors, including self-employed persons.

General system for the private sector.

Separate special systems for railway and public-sector employees who entered employment before January 1, 1999, or on or after January 1, 1999, respectively.

Source of Funds

Insured person: 8% of earnings.

Employer: 8% of payroll.

Government: 8% of earnings.

The minimum monthly earnings for contribution and benefit calculation purposes are equal to the social minimum wage (€1,402.96).

The maximum monthly earnings for contribution and benefit calculation purposes are equal to five times the social minimum wage (€7,014.79).

Qualifying Conditions

Old-age pension: Age 65 (men and women) with 120 months of mandatory, voluntary, or deemed coverage.

Early pension: Age 60 with 480 months of paid or deemed coverage, including at least 120 months of mandatory coverage; age 57 with 480 months of paid coverage.

Retirement is necessary.

Deferred pension: Retirement may be deferred to age 68; a partial pension, combined with part-time employment, is also possible.

Disability pension: Under age 65 and unable to perform the usual occupation or any other similar occupation; 12 months of coverage during the 3 years before the onset of disability. There is no minimum qualifying period in case of disability resulting from an accident.

Survivor pension: The insured had 12 months of coverage in the 3 years before death or was a pensioner at the time of death. The pension is payable to the spouse, including a divorced spouse, on the basis of years of marriage and number of contributions without regard to either personal income or orphans; also payable to orphans.

Old-Age Benefits

Old-age pension: The pension comprises two elements: a flat-rate component of €329.75 a month if insured for 40 years and an annual increment equal to 1.85% of adjusted lifetime covered earnings.

Partial pension: The flat-rate component of the pension is reduced by 1/40 for each year of insurance less than 40.

The minimum pension is €1,262.88 a month, if insured for 40 years. The minimum pension is reduced by 1/40 for each year less than 40. A minimum pension is not payable if insured for less than 20 years.

The maximum pension is €5,846.66 a month.

Benefit adjustment: Benefits are automatically indexed to changes in the cost of living and are periodically adjusted according to changes in wages.

Permanent Disability Benefits

Disability pension: A flat-rate component of €329.75 a month if insured for 40 years plus an annual increment equal to 1.85% of adjusted lifetime covered earnings.

The disability pension also includes prospective insurance. If disability occurs before age 55, an additional increment is calculated for the period between the date of the onset of disability and age 55 on the insured's imputed average earnings from age 25 to the date of the onset of disability.

Partial pension: The flat-rate benefit is reduced by 1/40 for each year less than 40.

The minimum disability pension is €1,262.88 a month if the insured has 40 years of effective or prospective insurance.

Benefit adjustment: Benefits are automatically indexed to changes in cost of living and are periodically adjusted according to changes in wages.

Survivor Benefits

Survivor pension: Based on the old-age pension, the pension is equal to 100% of the flat-rate benefit plus 75% of the insured's annual increment. The concurrent drawing of a survivor pension and earnings or other personal pension is subject to a limit.

Orphan's pension: Based on the old-age pension, the pension is equal to 33% of the flat-rate benefit plus 25% of the insured's annual increment. Full orphans receive a double pension.

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

Benefit adjustment: Benefits are automatically indexed to changes in cost of living and are periodically adjusted according to changes in wages.

Administrative Organization

Ministry of Social Security provides general supervision.

Managed by an employee-employer governing body and chaired by a government official, the Old Age and Invalidity Insurance Institution administers the program for wage earners.

Managed by an employee-employer governing body and chaired by a government official, the Private Salaried Employees' Pension Fund administers the program for salaried employees.

Managed by a governing body made up of representatives of the various self-employed groups, the Pension Fund for Self-employed Artisans, Merchants, and Manufacturers administers the program for self-employed persons.

Managed by a governing body of representatives of the agricultural profession, the Agricultural Pension Fund administers the program for farmers.

Public Employees Administration administers the program for civil servants.

Sickness and Maternity

Regulatory Framework

First law: 1901.

Current law: 1992 (sickness insurance and health-sector reform), implemented in January 1994.

Type of program: Social insurance system. Cash and medical benefits.

Coverage

All employees and social security beneficiaries are eligible for medical and dependency benefits.

Voluntary membership in the sickness fund for those without compulsory coverage.

Special systems for self-employed persons, artisans, and farmers (cash sickness and maternity benefits).

Source of Funds

Insured person: 4.9% (blue-collar workers) or 2.65% (white-collar workers) of earnings. Pensioners contribute 2.55% of the pension and an additional 1% of taxable income for dependents.

Employer: 4.9% (blue-collar workers) and 2.65% (white-collar workers) of payroll. Pension insurance institutions contribute 2.55% of pensions paid.

Government: Subsidies of around 37% of contributions. The total cost of maternity allowances.

The maximum monthly earnings for contribution purposes are five times the national minimum wage (€1,402.96).

Qualifying Conditions

Cash sickness, medical, and dependency benefits: Membership in the sickness fund.

Cash maternity benefit and adoption leave: Membership in the fund for at least 6 months in the year before the year of the expected date of childbirth or the year of adoption.

Sickness and Maternity Benefits

Cash sickness benefit: 100% of earnings is payable for up to 52 weeks from the first day of incapacity.

Cash maternity benefit: 100% of earnings, payable for 8 weeks before and 8 weeks after the expected date of childbirth (12 weeks in the case of a premature birth, multiple births, or if the mother is breastfeeding her child).

Adoption leave: 100% of earnings is payable for 8 weeks on the adoption of a child.

Maternity allowance: A lump sum of €2,954.77 is payable for a 16-week period to persons who have no loss of income while on maternity leave.

Workers' Medical Benefits

There is a free choice of service provider. Services are provided by doctors and hospitals under collective agreements, according to the established schedule of fees. Medical benefits include general and specialist care, hospitalization, laboratory services, maternity care, dental care, appliances, medicines, transportation, and rehabilitation services.

Cost sharing: In general, insurance covers the entire cost of medical benefits, but the insured pays 20% for consultations; 5% for other ambulatory services; 5% for dental care up to a limit of €1.33 a year; €0.31 a day for hospitalization; and varying rates of 0%, 20%, or 60% of the cost of medicines.

Dependents' Medical Benefits

Medical benefits for dependents: Same as for the insured person.

Attendance benefits: Various services and cash benefits for the provision of care by another person in order to permit an individual to undertake routine daily activities. Cash benefits are €24 per hour for care provided at home and €35.82 per hour for care provided in an institution.

Administrative Organization

Ministry of Social Security provides general supervision.

Nine funds, each responsible for different occupational categories, administer benefits. Elected committees composed

of representatives of insured persons and employers manage the funds.

Sickness Fund Union administers dependency benefits.

Work Injury

Regulatory Framework

First law: 1902.

Current laws: 1925 (social insurance code).

Type of program: Social insurance system.

Coverage

Employees, apprentices, domestic workers, and self-employed persons.

Special systems for public-sector employees, students, and military personnel.

Source of Funds

Insured person: None (except for self-employed persons).

Employer: 0.66% to 6% of payroll, according to the assessed degree of risk.

Government: Half of the cost of administration and one-third of the cost of pension adjustments due to wage changes.

The maximum monthly earnings for contribution and benefit purposes are €1,402.96.

Qualifying Conditions

Work injury benefits: There is no minimum qualifying period.

Temporary Disability Benefits

100% of earnings is payable from the first day of incapacity for up to 13 weeks; thereafter, the benefit is converted to a permanent disability pension.

Permanent Disability Benefits

85.6% of earnings during the last year.

Child supplement: 10% of the pension for each child under age 18 (age 27 if a student, no limit if disabled) if the insured is assessed as 50% or more disabled. The value of the total supplement is not to exceed 100% of base salary.

Partial disability: A percentage of the full pension in proportion to the assessed degree of disability. If the assessed degree of disability is 10% or less, the pension is converted to a lump sum after 3 years; or on request if the assessed degree of disability is from 10% to 40%.

Benefit adjustment: Benefits are automatically indexed to changes in cost of living and are periodically adjusted according to changes in wages.

Workers' Medical Benefits

All necessary care, including medical treatment and surgery, hospitalization, medicines, appliances, and rehabilitation.

Survivor Benefits

Survivor benefit: 42.8% of the insured's earnings (53.5% if the insured was disabled) is payable to the widow(er).

Remarriage settlement: Entitlement to the survivor pension ceases on remarriage, with a lump sum equal to 60 months' earnings paid if the survivor is under age 50; 36 months' earnings if aged 50 or older.

Orphan's pension: 21.4% of earnings for each orphan under age 18 (under age 27 if a student).

Other eligible survivors (in absence of the above): Parents, grandparents, or the insured's carer.

The maximum total survivor pension is 85.6% of the insured's earnings.

Funeral grant: A lump sum equal to 1/15 of the insured's annual earnings or the minimum wage, whichever is higher.

Benefit adjustment: Benefits are automatically indexed to changes in the cost of living and are periodically adjusted according to changes in wages.

Administrative Organization

Ministry of Social Security provides general supervision.

Accident Insurance Association administers the program for workers in industry, agriculture, and forestry and also administers the special systems.

Unemployment

Regulatory Framework

First law: 1921.

Current law: 1976 (full unemployment benefits).

Type of program: Social insurance system.

Coverage

Employed persons, self-employed persons under certain conditions, recent graduates of schools, and persons aged 16 to 28 who have completed vocational training.

Source of Funds

Insured person: 2.5% (special solidarity tax).

Employer: None.

Government: The level of financing is set annually by legislation.

Qualifying Conditions

Unemployment benefit: The insured must have worked 26 weeks in the last 12 months; recent graduates must have 26 weeks of registered unemployment. Self-employed persons must have 5 years of work, except for special cases. The insured must be registered at the employment office, capable of work, and be prepared to accept appropriate employment. Unemployment is not due to voluntary leaving or the refusal of a suitable job offer.

Unemployment Benefits

80% of the basis salary (85% if the insured has a dependent child) during the last 3 months, up to 2.5 times the social minimum wage (2 times after 182 days; 1.5 times after 365 days); young unemployed persons receive 70% of the social minimum wage, and self-employed persons receive 80%. The amount is reduced for unemployed persons living with someone whose earnings exceed twice the social minimum wage. The benefit is payable for up to 365 days in a 24-month period. The entitlement period may be extended for 12, 9, or 6 months for older unemployed persons; additional extensions are available for hard-to-place unemployed persons.

The basis salary is equal to gross earnings in the 3 months before unemployment.

Benefit adjustment: Benefits are automatically indexed to changes in the cost of living.

Administrative Organization

Ministry of Labor provides general supervision.

Employment Agency, through local offices, administers the program and the payment of allowances.

Family Allowances

Regulatory Framework

First laws: 1947 (employed persons) and 1959 (self-employed persons).

Current laws: 1977 (birth allowance); 1980 (maternity allowance); 1985 (family allowance); 1986 (beginning of school year allowance); 1988 (education allowance); and 1999 (parental leave).

Type of program: Universal system.

Coverage

All children raised and legally resident in the country.

Source of Funds

Insured person: None.

Employer: None.

Government: Total cost.

Qualifying Conditions

Family allowance: The child is under age 18 (age 27 if a student).

Birth allowance: Evidence of prescribed medical examinations and residence in Luxembourg.

Beginning of school year allowance: Payable to families with one or more children aged 6 to 18 (age 27 if a student) who are eligible for family allowances.

Child-rearing allowance: All residents rearing one or more children under age 2 for whom they receive family allowances.

Parental leave allowance: The child is under age 5 and receiving the family allowance, and the parent was living and working in Luxembourg at the time of the child's birth.

Family Allowance Benefits

Family allowances: €176.67 a month for one child, €119.50 a month for two, €764.07 a month for three, €1,108.40 a month for four, and €1,452.85 a month for five. In addition, €15.39 a month for each child aged 6 to 11 and €6.18 a month for each child aged 12 or older.

Supplementary allowance: €176.67 a month is added for a seriously disabled child.

Birth allowances: €1,656.30 is payable in three equal installments as prenatal allowance, birth grant, and postnatal allowance.

Beginning of school year allowance: €107.70 for one child over age 6 (€53.88 if over age 12), €84.67 per child if there are two children over age 6 (€30.79 per child if over age 12), and €61.58 per child if there are three or more children over age 6 (€07.77 per child if over age 12).

Child-rearing allowance: €461.65 a month.

Parental leave allowance: €1,692.66 a month, during a 6-month period.

Benefit adjustment: All allowances are indexed to changes in the cost of living.

Administrative Organization

Ministry of the Family provides general supervision.

National Family Allowance Fund administers allowances.

Malta

Exchange rate: US\$1.00 equals
0.34 Maltese lira (Lm).

Old Age, Disability, and Survivors

Regulatory Framework

First laws: 1956 (old age and survivors), 1965 (disability), and 1979 (earnings-related pension).

Current law: 1987.

Type of program: Social insurance system.

Coverage

Residents aged 16 or older, citizens employed outside Malta by foreign employers having a place of business in Malta, and students in certain work-study programs.

Exclusions: Married persons not gainfully employed, full-time students, and persons older than age 65.

Source of Funds

Insured person: 10% of the basic wage; the minimum and maximum weekly contributions are Lm 5.39 and Lm 12.98, respectively (flat rate of Lm 2.84 a week if under age 18).

Self-employed person: Lm 9.61 to Lm 19.47 a week, depending on net income from self-employment and other sources.

Employer: 10% of payroll; minimum and maximum weekly contributions for each employee are Lm 5.39 and Lm 12.98, respectively (flat rate of Lm 2.84 a week for employees under age 18).

Government: A sum equivalent to the value of 50% of total contributions.

The maximum basic weekly wage (employed person) or weekly net income (self-employed person) for contribution purposes is Lm 129.77.

The maximum basic annual wage or net annual income for payment of the earnings-related pension is Lm 6,748.04.

The maximum basic annual wage or net annual income for pensionable income purposes if the employer also pays an occupational service pension is Lm 6,750.

All of the above contributions also finance sickness, maternity, work injury, unemployment, and family allowance benefits.

Qualifying Conditions

Old-age pension: Age 61 (men) or age 60 (women) with 156 weeks of paid contributions, including an annual average of 50 weeks of paid or credited contributions.

Partial pension: A reduced pension is awarded if the annual average is between 20 and 49 weeks of contributions under the

flat-rate pension scheme or between 15 and 49 weeks under the earnings-related scheme.

Income test: Earned income from age 61 (men) or age 60 (women), whether through employment or self-employment, must not exceed the national minimum wage (Lm 53.88 per week) until age 65.

The old-age pension is payable abroad.

Old-age noncontributory pension: The insured does not satisfy the contribution conditions for the old-age pension.

Disability pension: Total permanent incapacity for eligible full-time or regular part-time work with 250 weeks of paid contributions as an employee or as a self-employed person, including an annual average of 50 weeks of paid or credited contributions.

Partial pension: A reduced pension is awarded if the annual average is between 20 and 49 weeks of contributions.

Survivor pension: Awarded to a widow(er) whose deceased spouse paid 156 weeks of contributions, with an annual average of 50 weeks paid or credited.

Partial pension: A reduced pension is awarded if the insured had an annual average of between 20 and 49 weeks of contributions under the flat-rate pension scheme or between 15 and 49 weeks under the earnings-related scheme.

Income test: Earned income must not exceed the minimum wage; widows under age 60 with children under age 16 qualify for the survivor pension regardless of their income.

Orphan's pension: Awarded in the event that both parents are deceased. One parent must have been insured and had at least 1 week of contributions at the time of death.

Old-Age Benefits

Old-age pension: Pensions vary depending on whether entitlement exists to the earnings-related pension that was introduced on January 22, 1979; whether the insured has an occupational service pension (which causes reductions in the social security benefit); and whether the person is married with a dependent spouse.

Pensions for those who paid contributions only before January 22, 1979, range from a minimum of Lm 18.90 a week to a maximum of Lm 86.53 a week.

Earnings-related pensions, which can be as much as Lm 86.53 a week, are 2/3 of the yearly average of the best 3 consecutive years in the last 10 years before retirement for employed persons or in the last 10 consecutive years before retirement for self-employed persons.

Old-age noncontributory pension: A means-tested pension is provided.

Benefit adjustment: Benefit adjustment is linked to increases in wages and prices.

Permanent Disability Benefits

Disability pension: Pensions vary depending on whether an occupational service pension is payable and whether the person is married with a dependent spouse. Pensions range from a minimum of Lm 17.16 a week to a maximum of Lm 45.16 a week.

Benefit adjustment: Benefit adjustment is linked to increases in prices and, in some cases, to increases in wages.

Survivor Benefits

Survivor pension: Payable to a widow(er). Pensions vary depending on whether contributions were paid before or after January 22, 1979, and whether a survivor pension is payable by the deceased spouse's employer.

The maximum pension for a person who paid contributions only before January 22, 1979, is Lm 72.11 a week.

Earnings-related pensions, which can be as much as Lm 72.11 a week, are 5/9 of the yearly average of the best 3 consecutive years in the last 10 years before the spouse's death or retirement on age or medical grounds for employees; in the last 10 consecutive years before the spouse's death or retirement for self-employed persons.

Benefit adjustment: Benefit adjustment is linked to increases in wages and prices.

Remarriage grant: Upon remarriage, a widow(er) forfeits any entitlement to a survivor pension from a previous marriage and receives a lump sum equal to 52 weeks of the applicable National Minimum Pension.

Orphan's pension: Lm 13.88 a week for each orphan under age 16; Lm 30.99 for each orphan between ages 16 and 21, provided the orphan is not gainfully employed. If the orphan is gainfully employed but gross earnings are less than the minimum wage, then the allowance is reduced to bring the total of such an allowance and gross earnings to an amount equivalent to the minimum wage.

Benefit adjustment: Benefit adjustment is linked to increases in prices.

Administrative Organization

Ministry for Social Policy provides general supervision.

Director of Social Security manages the program.

Department of Social Security administers the program.

Sickness and Maternity

Regulatory Framework

First laws: 1956 (sickness) and 1981 (maternity).

Current law: 1987.

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

The Employment and Industrial Relations Act requires employers to provide 100% of earnings for 13 weeks' maternity leave.

Coverage

Sickness benefits: Employed and self-employed persons.

Maternity benefits: Resident citizens.

Medical benefits: Resident citizens.

Source of Funds

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

Self-employed 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, for cash benefits.

Medical benefits are funded from general taxation.

Qualifying Conditions

Cash sickness benefit: Fifty weeks of paid contributions and 20 weeks paid or credited during the last 2 contribution years before the benefit year in which the claim was made.

Maternity benefit: Maltese citizenship and residence in Malta and, if previously in employment, not entitled to maternity leave under the Employment and Industrial Relations Act.

Medical benefits: There is no minimum qualifying period.

Sickness and Maternity Benefits

Sickness benefit: Lm 6.32 a day for a single person or person supporting a spouse who is not in full-time employment; Lm 4.08 a day for other persons. Benefit is payable from the fourth day of incapacity for up to 156 benefit days a year; up to a maximum of 312 benefit days a year if the person undergoes major surgery, suffers a severe injury (not work-related), or has a serious disease requiring long-term treatment before being able to resume work. During a 2-year period, the total number of benefit days may not exceed 468.

The total number of such benefit days must not exceed the total number of contributions paid since the person first entered the scheme.

Maternity benefit: The benefit is awarded for 14 weeks, 13 weeks of which are paid at Lm 20. Of the 14 weeks' entitlement, at least 8 weeks must be taken before the expected date of childbirth, and the remaining weeks are to be taken as needed.

Workers' Medical Benefits

Benefits and health services are provided by public hospitals and clinics. Inpatient treatment, including medicines and medical devices, is provided free of charge in public hospitals. Public primary care services and outpatient treatment is free of charge. Outpatients pay for medicines and medical devices, except for low-income persons; persons registered as having a chronic disease receive free medicines.

Dependents' Medical Benefits

Benefits and health services are provided by public hospitals and clinics. Inpatient treatment, including medicines and medical devices, is provided free of charge in public hospitals. Public primary care services and outpatient treatment is free of charge. Outpatients pay for medicines and medical devices, except for low-income persons; persons registered as having a chronic disease receive free medicines.

Administrative Organization

Ministry for Social Policy provides general supervision.
Director of Social Security manages the program.
Department of Social Security administers the program.

Work Injury

Regulatory Framework

First law: 1929.

Current law: 1987.

Type of program: Social insurance system.

Coverage

Employed and self-employed persons whose work is interrupted as a result of a work injury.

Source of Funds

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

Self-employed 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.

Qualifying Conditions

Work injury benefits: At least 1 week of contributions.

Temporary Disability Benefits

Lm 9.49 a day for a single parent or married person supporting a spouse who is not employed full time; Lm 7.14 a day for other persons. The benefit is payable from the fourth day of injury for up to 12 months.

Permanent Disability Benefits

Permanent disability pension: For an assessed degree of disability of 90% or more, a full disability pension is awarded regardless of the number of contributions paid or credited. Benefits vary depending on whether an occupational service pension is payable and whether the person is married with a dependent spouse. Benefits range from a minimum of Lm 17.16 a week to a maximum of Lm 45.16 a week. For an assessed degree of disability of between 20% and 89%, the pension ranges from Lm 5.02 to Lm 22.35 a week.

For an assessed degree of disability of between 1% and 19%, a lump-sum award is made ranging from Lm 77.56 to Lm 1,473.54.

Benefit adjustment: Benefit adjustment is linked to increases in prices and, in some cases, to increases in wages.

Workers' Medical Benefits

Medical, surgical, and rehabilitative treatment and medicines.

Survivor Benefits

Survivor pension: Payable to a widow(er). Pensions vary depending on whether contributions were paid before or after January 22, 1979, and whether a survivor pension is payable by the deceased spouse's employer.

The maximum pension for a person who paid contributions only before January 22, 1979, is Lm 72.11 a week.

Earnings-related pensions, which can be as much as Lm 72.11 a week, are 5/9 of the yearly average of the best 3 consecutive years in the last 10 years before the spouse's death or retirement on age or medical grounds for employees; in the last 10 consecutive years before the spouse's death or retirement for self-employed persons.

Benefit adjustment: Benefit adjustment is linked to increases in wages and prices.

Remarriage grant: Upon remarriage, a widow(er) forfeits any entitlement to a survivor pension from a previous marriage and receives a lump sum equal to 52 weeks of the applicable National Minimum Pension.

Orphan's pension: Lm 13.88 a week for each orphan under age 16; Lm 30.99 for each orphan between ages 16 and 21, provided the orphan is not gainfully employed. If the orphan is gainfully employed but gross earnings are less than the minimum wage, then the allowance is reduced to bring the total of such an allowance and gross earnings to an amount equivalent to the minimum wage.

Dependent parents: Lm 43.10 for a married dependent father who is supporting a wife; Lm 35.92 for all other cases.

Benefit adjustment: Benefit adjustment is linked to increases in prices.

Administrative Organization

Ministry for Social Policy provides general supervision.

Director of Social Security manages the program.

Department of Social Security administers the program.

Unemployment

Regulatory Framework

First law: 1956.

Current law: 1987.

Type of program: Social insurance system.

Coverage

Employed persons.

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.

Qualifying Conditions

Unemployment benefit: Fifty weeks of paid contributions and 20 weeks of paid or credited contributions made during the contribution year before the benefit year in which the claim was made. The insured must be registered as unemployed and be capable of, and available for, work.

Special unemployment benefit: Payable to the head of household in lieu of unemployment benefit if he or she satisfies a means test.

Unemployment assistance: The insured has exhausted the right to an unemployment benefit.

Unemployment Benefits

Lm 3.84 a day for a single parent or a married person supporting a spouse who is not in full-time employment and Lm 2.50 a day for other persons.

Special unemployment benefit: The benefit rate is Lm 6.44 a day for a single parent or for a married person maintaining a spouse who is not employed full time; Lm 4.20 a day for other persons. The benefit is payable from the first day of

unemployment for up to 156 benefit days; thereafter, subsequent entitlement will depend upon the person's having completed at least 13 weeks of employment.

The total number of benefit days must not exceed the total number of contributions paid since the person first entered the scheme.

Unemployment assistance: A means-tested benefit is provided.

Administrative Organization

Ministry for Social Policy provides general supervision.

Director of Social Security manages the program.

Department of Social Security administers the program.

Family Allowances

Regulatory Framework

First laws: 1974 (child allowances), 1977 (special allowances), 1988 (disabled child allowances and parental allowances), and 1989 (family bonuses).

Current law: 1987 (social security), with 1996 amendment.

Type of program: Social insurance and social assistance system.

Coverage

All resident Maltese citizens who satisfy the means test.

Source of Funds

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

Self-employed 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.

Qualifying Conditions

Child allowance: All households with children under age 21, if the income of both parents did not exceed Lm 10,270 in 2003. For children aged 16 or older, the child must be a full-time student and not being paid for the studies, must never have been in gainful employment, must not be registered as unemployed, and is not entitled to any social benefits.

Care allowance for foster children: The child is certified by a competent authority as being a foster child or under the care of an institution.

Disabled child allowance: All households caring for a physically or mentally disabled child if the child is not

receiving any other social security pension for the disability. The income of one of the parents did not exceed Lm 13,270 in 2003.

Family Allowance Benefits

Child allowance: The benefit is calculated on the difference between the Lm 10,270 ceiling and the couple's income multiplied by a percentage starting at 6% for one child and increasing depending on the number of children.

Care allowance for foster children: Lm 12 a week.

Disabled child allowance (income-tested): The maximum benefit is Lm 5 a week.

Administrative Organization

Ministry for Social Policy provides general supervision.

Director of Social Security manages the program.

Department of Social Security administers the program.

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

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

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.

Monaco

Exchange rate: US\$1.00 equals 0.80 euros (€).

Old Age, Disability, and Survivors

Regulatory Framework

First laws: 1944 (workers) and 1958 (self-employed).

Current laws: 1947, 1956, 1961, 1971, 1974, 1976, 1980, and 1983.

Type of program: Social insurance system.

Coverage

Employed persons.

Special systems for self-employed persons and public-sector employees.

Source of Funds

Insured person: 6.15% of earnings (old-age pension and survivor pension).

Employer: 6.15% of payroll (old-age pension and survivor pension), plus an additional 1.01% of payroll (the additional contribution finances sickness benefits and other benefits insuring against the interruption of employment); 15.8% of payroll (disability benefits and survivor pension).

The employer contribution for disability benefits also covers sickness and maternity benefits and family benefits.

Government: None.

The maximum monthly earnings for contribution purposes are €3,690 for old-age benefits and €1,130 for disability benefits.

Qualifying Conditions

Old-age pension: Age 65 (men and women) with 10 years of insurance coverage including at least 169 hours of employment each year; 60 months of effective or deemed employment. Women can retire at age 55 if they have raised at least three children.

Early pension: Age 60 with the cessation of all work activity.

Deferred pension: The pension can be deferred after age 65.

Disability pension: Under age 60 and a total loss of work capacity (total disability) or the loss of 2/3 of work capacity (partial disability); 12 months' registration in the previous 15 months; or 800 hours of employment in the previous 12 months, including 200 hours in the previous 3 months.

Survivor pension: Age 65; age 60 if disabled (widowers) or age 50 (widows). There is no age limit for a widow(er) caring for at least one child. The survivor must have been married for at least 4 years at the date of the insured's death, married 2 years before the insured's date of retirement, or there was at

least one child born as a result of the marriage. The insured was a pensioner or met the qualifying conditions for a pension.

Old-Age Benefits

Old-age pension: The pension is calculated as the number of points acquired multiplied by the value of a point (€15.37). The number of points acquired during any 1-year period is obtained by dividing the declared earnings by the basic salary in force, up to a limit of 4 points per month.

Early pension: The pension is calculated on the same basis as the old-age pension.

Deferred pension: The pension is calculated on the same basis as the old-age pension.

Permanent Disability Benefits

Disability pension: The pension is 30% or 50% of the average monthly earnings over the previous 60 months, depending on the category of disability.

The guaranteed minimum income for disabled persons under age 65 is equal to twice the standard minimum income (€2,346 per quarter).

Constant-attendance allowance: 40% of the disability pension.

Survivor Benefits

Survivor pension: 60% of the insured's pension.

Orphan's pension: 25% of the insured's pension for each orphan under age 18 (under age 20 if an apprentice, under age 21 if a student). Full orphans receive 50% of the insured's pension. The maximum total pension cannot exceed the value of the insured's pension.

Administrative Organization

Independent Employees' Pension Fund, involving representatives of government, employers, and employees, administers the employees' old-age insurance scheme.

Compensation Fund for Social Services, involving representatives of government, employers, and employees, administers the employees' disability insurance.

Independent Pension Fund for Self-Employed Workers, involving representatives of government, employers, and self-employed persons, administers self-employed persons' old-age insurance.

Sickness and Maternity

Regulatory Framework

First laws: 1944 (employees) and 1982 (self-employed persons).

Current laws: 1949, 1959, 1971, 1981, 1982, and 1983.

Type of program: Social insurance system.

Coverage

Employed persons.

Special scheme for self-employed persons.

Source of Funds

Insured person: None.

Employer: See source of funds (disability benefits) under Old Age, Disability, and Survivors, above.

Government: None.

Qualifying Conditions

Cash sickness benefit: The benefit is paid if the insured has less than 6 months of interruptions from employment and has 120 hours of effective or deemed employment during the last month or 200 hours during the last 3 months; if interruptions to employment are more than 6 months, the insured must have 12 months of contributions in the previous 15 months and 800 hours of work or deemed work in the previous 12 months, including 200 hours in the last 3 months.

Cash maternity benefit: One month's registration in the quarter preceding conception and continuing registration and 85 hours of work for each month between conception and the medical confirmation of pregnancy.

Medical benefits: 120 hours of employment in the last month or 200 hours in the previous 3 months.

Maternity medical benefits: 120 hours of employment in the last month or 200 hours in the previous 3 months.

Sickness and Maternity Benefits

Sickness benefit: 50% of the average daily wage of the previous 12 months up to a ceiling of €102.17. The benefit is payable after the first 3 days, up to a maximum of 360 days; benefit entitlement can be extended for 3 or 4 years in cases of chronic or recurrent illness.

Maternity benefit: 90% of the average salary of the previous 12 months up to a ceiling of €102.17. The benefit for the first and second child (in households with fewer than two children currently residing at home) is payable for 8 weeks before and 8 weeks after the expected date of childbirth; third and subsequent children (or with two children currently residing at home), 8 weeks before and 18 weeks after the expected date of childbirth; for twins (with no other children in the family), 12 weeks before and 22 weeks after the expected date of childbirth; and other multiple births, 24 weeks before and 22 weeks after the expected date of childbirth.

Workers' Medical Benefits

Reimbursements for medical costs include primary and specialist treatment, hospitalization, laboratory services,

pharmaceuticals, dental care, appliances, and transportation. The rates applied by medical practitioners and auxiliary medical services to insured persons are classified into three categories according to income and family size: standard rate with no extras; 20% higher than the standard rate; and fee set by prior agreement with a medical practitioner.

The award is up to 80% of the cost of the medical benefit, up to the ceiling of the first category rate. This rate can increase to 100% for lengthy and costly treatment or for certain complicated procedures, including complicated surgery and prolonged hospitalization.

Dependents' Medical Benefits

Same as for the insured person.

Administrative Organization

Compensation Fund for Social Services, involving representatives of government, employers, and employees, administers the employee's scheme.

Work Injury

Regulatory Framework

First and current law: 1958.

Type of program: Mandatory private insurance system.

Unemployment

Regulatory Framework

Coverage is provided through France's scheme for unemployment insurance.

Family Allowances

Regulatory Framework

First law: 1938.

Current law: 1954.

Type of program: Social insurance system.

Coverage

Employed persons.

Source of Funds

Insured person: None.

Employer: See source of funds (disability benefits) under Old Age, Disability, and Survivors, above.

Government: None.

Qualifying Conditions

Family allowance: Child under age 6 (under age 16 if a school pupil; age 17 if searching for a first job; age 21 if an apprentice, a student, or disabled).

Prenatal allowance: The head of the household is registered as insured and has at least 77 hours of employment or deemed employment during the related month. A formal declaration of pregnancy during the first 3 months following conception supported by a medical examination of the mother.

Education grant: For children going to school in Monaco or France.

Family Allowance Benefits

Family allowance: With 145 hours of insured employment, the allowance is €15.80 a month for each child under age 3; €73.70 for each child aged 3 to 6; €208.40 for each child aged 6 to 10; €243.20 for each child aged 10 to 21. The benefits are proportionately reduced with between 77 hours and 144 hours of insured employment.

Prenatal allowance: With 145 hours of insured employment, the allowance is €15.80 a month. The benefits are proportionately reduced with between 77 hours and 144 hours of insured employment.

Education grant: The amount varies according to the different lessons attended by children going to school in Monaco (between €55 and €350) or France (between €28 and €50).

Administrative Organization

Compensation Fund for Social Services, involving representatives of government, employers, and employees, administers the scheme.

Netherlands

Exchange rate: US\$1.00 equals 0.80 euros (€).

Old Age, Disability, and Survivors

Regulatory Framework

First law: 1901.

Current laws: 1957 (old-age pension), 1959 (survivor pension), 1966 (disability pension for employed persons), 1998 (disability pension for self-employed persons), and 1998 (disability assistance for handicapped young persons).

Type of program: Social insurance system.

Coverage

Old-age and survivor pensions: All residents.

Disability pension: Employed workers, self-employed workers, resident persons disabled since childhood, and students.

Source of Funds

Insured person: 17.9% of income for the old-age pension and 1.25% for the survivor pension. Self-employed persons contribute 8.8% for the disability pension.

Employer: 5.85% of payroll, plus a variable-rate contribution (on average, 0.85%) for the disability pension for employed persons. The employer pays a supplement of 2.2% of payroll up to a maximum of €67 a day to compensate for part of the employee's contribution.

Government: A subsidy to bring low benefits up to the social minimum (€78.24 a month for a single person and €1,156.54 for a couple). The cost of pensions for persons disabled since childhood and any deficit.

The minimum annual earnings for contribution purposes are €3,160.

The maximum earnings for contribution purposes are €29,543 a year for old-age and survivor pensions; €67 a day for the disability pension for employed persons; and €38,118 a year for the disability pension for self-employed persons.

Qualifying Conditions

Old-age pension: Age 65 with 50 years of residence between ages 15 and 64 and, if income was earned, contributions paid each year from age 15 through age 64 for a full pension.

Partial pension: A reduced pension is paid if the qualifying conditions are not met in full (no reduction is made for the pre-1957 period if the insured is a resident citizen with 6 years of residence after age 59).

Two persons sharing a household can qualify for a couple's pension if both are over age 65; if under age 65, the younger partner must satisfy the income test.

Retirement is not necessary. Pensions are payable abroad under certain conditions.

Disability pension: The loss of over 80% of earning capacity in the current occupation for a full pension.

Partial pension: The loss of 15% to 80% of earning capacity for employed workers; 25% to 80% of earning capacity for unemployed workers, resident persons disabled since childhood, or students.

Survivor pension: Payable to a widow(er), unmarried permanent partner, or full orphan. The survivor pension is income tested for survivors born before 1950, for those with children under age 18, and for a surviving partner who is 45% disabled.

Old-Age Benefits

Old-age pension: Single persons receive €21.28. Couples, whether married or not, and both aged 65 or older receive €31.76 a month each. A pensioner who is a single parent caring for a child under age 18 receives €1,141.28. A person aged 65 or older with a partner younger than age 65 receives a monthly pension of €31.76 and an income-tested supplementary allowance up to a maximum of €31.76.

Income-tested supplementary allowance: Special rates operate if one partner, whether married or not, is under age 65. The supplementary allowance is added to the elder partner's pension if the younger partner's income from employment is less than €1,137.36. The maximum supplement is payable if the partner's income from employment is below €89.72. Income related to employment (including, unemployment benefit, disability benefit, and sickness benefit) is subtracted in full; the supplementary allowance is payable if income amounts to less than €31.76.

Partial pension: The pension is reduced by 2% for each unexcused year of noncontribution.

Benefit adjustment: Automatic adjustment twice a year for changes in the net minimum wage.

Permanent Disability Benefits

Disability pension (employed workers): Up to 70% of earnings for a loss of earning capacity of at least 80%; 14% to 50.75% of earnings for a loss of earning capacity of 15% to 80%.

The maximum benefit is €67.70 a day.

Constant-attendance allowance: 30% of the full pension.

Benefit adjustment: Automatic adjustment twice a year for changes in the net minimum wage.

Disability pension (self-employed workers): Up to 70% of earnings for a loss of earning capacity of at least 80%; 14% to 50.75% of earnings for a loss of earning capacity of 25% to 80%.

The maximum earnings for benefit purposes equal the minimum wage of €1,264.80 a month (before taxes).

Constant-attendance allowance: 30% of the full pension.

Benefit adjustment: Automatic adjustment twice a year for changes in the minimum wage.

Disability pension (resident persons disabled since childhood and students): Up to 70% of the minimum wage of €1,264.80 a month (before taxes) for a loss of earning capacity of at least 80%; 14% to 50.75% of the minimum wage for a loss of earning capacity of 25% to 80%.

Constant-attendance allowance: 30% of the full pension.

Benefit adjustment: Automatic adjustment twice a year for changes in the net minimum wage.

Survivor Benefits

Survivor pension: €84.99 a month to a widow(er) or a surviving unmarried permanent partner caring for a child under age 18. The benefit is reduced by the survivor's income.

Income test: Part of the income from employment, covering 50% of the minimum wage (€32.40 per month) plus 1/3 of all earnings in excess of this amount, is disregarded. No benefit is paid if monthly income is €1,109.89 or more. Income related to employment (including unemployment benefits, disability benefits, and sickness benefits) is subtracted in full from the survivor's benefit.

Dependent child allowance: An allowance of €23.73 per child is paid without an income test until the child is age 18.

Orphan's pension: €15.20 a month for each full orphan under age 10, €472.80 if aged 10 to 15, and €30.39 if aged 16 to 18 (aged 16 to 21 if a student).

Benefit adjustment: Automatic adjustment twice a year for changes in the net minimum wage.

Death benefit: 100% of earnings up to daily maximum earnings of €67 for employed workers; up to the minimum wage (€1,206.60 a month) for unemployed workers. Benefit is payable for 1 month for the death of a beneficiary of sickness benefits or disability benefits. For the death of an old-age pensioner or survivor pensioner, the benefit is 100% of the old-age or survivor pension.

Administrative Organization

Social Insurance Bank administers old-age and survivor pensions.

Inspection of Work and Income provides general supervision of contributions and administers cash benefits.

Institute for Employee Benefit Schemes collects contributions and implements the Disablement Benefits Act, the Self-Employment Benefits Act, and the Sickness Benefits Act.

National Revenue Department collects contributions for old-age and survivor pensions and for the disability pension for unemployed workers.

Sickness and Maternity

Regulatory Framework

First law: 1931.

Current laws: 1964 (medical benefits); 1966 (cash sickness and maternity benefits for wage earners and salaried persons); 1968 (exceptional medical expenses compensation); and 1998 (cash maternity benefits for unemployed workers), implemented in 2001.

Type of program: Social insurance system.

Coverage

Cash benefits: Employees who have lost their jobs in the first 2 years of sickness, sick unemployed persons, temporary workers on sick leave without a permanent contract, the voluntarily insured, apprentices, organ donors, vocationally rehabilitated persons as defined in the Disability Reintegration Act, and women whose sickness is caused by pregnancy or childbirth.

Beginning in March 1996, coverage under the Sickness Benefits Act is mostly privatized. Under the civil code, employers must continue to pay 70% of wages (up to a maximum of €67.70 a day) during an employee's absence due to sickness for a maximum of 104 weeks; may be extended to 156 weeks. Employers may deduct the amount of the benefit from the weekly salary.

Medical benefits: Wage earners and salaried employees earning less than €2,600 a year and pensioners. Subject to certain conditions, coverage is extended to a partner and children.

Exceptional medical expenses: All residents.

Source of Funds

Insured person: A flat-rate contribution set by the sickness fund, plus 1.25% of earnings for medical benefits and 13.25% of earnings for exceptional medical expenses insurance.

The contribution for sickness and maternity benefits for (un)employed workers is included in the contribution for unemployment benefits. The contribution for maternity benefits for self-employed workers is included in the contribution for disability benefits for self-employed workers.

Employer: 6.75% of payroll for medical benefits. The contribution for sickness and maternity benefits is included in the contribution for unemployment benefits for employed workers.

Government: Annually determined contribution toward the financing of medical benefits.

The minimum annual earnings for contribution purposes are €3,159.

The maximum earnings for contribution purposes are €13 a day (medical benefits); €29,543 a year (exceptional medical

expenses); and €8,117 a year (cash sickness benefits and maternity benefits for unemployed workers).

Qualifying Conditions

Sickness benefit: Inability to perform normal work.

Maternity benefit: Employed or unemployed.

Medical benefits: Registered with an approved sickness fund.

Sickness and Maternity Benefits

Sickness benefit: 70% of earnings up to the daily maximum earnings of €67.70. Benefit is payable for up to 104 weeks; may be extended to 156 weeks.

Maternity benefit: 100% of earnings up to the daily maximum of €67.70. Benefit is payable for a period of 16 weeks around childbirth.

Workers' Medical Benefits

Service benefits are provided by doctors, hospitals, and pharmacists under contract with, and paid directly by, sickness funds. Benefits include general and specialist care, hospitalization, laboratory services, medicines, limited dental care, maternity care, appliances, rehabilitation, and transportation.

Cost sharing: Specific cost-sharing arrangements for long-term hospitalization, artificial limbs, and transportation.

There is no limit on duration (except for physiotherapy).

Exceptional medical expenses insurance takes over the cost of hospital stay from the 366th day.

Dependents' Medical Benefits

Service benefits are provided by doctors, hospitals, and pharmacists under contract with, and paid directly by, sickness funds. Benefits include general and specialist care, hospitalization, laboratory services, medicines, limited dental care, appliances, rehabilitation, and transportation.

Cost sharing: Specific cost-sharing arrangements for long-term hospitalization, artificial limbs, and transportation.

There is no limit on duration (except for physiotherapy).

Exceptional medical expenses insurance takes over the cost of hospital stay from the 366th day.

Maternity care: The partner and children of an insured man receive the same nursing or hospitalization benefits as that of an insured woman.

Death benefit: 100% of earnings up to the daily maximum of €67.70. The benefit is payable for a maximum of 1 month.

Administrative Organization

Inspection of Work and Income provides general supervision of cash benefits.

Institute for Employee Benefit Schemes collects contributions for medical benefits and administers cash benefits for sickness and maternity.

Supervisory Board for Health Care Insurance provides general supervision of medical benefits and exceptional medical expenses benefits.

National Revenue Department collects contributions for cash benefits for maternity on behalf of unemployed workers and for exceptional medical expenses insurance.

Work Injury

Regulatory Framework

First law: 1901.

Note: Beginning in 1967, there is no specific work injury program. The provisions of the 1966 and 1968 legislation under the sickness and maternity benefits and disability pensions programs (see above) apply to all incapacities, whether work-related or not.

Unemployment

Regulatory Framework

First law: 1949.

Current law: 1987.

Type of program: Social insurance and social assistance system.

Coverage

Employed persons.

Special system for public-sector employees.

Source of Funds

Insured person: Variable contribution rates according to industry (the average is 5.80% of earnings).

Employer: Variable contribution rates according to industry (the average is 1.55% of payroll).

Government: None.

The maximum daily earnings for contribution and benefit purposes are €67.70.

Qualifying Conditions

Unemployment benefit: Employed for at least 26 weeks during the 39 weeks before unemployment for the basic benefit. The basic benefit is paid for 6 months. An earnings-

related benefit is paid with at least 52 days of employment in 4 of the last 5 years. The duration of the earnings-related benefit (from 6 months up to 5 years) depends on the insured's employment record.

Follow-up benefit: If unemployment continues after the salary-related benefit expires, a follow-up benefit provides for an additional 2 years. The follow-up benefit is based on the minimum wage. (Follow-up benefit was abolished for persons becoming unemployed after August 11, 2003.)

Periods spent caring for children under age 12 also count (fully or partially) toward the qualifying period. The insured must be registered at the public labor exchange and be capable of, available for, and looking for work.

Unemployment Benefits

The basic benefit is 70% of the minimum wage. The salary-related benefit is 70% of the last salary with daily maximum earnings of €167.70.

Follow-up benefit: 70% of the minimum wage. (Follow-up benefit was abolished for persons becoming unemployed after August 11, 2003.)

Administrative Organization

Inspection of Work and Income provides general supervision. Institute for Employee Benefit Schemes collects contributions and administers the Disablement Benefits Act, the Unemployment Benefits Act, and the Sickness Benefits Act. Social security agencies deliver benefits on a contractual basis.

Family Allowances

Regulatory Framework

First law: 1939.

Current law: 1963.

Type of program: Universal system.

Coverage

All covered persons with one child or more.

Source of Funds

Insured person: None.

Employer: None.

Government: Total cost.

Qualifying Conditions

Family allowances

Child under age 16: The child must be a member of the insured's household; if the child is not a member of the household, the benefit may be paid under certain conditions.

Children aged 16 and 17: School-going children must spend at least 213 full hours per quarter receiving instruction (excluding homework and traveling time). Children who do not meet this condition may also be regarded as school-going if they attend higher vocational or university training with a course load of at least 1,680 hours per school year or if they spend at least 1,600 hours per school year attending some other type of training. No benefit is payable for children who receive a student grant or loan under the Dutch Student Financing Act.

No benefit is payable if the child spends more than 19 hours per week in employment or receives an unemployment benefit. (Unemployed children must be seeking work for at least 19 hours per week and be registered at a Work and Income Center.)

Children who are ill or handicapped must be unable to earn 55% or more of the normal earning capacity of healthy children in the same age group.

Family Allowance Benefits

Family allowances: Depending on the composition of the family, benefit ranges from €176.62 to €343.81 per child per quarter.

Benefit adjustment: Twice a year according to changes in the price index.

Administrative Organization

Inspection of Work and Income provides general supervision. Social Insurance Bank administers allowances.

Norway

Exchange rate: US\$1.00 equals 6.74 kroner.

Old Age, Disability, and Survivors

Regulatory Framework

First law: 1936.

Current law: 1997 (national insurance).

Type of program: Universal and social insurance system.

Coverage

Universal pension: All residents, including resident noncitizen seamen serving on Norwegian ships outside territorial waters. Pension income is independent of previous income or contributions paid.

Earnings-related pension: All employed and self-employed persons earning over the base amount and born after 1897; the base amount is reduced for pensioners born before 1897 and their surviving dependents.

The base amount equals 56,861 kroner as of January 1, 2004, and varies automatically with changes in general price and income levels, subject to adjustment once or twice a year.

Special systems for seamen, fishermen, forestry workers, railway employees, and public employees.

Source of Funds

Insured person: 7.8% of income (reduced to 3.0% of income, including payments in kind, lodging, or pension, if under age 17 or older than age 69).

Self-employed person: 10.7% of income up to 12 times the base amount, plus 7.8% of income exceeding 12 times the base amount.

Contributions from employed and self-employed insured persons are calculated on the basis of pensionable income (gross wage income including cash sickness, maternity, and unemployment benefits) in excess of 23,000 kroner a year; however, contributions may not exceed 25% of annual income above 23,000 kroner.

There is no maximum income limit for contribution purposes for employed and self-employed insured persons.

Employer: 14.1% of payroll. Contribution rates are reduced in certain geographic areas, except for enterprises in certain sectors.

Starting in 2004, the system of varying rates for employers is being reformed to eliminate three intermediate levels. In 2007, only the full rate and a zero percent rate will be applied.

Government: National government meets any deficit.

All of the above contributions also finance sickness and maternity, work injury, and unemployment benefits.

Qualifying Conditions

Old-age pension

Universal old-age pension: Age 67 with 3 years' coverage between ages 16 and 66. The pension is payable abroad under special conditions. Entitlement is not dependent on ceasing employment.

Earnings test: If the insured continues to work at age 67, an earnings test is applied to the pension until the insured ceases to work or reaches age 70. The value of the pension is reduced by 40% of the wages exceeding twice the base amount.

Dependent supplement (income-tested): For a dependent spouse and children under age 18.

Special supplement: A supplement is provided to persons with limited work histories or low income.

Earnings-related old-age pension: Age 67 with 3 years' earnings above the base amount. The pension is payable abroad. Entitlement is not dependent on ceasing employment.

Earnings test: If the insured continues to work at age 67, an earnings test is applied to the pension until the insured ceases to work or reaches age 70. The value of the pension is reduced by 40% of the wages exceeding twice the base amount.

Disability pension

Universal disability pension: Three years' coverage immediately preceding the date of the claim (1 year in some instances). Earning capacity is permanently reduced by 50% or more for persons aged 16 to 66. The pension is payable abroad under special conditions.

Dependent supplement (income-tested): For a dependent spouse and children under age 18.

Earnings-related disability pension: Three years' earnings above the base amount. Earning capacity is permanently reduced by 50% or more for persons aged 16 to 66. The pension is payable abroad.

Temporary disability benefit: Payable instead of the disability pension if future improvement of work capacity is probable. Three years' coverage immediately before the onset of disability; 1 year in some cases. Earning capacity must be reduced by at least 50% (30% or 40% in selected counties).

Survivor pension

Universal survivor pension: The insured had 3 years' coverage immediately before the date of death or was receiving a pension from the National Insurance Administration. The surviving spouse was married to the insured for at least 5 years or provides care for at least one dependent child.

Universal orphan's pension: The insured had 3 years' coverage immediately before the date of death or was receiving a pension from the National Insurance Administration. Orphans must be under age 18 (under age 20 if a full orphan and a student).

Special supplement: A supplement is provided if the survivor is ineligible for an earnings-related survivor pension.

Child care benefit: If the survivor or parent is a full-time student or works outside the home.

Earnings-related survivor pension: The insured had 3 years' earnings above the base amount.

Transitional benefit: A surviving spouse who is ineligible for a survivor pension may, under certain conditions, be eligible for a transitional benefit.

Earnings-related orphan's pension: The insured had 3 years' earnings above the base amount. Orphans must be under age 18 (under age 20 if a full orphan and a student).

Old-Age Benefits

Old-age pension

Universal old-age pension: Up to 100% of the base amount if single; 150% for an aged couple. The full pension is paid with 40 years' coverage.

Partial pension: A proportionately reduced pension is paid for a coverage period shorter than 40 years.

Dependent supplement (income-tested): 50% of the insured's pension for a dependent spouse who is not drawing an old-age pension; 40% of the base amount for each dependent child under age 18.

Special supplement: 79.33% of the base amount for a single person. A proportionally reduced supplement is paid for a coverage period shorter than 40 years.

Benefit adjustment: Benefits are adjusted automatically for changes in general price and income levels, corresponding with adjustments made to the base amount.

Earnings-related old-age pension: 42% of the current base amount multiplied by the insured's average annual number of pension points in the 20 years with the most points. The number of pension points in a year equals the difference between the worker's pensionable earnings and the year's base amount divided by the base amount.

The maximum earnings for benefit purposes are 6 times the base amount plus 1/3 of income between 6 times and 12 times the base amount. The limit is 7 points per year.

The full pension is paid with 20 years' coverage for persons born before 1917; the coverage requirement increases for persons born in 1917 or later, up to a maximum of 40 years.

Partial earnings-related pension: A proportionately reduced pension is paid for an incomplete coverage period.

Earnings adjustment: Recorded earnings, wage limits, and pensions in force are adjusted automatically for changes in general price and income levels, corresponding with adjustments made to the base amount.

Permanent Disability Benefits

Disability pension

Universal disability pension: Up to 100% of the base amount if totally disabled. The insured must have 40 years of coverage for a full pension. Years of coverage are credited as if the insured worked to age 67, if certain coverage conditions are met.

Partial pension: The pension is reduced in proportion to the assessed loss of earning capacity.

The minimum disability pension is 50% of the projected old-age benefit.

Dependent supplement (income-tested): 50% of the pension for a spouse aged 60 or older; 30% of the base amount for each child under age 18; 533 kroner to 2,668 kroner a month for substantially increased expenses; up to 61.55% of the base amount if ineligible for the earnings-related pension.

Constant-attendance supplement: Normally, 888 kroner a month; may be increased to 5,730 kroner a month.

Benefit adjustment: Benefits are adjusted automatically for changes in general price and income levels, corresponding with adjustments made to the base amount.

Earnings-related disability pension: 42% of the current base amount multiplied by the insured's average annual number of pension points in the 20 years with the most points. The number of pension points in a year equals the difference between the worker's pensionable earnings and the year's base amount divided by the base amount. Years of coverage are credited as if the insured worked to age 67, if certain coverage conditions are met.

The maximum earnings for benefit purposes are 6 times the base amount plus 1/3 of income between 6 times and 12 times the base amount. The limit is 7 points per year.

Temporary disability benefit: 66% of earnings up to six times the base amount in the year before the onset of disability or the average of the last 3 years, whichever is higher. The benefit is payable for 1 to 4 years; may be extended if a return to work is deemed probable.

The minimum benefit is 1.8 times the base amount.

Partial pension: The pension is reduced proportionately for persons with shorter periods of coverage.

Earnings adjustment: Recorded earnings, wage limits, and pensions in force are adjusted automatically for changes in general price and income levels, corresponding with adjustments made to the base amount.

Survivor Benefits

Survivor pension

Universal survivor pension: Up to 100% of the base amount. The full pension is paid if the insured had 40 years of coverage, with coverage projected through to age 66.

Income test: If the surviving spouse's income exceeds 1/2 of the base amount, the pension equals the difference between

the full pension and 40% of the excess of spouse's income above 1/2 the base amount.

Special supplement: 79.33% of the base amount if ineligible for the earnings-related pension. The supplement is reduced proportionately if the insured had less than 40 years of coverage.

Child care benefit: The benefit depends on annual income.

Universal orphan's pension: 40% of the base amount for the first child, 25% for each additional child under age 18. Full orphans under age 18 (under age 20 if a student) receive the full survivor pension (the basic plus earnings-related pension) of the parent who was entitled to the highest amount; 40% of the base amount is paid for the second child and 25% for each additional child. The pension is divided equally if there are two or more children.

Earnings-related survivor pension: 55% of the insured's earnings-related pension, with coverage projected as if the insured had worked to age 67.

Transitional benefit: The benefit is equal to the value of the universal survivor pension plus the earnings-related survivor pension; if the insured was not eligible for an earnings-related pension, the benefit is equal to the value of the universal survivor pension plus the special supplement.

Earnings-related orphan's pension: 40% of the base amount for the first child, 25% for each additional child under age 18. Full orphans under age 18 (under age 20 if a student) receive the full survivor pension (the basic plus earnings-related pension) of the parent who was entitled to the highest amount; 40% of the base amount is paid for the second child and 25% for each additional child. The pension is divided equally if there are two or more children.

Funeral grant: An income-tested benefit of up to 15,540 kroner.

Benefit adjustment: Benefits are adjusted automatically for changes in general price and income levels, corresponding with adjustments made to the base amount.

Administrative Organization

Ministry of Health and Ministry of Social Affairs provide general supervision.

National Insurance Administration administers the program nationally.

National Insurance Administration's county offices administer county programs and supervise local offices.

Local insurance offices administer the program locally.

Generally, contributions, including employers' contributions, are collected through local tax offices. There is normally one office in each municipality.

Sickness and Maternity

Regulatory Framework

First law: 1909.

Current law: 1997 (national insurance).

Type of program: Social insurance system. Cash and medical benefits.

Coverage

Cash benefits: Employed and self-employed persons with income of not less than 1/2 the base amount. This income limit does not affect the employer's obligation to pay cash benefits for first 16 calendar days.

The base amount equals 56,861 kroner as of January 1, 2004, and varies automatically with changes in general price and income levels, subject to adjustment once or twice a year.

Medical benefits: All residents, including resident noncitizen seamen serving on Norwegian ships.

Special provisions (for medical benefits) for seamen, military personnel, and (for cash benefits) fishermen, casual workers, and the temporarily unemployed.

Source of Funds

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

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

Employer: See source of funds under Old Age, Disability, and Survivors, above. In addition, the employer pays the total cost of cash sickness benefits for the first 16 days.

Government: National government meets any deficit.

There is no maximum earnings ceiling for contribution purposes.

Qualifying Conditions

Cash sickness benefit: 28 days (4 weeks) of employment or self-employment.

Cash maternity benefit: Six months of employment or self-employment during the past 10 months (The qualifying condition may be met by the mother, father, or both).

Maternity grant: Paid to insured mothers who are not entitled to cash maternity benefits.

Additional grant: Payable to widowed, divorced, separated, or unwed mothers with 3 years of insurance coverage immediately before the claim.

Sickness and Maternity Benefits

Sickness benefit: 100% of covered earnings, payable from first full day of incapacity for up to 52 weeks; thereafter, the

insured is covered by a rehabilitation allowance or disability pension.

The maximum earnings for benefit purposes are 6 times the base amount.

Self-employed persons receive 65% of assessed covered earnings after a 16-day waiting period (may voluntarily insure for 100% of earnings, a shorter waiting period, or both).

Casual workers and the temporarily unemployed receive 65% of assessed earnings after a 14-day waiting period.

Parental care leave: To care for a sick child under age 12, the mother and father are entitled to 10 days per year each (single parent, 20 days); for more than two children, 15 days each (single parent, 30 days); for a disabled or chronically ill child under age 18, 20 days each (single parent, 40 days); for a sick child under age 18 and if the illness is potentially life-threatening, as long as it is necessary for the treatment of the child.

Maternity benefit: 100% of covered earnings (self-employed, 65% of assessed earnings) for 42 weeks; alternatively, 80% for 52 weeks to insured parents (mother or father). The mother is required to take 3 weeks of the benefit period before the expected date of childbirth and at least 6 weeks immediately after giving birth; 4 weeks of the total maternity cash benefit period are reserved for the father as the "Father Quota." A reduced workweek may count as partial maternity benefit.

Maternity grant: 33,584 kroner if not receiving maternity benefit (also paid in the case of adoption); 1,765 kroner for giving birth at home.

Additional grant: Additional benefit is payable to widowed, divorced, separated, or unwed mothers.

Workers' Medical Benefits

Cash refunds of part or all of medical expenses; or service benefits furnished by providers under contract with funds. Benefits include part of doctors' fees (patients pay 117 kroner per consultation in most cases) and free care in a public hospital. Patients pay 36% of expenses for listed essential medicines (up to 450 kroner per prescription), laboratory services, and transportation in excess of 110 or 220 kroner per trip (free hospital choice after referral from doctor).

Patient's own expenses, including those for children aged 7 to 16, with certain exemptions for special diseases are limited to 1,550 kroner for 2004. The ceiling is set annually by Parliament. When the ceiling is reached, the patient is entitled to free treatment for the remainder of the year. Children aged 6 or younger have no copayments.

Pensions are reduced from the second month of institutional care; sickness benefit, from the fourth month.

There is no limit on duration.

Dependents' Medical Benefits

Dependents are insured in their own right. Coverage is based on residency.

Administrative Organization

Ministry of Health and Ministry of Social Affairs provide general supervision.

National Insurance Administration administers the program nationally.

National Insurance Administration's county offices administer county programs and supervise local offices.

Local insurance offices administer the program locally.

Work Injury

Regulatory Framework

First law: 1894.

Current law: 1997 (national insurance).

Type of program: Social insurance system.

Coverage

Employed persons, including personnel on Norwegian ships, fishing vessels, and permanent or movable installations on the Norwegian Continental Shelf (including noncitizens); students; and military personnel.

Self-employed persons may insure voluntarily.

Source of Funds

Insured person: None.

Self-employed person: 0.4% of income, as assessed for national tax purposes.

Employer: See source of funds under Old Age, Disability, and Survivors, above. Contribution rates are reduced in certain geographic areas, except for enterprises in certain sectors.

Government: National government meets any deficit.

Qualifying Conditions

Work injury benefits: There is no minimum qualifying period.

Temporary Disability Benefits

The cash sickness benefit provided under Sickness and Maternity is payable in case of work injury for up to 50 weeks; thereafter, the insured becomes entitled to rehabilitation allowances or a disability pension.

Permanent Disability Benefits

Permanent disability pension

Universal permanent disability pension: 100% of the base amount if totally disabled. (The pension is not reduced for a coverage period shorter than 40 years.)

Disability supplement: Up to 100% of the base amount if totally disabled and with 40 years of coverage for a full pension. The supplement is computed as if the insured was covered through to age 66, if certain coverage conditions are met.

Earnings-related disability pension: 42% of the current base amount multiplied by the insured's average annual number of pension points in the 20 years with the most points. The number of pension points in a year equals the difference between the worker's earnings and the year's base amount divided by the base amount. Years of coverage are credited as if the insured worked to age 67, if certain coverage conditions are met.

The maximum earnings for benefit purposes are 6 times the base amount plus 1/3 of income between 6 times and 12 times the base amount. The limit is 7 points per year. The base amount equals 56,861 kroner as of January 1, 2004, and varies automatically with changes in general price and income levels, subject to adjustment once or twice a year.

The full pension is paid with 20 years' coverage for persons born before 1917; the coverage requirement increases for persons born in 1917 or later, up to a maximum of 40 years.

Partial earnings-related pension: A proportionately reduced pension is paid for an incomplete coverage period.

Earnings adjustment: Recorded earnings, wage limits, and pensions in force are adjusted automatically for changes in general price and income levels, corresponding with adjustments made to the base amount.

Workers' Medical Benefits

Comprehensive care is provided, including appliances.

Cost sharing: There is no cost sharing.

Survivor Benefits

Survivor pension: Up to 100% of the base amount. The full pension is paid if the insured had 40 years of coverage, with coverage projected through to age 66.

Income test: If the surviving spouse's income exceeds 1/2 of the base amount, the pension equals the difference between the full pension and 40% of the excess of the spouse's income above 1/2 the base amount.

Special supplement: 79.33% of the base amount if ineligible for the earnings-related pension. The supplement is reduced proportionately if the insured had less than 40 years of coverage.

Child care benefit: The benefit depends on annual income.

Orphan's pension: 40% of the base amount for the first child, 25% for each additional child under age 18. Full orphans under age 18 (under age 20 if a student) receive the full survivor pension (the basic plus earnings-related pension) of the parent who was entitled to the highest amount; 40% of the base amount is paid for the second child and 25% for each additional child. The pension is divided equally if there are two or more children.

Administrative Organization

Ministry of Health and Ministry of Social Affairs provide general supervision.

National Insurance Administration administers the program nationally.

National Insurance Administration's county offices administer county programs and supervise local offices.

Local insurance offices administer the program locally.

Unemployment

Regulatory Framework

First law: 1906.

Current law: 1970.

Type of program: Social insurance system.

Coverage

Employed persons, including public employees, and seamen; self-employed persons aged 64 or older, under special circumstances.

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. Contribution rates are reduced in certain geographic areas, except for enterprises in certain sectors.

Government: National government meets any deficit.

There are no maximum earnings for contribution purposes.

Qualifying Conditions

Unemployment benefit: Annual earnings in the last year before unemployment (or average earnings during the 3 years before unemployment, if higher) of at least 75% of the base amount at the time of making a claim to the benefit. Must be registered at a public employment office and be able and willing to work. Unemployment is not due to voluntary leaving, discharge for misconduct, participation in a labor dispute, or the refusal of a suitable offer or retraining (disqualification for at least 4 weeks).

Unemployment Benefits

0.2% of annual income a day, up to 6 times the base amount. The benefit is payable after a 3-day waiting period. The benefit is paid for up to 78 weeks if annual income before unemployment was less than 90,740 kroner; 156 weeks if income was 90,740 kroner or more.

The maximum daily benefit is 745 kroner, plus 17 kroner a day for each dependent child under age 18.

Administrative Organization

Ministry of Labor and Municipal Affairs provides general supervision.

Directorate of Labor administers the program nationally, with benefits paid through local insurance offices.

Local employment offices administer the program locally.

Family Allowances

Regulatory Framework

First law: 1946.

Current law: 2002.

Type of program: Universal system.

Coverage

All resident children.

Source of Funds

Insured person: None.

Employer: None.

Government: Total cost.

Qualifying Conditions

Family allowances: Child must be under age 18.

Family Allowance Benefits

Family allowances: 11,640 kroner a year for each child. Single parents receive benefits for one child more than is actually supported (extended child benefit). Single parents of children under age 3 who are entitled to extended child benefit and full transitional benefit under the National Insurance Act may also receive an extra infant supplement of 7,920 kroner a year. Beneficiaries living in the Arctic region receive an annual supplement of 3,840 kroner per child. The allowance is payable monthly.

Cash benefit for families with small children: Child must be between ages 1 and 3. To receive the full benefit (43,884 kroner per year per child), the child must not be in a day care center that receives a state grant. If the child, according to

agreement, is in a day care center less than 33 hours a week, the family may be entitled to a reduced cash benefit.

Administrative Organization

Ministry of Health and Ministry of Social Affairs provide general supervision.

National Insurance Administration administers the program nationally and supervises local offices.

National Insurance Administration's county offices administer the county programs and supervise local offices.

Local insurance offices administer allowances locally.

Poland

Exchange rate: US\$1.00 equals 3.74 zlotys.

Old Age, Disability, and Survivors

Regulatory Framework

First laws: 1927 (salaried employees) and 1933 (wage earners).

Current law: 1998, with amendments, implemented in 1999.

Type of program: Notional defined contribution (NDC) social insurance and mandatory individual account system for old-age benefits; social insurance system for disability and survivor benefits.

Note: A new system consisting of a modified social insurance first pillar (notional defined contributions, NDC) plus a second pillar of mandatory individual accounts was implemented in April 1999. Persons born after December 31, 1968, joined the new system; those born after December 31, 1948, could choose to join the new system. Those born before January 1, 1949, remain in the old social insurance system.

Coverage

All economically active persons.

Exclusions: Individual farmers, public prosecutors, and judges.

Voluntary insurance for students, Polish citizens working abroad, persons taking care of a family member, and persons opting to continue coverage.

Special systems for individual farmers, the military, and the police.

Source of Funds

Insured person: 9.76% of gross salary for old-age pensions (2.46%, first pillar; 7.3%, second pillar) and 6.5% of gross salary for disability and survivor pensions.

Employer: 9.76% of gross payroll for old-age pensions (9.76%, first pillar; 0%, second pillar) and 6.5% of gross payroll for disability and survivor pensions.

Government: Total cost of the guaranteed minimum pension. Pays pension contributions on behalf of insured persons taking child care leave or receiving maternity allowances and for unemployed persons (receiving unemployment benefit or unemployed graduates).

The maximum annual earnings for contribution purposes are 30 times the average national monthly earnings forecast for a given year (68,700 zlotys in 2004).

Qualifying Conditions

Old-age pension (old system): Age 65 with 25 years of insurance (men) or age 60 with 20 years of insurance (women).

Noncontributory years may not exceed 1/3 of contributory years. The age requirement is reduced for dancers, acrobats, miners, and persons in underground or unhealthy work, teaching, aviation, and maritime employment.

Partial pension: A partial pension is paid if the insured does not satisfy the contribution condition at retirement age.

The pensionable age is reduced by 5 years for women with 30 years of insurance, for war veterans, and for the disabled.

Nursing allowance: Payable to persons aged 75 or older.

Old-age pension (new system): Age 65 (men) or age 60 (women). There is no early pension.

Guaranteed minimum pension: Paid if the total amount of first- and second-pillar pensions (old-age pension and the annuity from the individual account) is below the legal minimum old-age pension. On reaching the statutory retirement age, the insured must have a total of at least 20 years (women) or 25 years (men) of insurance from full-time employment.

Disability pension: Total disability (incapacity for any work) or partial disability (greatly impaired earning capacity or total incapacity for usual work) with 5 years of insurance during the last 10 years (1 to 4 years if under age 30). Noncontributory years may not exceed 1/3 of contributory years. The disability occurred during the insurance period or within 18 months of the cessation of contributions.

Nursing allowance: Payable to persons certified as disabled.

Training pension: Paid to a person who is no longer capable of work in his or her previous occupation and is undergoing vocational retraining. The pension is paid for 6 months; may be paid for up to 30 months if necessary.

Survivor pension: The deceased was a pensioner or met the coverage requirement for a disability or old-age pension at the time of death.

Eligible survivors are dependent children under age 16 (age 25 if a student, no limit if disabled and the disability began before age 16 or before age 25 if a student); a widow(er) aged 50 at the time of the insured's death, or incapable of work, or rearing a child under age 16 (under age 18 if a student), or caring for a disabled child whose disability began before age 16 or before age 25 if a student (a divorced spouse must be entitled to alimony and meet the qualifying requirements applied to a widow(er)); and parents if they were dependent on the deceased and fulfill the requirements applied to a widow(er).

Funeral grant: Covers the cost of the funeral for the death of the insured, a pensioner, or a member of his or her family.

Old-Age Benefits

Old-age pension

Old-age pension (old system): 24% of national average earnings, plus 1.3% of the insured's earnings times the number of contribution years, plus 0.7% of the insured's earnings times the number of noncontributory years (for example, for years spent rearing children). Noncontributory years may not exceed 1/3 of contributory years.

The insured's earnings for pension calculation purposes are equal to average monthly earnings during 10 consecutive calendar years chosen by the insured from the 20 years before the year of the pension application or during 20 years selected from the total insurance period. Previous earnings are adjusted for inflation.

The maximum earnings for benefit calculation purposes for each contributory year are equal to 250% of the average national monthly salary.

The average national monthly salary is 2,332.17 zlotys (March 2004).

The minimum monthly pension is 562.58 zlotys (March 2004).

Nursing allowance: 144.25 zlotys a month (March 2004).

Earnings test: The pension is reduced if the insured is under the statutory retirement age, is gainfully employed, and receives income that is higher than 70% but lower than 130% of the average national salary. If the income received exceeds 130% of the average national salary, the pension is suspended. There is no earnings test after reaching the statutory retirement age.

Benefit adjustment: Pensions are automatically adjusted according to price increases when the aggregate growth of the consumer price index exceeds 5%.

Old-age pension (new system): The pension is based on the total value of contributions paid to the old-age insurance scheme (subject to adjustment) divided by average life expectancy at the age of retirement.

Mandatory individual account (new system): An annuity is purchased with the funds from the individual account.

Guaranteed minimum pension: Paid if the total amount of first- and second-pillar pensions (old-age pension and the annuity from the individual account) is below the legal minimum old-age pension.

Permanent Disability Benefits

Disability pension (old and new systems): For a total disability, the benefit is calculated as 24% of the average national salary, plus 1.3% of the insured's earnings times the number of contribution years, plus 0.7% of the insured's earnings times the number of noncontributory years, plus 0.7% of the insured's earnings times the number of projected years needed to give a maximum of 25 years of coverage, from the day of application to the insured's 60th birthday.

Noncontributory years may not exceed 1/3 of contributory years.

The insured's earnings for pension calculation purposes are equal to average monthly earnings during 10 consecutive calendar years chosen by the insured from the 20 years before the year of the pension application or during 20 years selected from the total insurance period. Previous earnings are adjusted for inflation.

The maximum earnings for benefit calculation purposes for each contributory year are equal to 250% of the average national monthly salary.

The average national monthly salary is 2,332.17 zlotys (March 2004).

Earnings test: The pension is reduced if the insured is under the statutory retirement age, is gainfully employed, and receives income that is higher than 70% but lower than 130% of the average national salary. If the income received exceeds 130% of the average national salary, the pension is suspended. There is no earnings test after reaching the statutory retirement age.

The monthly minimum pension for total disability is 562.58 zlotys (March 2004).

Partial disability pension: 75% of the benefit paid for total disability.

The monthly minimum pension for partial disability is 432.74 zlotys (March 2004).

Benefit adjustment: Pensions are automatically adjusted according to price increases when the aggregate growth of the consumer price index exceeds 5%.

Nursing allowance: 144.25 zlotys a month (March 2004).

Training pension: The pension is calculated using 75% of the earnings used for calculating the insured's disability pension.

The monthly minimum training pension is 100% of the monthly minimum pension for partial disability.

Survivor Benefits

Survivor pension (old and new systems): The pension varies with the number of survivors. One survivor receives 85% of the insured's old-age pension; two survivors receive 90%; three or more survivors receive 95%. If the insured was not eligible for the old-age pension, the disability pension forms the basis for the calculation of the survivor pension.

Earnings test: The pension is reduced if the survivor is under the statutory retirement age, is gainfully employed, and receives income that is higher than 70% but lower than 130% of the average national salary. If the income received exceeds 130% of the average national salary, the pension is suspended. There is no earnings test after reaching the statutory retirement age.

Full orphan supplement: 271.12 zlotys a month (March 2004).

The minimum survivor pension is 562.58 zlotys a month (March 2004).

Benefit adjustment: Pensions are automatically adjusted according to price increases when the aggregate growth of the consumer price index exceeds 5%.

Funeral grant: A lump sum of twice the average national salary in force on the day of the insured's death. The grant is 4,664.34 zlotys (June 2004).

Administrative Organization

Old system: Ministry of Social Policy provides general supervision.

Social Insurance Institute administers the program through 51 branch offices.

The Institute and branch offices are supervised by tripartite boards composed of representatives of government, the insured, and employers.

Ministry of Social Policy provides general supervision for the farmers' program.

Agricultural Social Security Fund administers the farmers' program.

New system: Social Insurance Institute administers the program.

Pension fund supervision office controls mandatory individual account providers.

Sickness and Maternity

Regulatory Framework

First law: 1920.

Current law: 1999.

Type of program: Social insurance system. Cash and medical benefits.

Coverage

All employees.

Voluntary coverage for medical benefits for pensioners, self-employed persons, artists, and authors.

Special systems for individual farmers, the military, and the police.

Source of Funds

Insured person: 10.7% of earnings (2.45% for cash benefits and 8.25% for medical benefits).

Employer: None; the labor code requires the employer to provide cash benefits for the first 33 days of incapacity.

Government: Subsidies for medical benefits.

Qualifying Conditions

Cash sickness and maternity benefits: Currently in insured employment with 30 days of uninterrupted insurance; 180 days of uninterrupted insurance for the voluntarily insured.

Incapacity for work due to an accident on the way to or from work is covered under sickness insurance.

Medical benefits: Persons covered by social insurance, persons receiving social benefits, as well as nonemployed persons, including persons in full-time education and the unemployed.

Sickness and Maternity Benefits

Sickness benefit: 80% of average earnings during the preceding 6 months (70% in the case of hospitalization) is paid for 90 days; thereafter, the benefit is 100% of earnings. The benefit is 100% of earnings from the first day of incapacity if the incapacity begins during pregnancy or is due to an accident on the way to or from work.

The benefit is payable from the first day of incapacity for up to 26 weeks (may be extended to 39 weeks if recovery is likely or in the case of tuberculosis). The employer pays the benefit for the first 33 days.

Rehabilitation allowance: If recovery is likely, entitlement to sickness benefit may be followed by entitlement to rehabilitation benefit. The benefit is paid at 75% of earnings for up to 12 months.

Compensatory allowance: Payable to employees to compensate for lost earnings resulting from a loss in working capacity. The insured must undergo vocational rehabilitation for a period not longer than 24 months. The benefit is equal to the difference between the insured's average salary during the last 3 months and the earnings received during vocational rehabilitation.

Maternity benefit: 100% of average earnings during the preceding 6 months is payable for 16 weeks for the birth of the first child; 18 weeks for all subsequent births. For multiple births, the benefit is payable for 26 weeks.

Care allowance: 80% of average earnings during the preceding 6 months is payable for a maximum period of 60 days per calendar year if the insured takes leave from work to care for a healthy child under age 8 or a sick child under age 14. A care allowance may be awarded for a maximum of 14 days to care for any other sick family member. The total period of receiving care allowance must not exceed 60 days in a calendar year.

Workers' Medical Benefits

Medical services are provided directly to patients by private health care providers contracted by the National Health Fund. Benefits include general and specialist care, hospitalization, and basic prescription drugs. Government provides a partial subsidy for basic prescription drugs. Patients may choose the doctor and hospital.

There is no limit on the duration if employed; if employment ceases, 26 weeks (may be extended to 39 weeks).

Dependents' Medical Benefits

Medical services are provided directly to patients by private health care providers contracted by the National Health Fund. Benefits include general and specialist care, hospitalization, and basic prescription drugs. Government provides a partial subsidy for basic prescription drugs. Patients may choose the doctor and hospital.

There is no limit on the duration if employed; if employment ceases, 26 weeks (may be extended to 39 weeks).

Administrative Organization

Ministry of Social Policy supervises cash benefits.

Social Insurance Institute administers cash benefits.

Ministry of Health supervises medical benefits.

National Health Fund administers public health funds and contracts medical services.

Work Injury

Regulatory Framework

First law: 1984.

Current laws: 2002 (cash benefits) and 2003 (medical benefits).

Type of program: Social insurance system.

Coverage

All economically active persons.

Exclusions: Individual farmers, public prosecutors, and judges.

Special systems for individual farmers, the military, and the police.

Source of Funds

Insured person: None.

Employer: From 0.97% to 3.86% of payroll, according to the assessed degree of risk and the number of employees.

Government: The cost of specialized procedures and public health promotion.

Qualifying Conditions

Work injury benefits: There is no minimum qualifying period.

Temporary Disability Benefits

Temporary disability benefit: 100% of average earnings during the preceding 6 months is payable from the first day of incapacity for up to 26 weeks (may be extended to 39 weeks).

Rehabilitation allowance: If recovery is likely, entitlement to temporary disability benefit may be followed by entitlement to rehabilitation allowance. The allowance is 100% of earnings, for up to 12 months.

Permanent Disability Benefits

Permanent disability benefit: For a total disability, the benefit is calculated as 24% of the average national salary, plus 1.3% of the insured's earnings times the number of contribution years, plus 0.7% of the insured's earnings times

the number of noncontributory years, plus 0.7% of the insured's earnings times the number of projected years needed to give a maximum of 25 years of coverage from the day of application to the insured's 60th birthday. Noncontributory years may not exceed 1/3 of contributory years. The benefit may not be less than 80% of insured earnings.

The insured's earnings for benefit calculation purposes are equal to average monthly earnings during 10 consecutive calendar years chosen by the insured from the 20 years before the year of the pension application or during 20 years selected from the applicant's total insurance period. Previous earnings are adjusted.

The maximum earnings for benefit calculation purposes are equal to 250% of the average national monthly salary. The average national monthly salary is 2,332.17 zlotys (March 2004).

The minimum benefit is set by law, subject to indexation, and must not be lower than 120% of the regular minimum old-age pension.

Earnings test: The benefit is reduced if the insured is under the statutory retirement age, is gainfully employed, and receives income that is higher than 70% but lower than 130% of the average national salary. If the income received exceeds 130% of the average national salary, the pension is suspended. There is no earnings test after reaching the statutory retirement age.

Nursing allowance: 144.25 zlotys a month (March 2004).

Partial disability benefit: 80% of the benefit paid for a total incapacity for work resulting from a work injury or an occupational disease; not less than 60% if partially incapable of work.

The minimum benefit is set by law, subject to indexation, and must not be lower than 120% of the regular minimum old-age pension.

Training benefit: 100% of the earnings used for calculating the disability benefit. The benefit is awarded under the same conditions as for the training pension under pension insurance.

The minimum benefit is set by law, subject to indexation, and must not be lower than 120% of the regular minimum old-age pension.

Lump-sum compensation: Paid for permanent or long-term health damage as the result of a work injury or an occupational disease. The compensation is equal to 17% of average monthly earnings for each percentage of permanent or long-term health damage (will increase gradually to reach 20% by the end of the first quarter of 2007). The lump sum is increased by 3.5 times average monthly earnings if the insured needs constant attendance.

Workers' Medical Benefits

All necessary medical care is provided. The cost of medical services is met by the National Health Fund.

Survivor Benefits

Survivor pension: The pension varies with the number of survivors. One survivor receives 85% of the insured's work injury disability pension (total disability); two survivors, 90%; three or more survivors, 95%.

The minimum benefit is set by law, subject to indexation, and may not be lower than 120% of the minimum survivor pension (see Old Age, Disability, and Survivors, above).

Eligible survivors are dependent children under age 16 (age 25 if a student, no limit if disabled and the disability began before age 16 or before age 25 if a student); a widow(er) aged 50 at the time of the insured's death, or incapable of work, or rearing a child under age 16 (under age 18 if a student), or caring for a disabled child whose disability began before age 16 or before age 25 if a student (a divorced spouse must be entitled to alimony and meet the qualifying requirements applied to a widow(er)); and parents if they were dependent on the deceased and fulfill the requirements applied to a widow(er).

Lump-sum compensation for family members: Equal to 18 times average monthly earnings if there is a surviving spouse or one child, plus 3.5 times average monthly earnings for the second and each subsequent survivor; 9 times average monthly earnings if there is no surviving spouse or child, plus 3.5 times average monthly earnings for the second and each subsequent survivor.

Administrative Organization

Ministry of Social Policy provides general supervision of cash benefits.

Social Insurance Institute administers cash benefits.

Ministry of Health provides general supervision of medical benefits.

Agricultural Social Security Fund administers the farmers' program.

Unemployment

Regulatory Framework

First law: 1924.

Current law: 1994, with amendments.

Type of program: Social insurance system.

Coverage

Employed persons.

Source of Funds

Insured person: None.

Employer: 2.45% of payroll.

Government: Any deficit is met from the state budget.

Qualifying Conditions

Unemployment benefit: The insured must be over age 18, be registered with the employment bureau, be able and ready to work, be involuntarily unemployed, have not received any redundancy pay or compensation, and had earnings equal to at least the minimum wage during at least 365 days within the 18-month period preceding the day of registration. Military service, parental leave, and allowances periods are credited toward the period of 365 days.

Preretirement benefit: The insured is unemployed, eligible to receive unemployment benefit, and aged 63 with 25 years of insurance (men) or aged 58 with 20 years of insurance (women); aged 60 with 25 years of insurance (men) and involuntarily unemployed or aged 55 with 20 years of insurance (women) and involuntarily unemployed; or any age and involuntarily unemployed with 40 contributory and noncontributory years of coverage (men) or 35 contributory and noncontributory years of coverage (women).

Unemployment Benefits

A flat-rate base amount (504.20 zlotys in 2004) for those with between 5 and 20 years of employment; 80% of the base amount with less than 5 years; 120% of the base amount for more than 20 years. The benefit is payable for 6 to 18 months, depending on the unemployment rate in the region.

The benefit is subject to indexation.

Preretirement benefit: The benefit is 90% of the old-age pension that would be due at age 65 (men) or age 60 (women).

Administrative Organization

Ministry of Social Policy provides general supervision.

Voivodships (provinces) and local labor bureaus keep registry of unemployed persons and work possibilities and pay benefits.

Institute of Social Security collects payroll contributions from enterprises.

Family Allowances

Regulatory Framework

First law: 1947.

Current law: 2004.

Type of program: Universal system.

Coverage

All residents.

Source of Funds

Insured person: None.

Employer: None.

Government: Total cost.

Qualifying Conditions

Family allowances (means-tested): The child must be under age 18 (age 21 if in secondary education; age 24 with a learning disability). The family's per capita average monthly income did not exceed 504 zlotys in the preceding calendar year (583 zlotys for families with a disabled child). The allowance is payable to a mother, father, or guardian.

Childbirth supplement (means-tested): Eligible for family allowances. The supplement is payable to a mother, father, or guardian for each child born after April 30, 2004.

Parental leave supplement (means-tested): Eligible for family allowances and taking parental leave for a child under age 4 (age 18 if disabled). The leave period is 24 months for one child; 36 months for multiple births; 72 months in the case of a disabled child. The supplement is payable to a mother, father, or guardian entitled to child care leave.

Single parent's young child supplement (means-tested): Paid to a single parent who is eligible for family allowances but not for unemployment benefit. The child must be under age 7. The supplement is payable to a mother, father, or guardian for a maximum of 3 years.

Single parent's child supplement (means-tested): Paid to a single parent who is eligible for family allowances and meets the income test (alimony is excluded). The child must be under age 18 (age 21 if a student; age 24 with a learning disability). The supplement is payable to a mother, father, or guardian.

Education and rehabilitation supplement (means-tested): Payable for up to 12 months to cover part of the cost of the rehabilitation or education of a disabled child under age 16 (age 24 if moderately or severely disabled). The supplement is payable to a mother, father, or guardian.

Beginning of school year supplement (means-tested): Payable in September each year to children entitled to family allowances. The supplement is payable to a mother, father, or guardian.

School travel and board supplement (means-tested): Payable for 10 months (from September to June) to children entitled to family allowances. When the school is distant from the child's home, the supplement covers part of the travel or boarding costs necessary to attend school. The supplement is payable to a mother, father, or guardian.

Nursing allowance (means-tested): Paid to persons incapable of living independently, disabled children under age 16 (older than age 16 if severely disabled), adults with a moderate degree of disability whose disability began before age 21, and persons aged 75 or older.

Nursing benefit (means-tested): Paid to persons who resign from economic activity to care for a disabled child under age 16 or an older, severely disabled person. The supplement is payable to a mother, father, or guardian.

Family Allowance Benefits

Family allowances (means-tested): From May 1, 2004, to August 31, 2005, 43 zlotys a month for each of the first two children; 53 zlotys for the third child; 66 zlotys for the fourth and subsequent children. Beginning September 1, 2005, the amount paid will depend on the child's age.

Childbirth supplement (means-tested): A lump sum of 500 zlotys for each child.

Parental leave supplement (means-tested): 400 zlotys a month (May 1, 2004).

Single parent's young child supplement (means-tested): 400 zlotys a month.

Single parent's child supplement (means-tested): 170 zlotys a month for each child (250 zlotys a month for each disabled child), up to a maximum of 750 zlotys per family.

Education and rehabilitation supplement (means-tested): 50 zlotys a month for a child under age 5; 70 zlotys for a child aged 5 to 24.

Beginning of school-year supplement (means-tested): A lump sum of 90 zlotys.

School travel and board supplement (means-tested): 80 zlotys a month (40 zlotys for children who commute).

Nursing allowance (means-tested): A lump sum of 144.25 zlotys (May 1, 2004).

Nursing benefit (means-tested): 420 zlotys a month (May 1, 2004).

Administrative Organization

Ministry of Social Policy provides general supervision.

Social Insurance Institute and Agricultural Social Security Fund administer the program through 51 branch offices.

The Institute and branch offices are supervised by tripartite boards composed of representatives of government, the insured, and employers.

Portugal

Exchange rate: US\$1.00 equals 0.80 euros (€).

Old Age, Disability, and Survivors

Regulatory Framework

First law: 1935 (1919 legislation not implemented).

Current laws: 1980 (social pensions for noncontributors), 1985 (integration of agricultural workers into general system), 1989 (voluntary insurance), 1993 and 1999 (earnings-linked pensions), 1999 (early pension), and 1999 (minimum pension).

Type of program: Social insurance and social assistance system.

Coverage

Social insurance: Employed persons and self-employed persons with gross annual income greater than six times the highest minimum wage.

Voluntary coverage for self-employed persons with gross annual income equal to or less than six times the highest minimum wage.

Voluntary coverage for persons not covered by any other contributory program.

Special systems for miners, longshoremen, railway workers, fishermen, and merchant seamen. (Special systems will gradually be unified with the general system.)

Social assistance: Persons not covered under a contributory program.

Source of Funds

Insured person: 11% of earnings.

Self-employed person: 25.4% of reference income for mandatory coverage and 32% of reference income for voluntary coverage. (The reference income for contribution purposes is chosen by the self-employed person from a range of one to eleven times the national minimum wage. The national minimum wage is €65.60.)

Employer: 23.75% of payroll.

All of the above contributions also finance sickness and maternity, occupational disease (employer only), unemployment, and family benefits. Of the total 34.75% contributed by the insured person and employer, 16.01% is allocated to old-age benefits, 3.42% to disability benefits, and 3.67% to survivor benefits.

Government: Subsidy for the social pension.

Qualifying Conditions

Old-age pension: Age 65 (men and women) with 15 years of contributions (120 days of registered pay are needed for a year to be credited).

Age 50 for miners; age 55 for longshoremen, fishermen, and merchant seamen; age 60 for aircraft flight crew; age 55 for air traffic controllers; age 55 for dancers or at age 45 with a reduced pension.

The pension is payable abroad.

The pension is paid to unemployed persons at age 60 if unemployment benefit is exhausted, at age 58 (under a special scheme), or at age 55 with a reduced pension.

Early pension: Age 55 with at least 30 years of contributions.

Deferred pension: From age 65. Retirement from covered employment is necessary at age 70.

Social pension: Aged 65 or older and no coverage under any contributory social security program. Monthly income may not exceed 30% of the national minimum wage for a single person; 50% for a couple. The social pension is not payable abroad unless specified in a reciprocal agreement.

Disability pension: The loss of 2/3 of earning capacity with 5 years of contributions (120 days of registered pay are needed for a year to be credited).

The pension is payable abroad.

Social pension: Aged 18 or older if disabled and no coverage under any contributory program. Monthly income may not exceed 30% of the national minimum wage for a single person; 50% for a couple. The social pension is not payable abroad unless specified in a reciprocal agreement.

Survivor pension: The insured met the pension requirements (3 months of registered pay are needed for a year to be credited) or was a pensioner at the time of death.

The pension is payable abroad.

Old-Age Benefits

Old-age pension: 2% of the average adjusted lifetime salary for each year of contributions (2% to 2.35% according to the insured's reference earnings for those with 21 years or more of contributions), up to a maximum of 40 years.

The reference earnings vary between 1.1 and 8 times the minimum wage.

For a transitional period (until 2017), pensions may be calculated according to the former method (2% of average annual earnings for the best 10 years out of the last 15 years multiplied by the total number of years of insurance) or the current method (above), or a combination of the two, whichever is higher.

The minimum pension is either 30% of the reference earnings used for calculating the pension or a monthly amount fixed according to the length of the insured's career (ranging from €208 for a career of no more than 15 years to €25.33 for a maximum of 40 years), whichever is higher.

The maximum pension is 92% of the reference earnings used for calculating the pension.

Deferred pension: An increment is paid for the deferral period.

An additional pension payment is made each Christmas and July.

Benefit adjustment: Benefits are adjusted annually according to changes in the cost of living.

Social pension (income-tested): €151.84 a month.

Extraordinary complementary allowance: For persons receiving the social pension, an allowance of €14.46 up to age 69; €28.91 if aged 70 or older.

Constant-attendance supplement: 50% (€75.92) or 90% (€136.66) of the social pension for those receiving the contributory pension, according to degree of dependence; 45% (€68.33) or 85% (€129.06) for those receiving the income-tested pension.

Permanent Disability Benefits

Disability pension: 2% of the average adjusted lifetime salary for each year of contributions (2% to 2.35% according to the insured's reference earnings for those with 21 years or more of contributions), up to a maximum of 40 years.

The reference earnings vary between 1.1 and 8 times the minimum wage.

For a transitional period (until 2017), pensions may be calculated according to the former method (2% of average annual earnings for the best 10 years out of the last 15 years multiplied by the total number of years of insurance) or the current method (above), or a combination of the two, whichever is higher.

The minimum pension is either 30% of the reference earnings used for calculating the pension or a monthly amount fixed accordingly to the length of the insured's career (ranging from €208 for a career of no more than 15 years to €325.33 for a maximum of 40 years), whichever is higher.

The maximum pension is 92% of the reference earnings used for calculating the pension.

An additional pension payment is made each Christmas and July.

Benefit adjustment: Benefits are adjusted annually according to changes in the cost of living.

Social pension (income-tested): €151.84 a month.

Extraordinary complementary allowance: For those receiving the social pension, an allowance of €14.46 up to age 69; €28.91 if aged 70 or older.

Constant-attendance supplement: 50% (€75.92) or 90% (€136.66) of the social pension for those receiving the contributory pension, according to degree of dependence; 45% (€68.33) or 85% (€129.06) for those receiving the income-tested pension.

Survivor Benefits

Survivor pension: 60% of the insured's pension (70% if both the spouse and a divorced spouse are eligible) is payable to a widow(er). The pension is limited to 5 years unless the widow(er) is over age 35, disabled, or caring for a child.

Orphan's pension: 20% of the insured's pension for one orphan, 30% for two orphans, or 40% for three or more orphans under age 18 (age 27 if a student, no limit if disabled); for full orphans the pension is 40%, 60%, or 80% for one, two, or three or more beneficiaries, respectively.

Other eligible survivors (in absence of above): Parents or grandparents. The combined survivor pension is 30%, 50%, or 80% of the insured's pension, for one, two, or three or more beneficiaries, respectively.

The maximum survivor pension is 100% of the insured's pension.

An additional pension payment is made each Christmas and July.

Death grant: An amount equal to six times average monthly earnings during the best 2 of the last 5 years.

Widow(er)'s social pension (income-tested): 60% of the social pension.

Orphan's social pension (income-tested): The combined benefit is 20%, 30%, or 40% of the social pension for one, two, or three or more orphans, respectively.

Administrative Organization

Ministry of Labor and Solidarity provides general supervision through the State Secretariat of Solidarity and Social Security.

Solidarity and Social Security Institute administers the program.

Sickness and Maternity

Regulatory Framework

First law: 1935 (1919 legislation not implemented).

Current laws: 1988 and 1990 (sickness); 1988, 1995, 1998, 1999, and 2000 (maternity, paternity, and adoption).

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

Coverage

Cash sickness benefits: Employed persons.

Voluntary insurance for self-employed and certain categories of persons not covered by any other contributory program.

Cash maternity, paternity, and adoption benefits: Employed and self-employed persons.

Voluntary insurance for certain categories of persons not covered by any other contributory program.

Medical benefits: All resident citizens and foreign residents whose country has a reciprocal agreement with Portugal.

Source of Funds

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

Self-employed 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: Subsidy for medical benefits.

Of the total 34.75% contributed by the insured person and employer, 3.05% is allocated to sickness benefits and 0.73% to maternity benefits.

Qualifying Conditions

Cash sickness benefit: Six months of insurance, including 12 days of contributions in the 4 months before the onset of illness.

Maternity, paternity, and adoption benefits: Six months of insurance.

Sickness and Maternity Benefits

Sickness benefit: 65% of average earnings during the 6 months preceding the 2 months before the month of the onset of illness; 70% for a long-term illness (of at least 365 days); 80% to 100% if hospitalized for tuberculosis. The benefit is payable after a 3-day waiting period (30 days for the self-employed). The waiting period is waived in cases of hospitalization or tuberculosis or during the postpartum period. The maximum duration is 1,095 days (365 days for the self-employed), with no limit for cases of tuberculosis.

The minimum sickness benefit is either 30% of the minimum wage in the insured's profession or the reference earnings used for calculating the cash sickness benefit, whichever is lower.

Disabled or sick child allowance: Payable to provide care for a child. The allowance is 100% of average earnings during the 6 months preceding the 2 months before receiving benefit and is payable for a maximum of 30 days per year to each child under age 10; without limit in cases of hospitalization. For a serious disability or chronic illness in children under age 12, the allowance is payable for between 6 months and 4 years.

Maternity benefit: 100% of average earnings during the 6 months preceding the 2 months before childbirth. The benefit is payable for 120 days (90 days must be after childbirth).

The minimum maternity benefit is 50% of the minimum wage in the insured's profession.

Special maternity allowance: 65% of average earnings during the 6 months preceding the 2 months before ceasing

work. The allowance is payable to women who work at night or whose job involves exposure to dangerous substances.

Paternity benefit: 100% of average earnings during the 6 months preceding the 2 months before childbirth, payable for 5 days.

Paternity benefit is not payable to self-employed persons.

The minimum paternity benefit is 50% of the minimum wage in the insured's profession.

Adoption benefit: 100% of average earnings during the 6 months preceding the 2 months before adoption, payable for the first 100 days following the adoption of a child under age 15.

The minimum adoption benefit is 50% of the minimum wage in the insured's profession.

Parental leave benefit: 100% of average earnings during the 6 months preceding the 2 months before parental leave is taken. The benefit is payable to the father for 15 days but only if preceded by paternity or maternity leave. The parental leave period is credited when calculating the disability or old-age pension.

Special leave benefit for grandparents: 100% of average earnings during the 6 months preceding the 2 months before childbirth. The benefit is payable for 30 days following the birth of a grandchild if the parent of the newborn child is a minor and living in the family home.

Special leave benefit for grandparents is not payable to self-employed persons.

Workers' Medical Benefits

Medical services are provided directly to patients by health centers and hospitals. Benefits include general and specialist care, maternity care, hospitalization, surgery, and listed medicines. Some cost sharing.

There is no limit to duration.

Dependents' Medical Benefits

Medical services are provided directly to patients by health centers and hospitals. Benefits include general and specialist care, maternity care, hospitalization, surgery, and listed medicines. Some cost sharing.

There is no limit to duration.

Administrative Organization

Ministry of Labor and Solidarity, through the State Secretariat of Solidarity and Social Security, provides general supervision.

Regional Social Security Centers administer cash benefits.

Regional Health Administrations administer medical benefits.

Work Injury

Regulatory Framework

First law: 1913.

Current laws: 1997, 1999, and 2001.

Type of program: Employer must purchase liability insurance for work injury with a private carrier. Social insurance system for occupational diseases.

Coverage

Employed and self-employed persons.

Source of Funds

Insured person: None.

Self-employed person: For contributions for occupational diseases only, see source of funds under Old Age, Disability, and Survivors.

Employer: Variable premiums according to the assessed degree of risk (work injury), plus 0.5% (occupational diseases) taken from the contribution for Old Age, Disability, and Survivors.

Government: None.

Qualifying Conditions

Work injury benefits: There is no minimum qualifying period.

Temporary Disability Benefits

70% of reference earnings during the first 12 months; thereafter, 75%. The benefit is payable until recovery or until determination of permanent total disability.

The reference earnings are based on the average daily wage.

Partial disability: 70% of lost earning capacity.

Permanent Disability Benefits

Permanent disability pension: For total incapacity for work in the usual profession, the pension is between 50% and 70% of reference earnings according to the insured's residual earning capacity. For total incapacity for all work, the pension is 80% of reference earnings plus 10% for each dependent, up to the limit of 100%.

The reference earnings are based on the annual wage (work injury) or the average monthly wage (occupational disease).

Partial disability: 70% of the lost earning capacity if the assessed degree of disability is more than 30%; if the disability is less than 30%, an amount corresponding to 70% of the lost earning capacity is paid as a lump sum.

Survivor Benefits

Survivor pension: 30% of covered earnings to the surviving spouse; 40% if the surviving spouse is aged 65 or older or disabled.

Orphan's pension: 20% of covered earnings for one orphan, 40% for two orphans, or 50% for three or more orphans under age 18 (age 22 or 25 if a student). Full orphans receive double benefits, up to a total maximum of 80% of the insured's salary.

Parent's pension: 10% of covered earnings for each surviving parent, up to a maximum of 30%.

Funeral grant: The cost of the funeral up to a maximum of four times the monthly minimum wage; the grant is doubled if transportation costs are necessary.

Death allowance: Twelve times the monthly minimum wage, with 50% payable to the spouse and 50% to the children; 100% is paid if there is only one dependent survivor.

Administrative Organization

Ministry of Finance provides general supervision of the work injury program through the Portuguese Insurance Institute.

Insurance companies manage work accident insurance policies.

Portuguese Insurance Institute supervises insurance companies.

Ministry of Labor and Solidarity provides general supervision of the occupational diseases program through the Secretary of State for Solidarity and Social Security.

National Occupational Disease Insurance Fund administers the occupational disease program.

Unemployment

Regulatory Framework

First law: 1975.

Current law: 1999.

Type of program: Social insurance and social assistance system.

Coverage

Employed persons.

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: None.

Of the total 34.75% contributed by the insured person and employer, 5.22% is allocated to unemployment benefits.

Qualifying Conditions

Unemployment benefit: 540 days of earnings in the 24 months before unemployment. Registration at an employment office is required. The person must be capable of, and available for, work. Unemployment must be involuntary.

Social assistance unemployment benefit (income-tested): 180 days of earnings in the 12 months before unemployment. Registration at an employment office is required. The person must be capable of, and available for, work. Unemployment must be involuntary.

Partial unemployment benefit: For insured persons in part-time employment whose income is lower than the value of unemployment benefit and who work more than 20% but less than 75% of the normal workweek.

Unemployment Benefits

65% of average earnings during the 12 months preceding the 2 months before the month during which unemployment began.

The minimum benefit is equal to the minimum wage.

The maximum benefit is equal to three times the minimum wage.

The duration of entitlement is calculated according to the age of the insured. For individuals up to age 30, 12 months; between ages 31 and 40, 18 months; between ages 41 and 45, 24 months; older than age 45, 30 months plus 2 months for each 5-year contribution period during the last 20 years.

Social assistance unemployment benefit: 80% of the minimum wage if single; 100% if the claimant has dependents.

The duration of entitlement is calculated according to the insured's age. For individuals up to age 30, 12 months; between ages 31 and 40, 18 months; between ages 41 and 45, 24 months; older than age 45, 30 months plus 2 months for each 5-year contribution period during the last 20 years.

Partial unemployment benefit: The benefit is equal to the difference between 1.3 times the unemployment benefit and the value of part-time work earnings. The duration of the benefit corresponds to the period of unemployment benefit that would otherwise have been awarded if fully unemployed.

For insured persons aged 55 or older, the unemployment benefit is paid until age 60, when the unemployment benefit is converted to the old-age pension. An unemployed person can also claim an old-age pension at age 58 (under certain conditions and in the framework of a temporary program) or at age 55 (under certain conditions and with a benefit reduction).

Administrative Organization

Ministry of Labor and Solidarity provides general supervision through the State Secretariat for Solidarity and Social Security.

Solidarity and Social Security Institute administers the program.

Employment centers review claimants' eligibility.

Family Allowances

Regulatory Framework

First law: 1942.

Current laws: 1980, 1997, 1999, and 2001.

Type of program: Universal system.

Coverage

Nationals, foreign citizens, refugees, and noncitizens residing in Portugal (or deemed as such).

Source of Funds

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

Self-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: Makes a contribution.

Of the total 34.75% contribution by the insured person and employer, 2.15% is allocated to family benefits.

Qualifying Conditions

Family allowances (income-tested): Child must be under age 16 (age 18, 21, or 24 if a student or disabled; age 27 in cases of illness or accident), residing in Portugal, and not receiving income from employment. The benefit is granted to a child living with a family or residing in a children's home.

Funeral allowance: Awarded to the person who met the cost of the funeral of a noncovered citizen residing in Portugal.

Family Allowance Benefits

Family allowances: The allowance is calculated according to family income and the child's age. The reference family income is determined by dividing the total income of all working family members by the number of eligible children plus one. The allowance is paid for reference family income up to five times the national minimum wage.

If the reference family income is lower than or equal to half the national minimum wage, €120 per month is paid to each child up to 12 months of age and €30 per month to each child older than 12 months. Eligible children between ages 6 and 16 receive an additional payment each September toward education fees.

If the reference family income is more than half of the national minimum wage but no more than the national minimum wage, €100 per month is paid to each child up to 12 months of age and €25 per month to each child older than 12 months.

If the reference family income is more than the national minimum wage but no more than 150% of the national minimum wage, €80 per month is paid to each child up to 12 months of age and €23 per month to each child older than 12 months.

If the reference family income is more than 150% but no more than 250% of the national minimum wage, €50 per month is paid to each child up to 12 months of age and €20 per month to each child older than 12 months.

If the reference family income is more than 250% but no more than 500% of the national minimum wage, €30 per month is paid to each child up to 12 months of age and €10 per month to each child older than 12 months.

Disabled child special supplement: €19.41 a month if under age 14; €72.55 if between ages 14 and 18; €97.12 if between ages 18 and 24. Subject to dependency and the degree of disability.

Constant-attendance supplement: €71.90 a month. Subject to dependency and the degree of disability.

Disabled person monthly allowance: €143.80 a month for life is paid to a disabled person older than age 24. Subject to dependency and the degree of disability.

Extraordinary complementary allowance: In addition to the disabled person monthly allowance, €14.46 if the person is younger than age 70; €28.91 if aged 70 or older. Subject to dependency and the degree of disability.

Special education allowance: A variable amount is payable on behalf of the insured's descendant if the descendant is under age 24 and attending school in a special educational establishment or receiving other special educational assistance. Subject to dependency and the degree of disability.

Funeral grant: €187.19.

Administrative Organization

Ministry of Labor and Solidarity provides general supervision through the State Secretariat for Solidarity and Social Security.

Solidarity and Social Security Institute administers the program.

Romania

Exchange rate: US\$1.00 equals 32,492 lei.

Note: This information is from 2002.

Old Age, Disability, and Survivors

Regulatory Framework

First law: 1912.

Current law: 2000.

Type of program: Social insurance system.

Coverage

Employed persons with individual labor contracts; public officials; nominated officials within the executive, legislative, and judicial authorities; craft cooperative members; persons receiving unemployment benefits; and workers or farmers earning at least the equivalent of three times the national average wage.

Voluntary coverage for persons wishing additional coverage for the noninsured part of their income (insured income is limited to three times the national average wage) or for those not covered by a mandatory scheme.

Special systems for lawyers and other professional categories, including military personnel and the clergy.

Source of Funds

Insured person: All insured persons pay one-third of the contribution rate applied to legally defined normal working conditions (35%).

Employer: Employers pay the remainder of the applied contribution rate after deducting the insured person's contribution. The applied contribution rate for employers varies depending on working conditions: 35% for normal conditions, 40% for arduous conditions, and 45% for very arduous conditions.

The employer contributions also finance cash sickness, maternity, and work injury benefits.

Government: Any deficit.

The maximum earnings for contribution and benefit purposes are three times the national average wage.

Qualifying Conditions

Old-age pension: Age 65 (men) or age 60 (women) with at least 15 years of contributions (or deemed contributions).

There are lower age requirements for persons employed in arduous or dangerous work, persons who are handicapped or visually impaired, and persons who were imprisoned because of their political beliefs.

Early pension: Age 55, if the insured's contribution record exceeds the full career contribution record (35 years for men or 30 years for women) by at least 10 years.

Partial early pension: Age 55, if the insured's contribution record exceeds the full career contribution record by less than 10 years.

Disability pension: In addition to insured persons, school pupils, apprentices, students, military conscripts, and the victims of revolutionary events may receive a pension. Persons suffering a loss of at least 50% of working capacity due to accidents (including work accidents), diseases (including occupational diseases), or revolutionary events may also receive a pension. For school pupils, apprentices, and students, only disabilities resulting from work are covered. For the victims of revolutionary events, coverage is provided only to those with a previous contribution record. Prior contribution conditions vary according to age at the onset of disability. No prior contribution conditions apply if the disability is caused by a work accident, an occupational disease, or tuberculosis.

Survivor pension: The insured met pension requirements or was a pensioner at the time of death.

Eligible survivors: Widows who fulfill certain conditions relating to age and the duration of marriage or disability; children aged 16 or under (up to age 26 if a student, depending on the duration of studies). No prior condition is required if the insured's death was caused by a work accident, occupational disease, or tuberculosis. A limited benefit entitlement is payable for 6 months to a low-income uninsured spouse raising a child under age 7 who does not meet the eligibility conditions for age and the duration of marriage.

Old-Age Benefits

Old-age pension: The benefit is calculated as the lifetime accumulated number of points multiplied by the point value in force at the date of retirement (fixed by the annual budget law). The number of points obtained during 1 year is equal to the average insured monthly salary divided by the monthly national average wage. The obtained lifetime number of points cannot exceed the total number of points corresponding to a full career equal to 35 years (men) or 30 years (women).

Early pension: An early pension is possible.

Partial early pension: Deemed contribution periods are not considered, and the pension is proportionately reduced.

Benefit adjustment: Benefits are adjusted according to inflation.

Permanent Disability Benefits

Disability pension: 40% to 75% of the projected entitlement to an old-age pension (calculated as the lifetime accumulated number of points multiplied by the point value in force at the date of retirement; see old-age pension, above), according to three degrees of disability.

Constant-attendance supplement: A lump sum for a first-degree disability.

Benefit adjustment: Benefits are adjusted according to inflation.

Survivor Benefits

Survivor pension: One survivor receives 50% of the old-age pension paid or payable to the insured or, if the deceased was ineligible for the old-age pension, 50% of the first-degree disability pension; two survivors, 75% of the insured's pension; three or more survivors, 100% of the insured's pension; full orphans receive the sum of the survivor pension for each insured parent.

Benefit adjustment: Benefits are adjusted according to inflation.

Funeral grant: Awarded on the death of the insured or the insured's dependent. For the death of a dependent, the grant is reduced by 50%.

Administrative Organization

Ministry of Labor and Social Solidarity is responsible for general supervision and for policy development.

National Pension and Social Insurance Fund with regional pension funds administers the program.

Sickness and Maternity

Regulatory Framework

First law: 1912.

Current law: 2000.

Type of program: Social insurance system.

Coverage

Cash benefits: Employed persons with individual labor contracts; public officials; nominated officials within the executive, legislative, and judicial authorities; craft cooperative members; persons receiving unemployment benefits; and, under certain conditions, workers or farmers earning at least the equivalent of three times the national average wage.

Voluntary coverage for persons wishing additional coverage for the noninsured part of their income (the insured income is up to the limit of three times the national average wage) or for those not covered by a mandatory scheme.

Special systems for lawyers and other professional categories, including military personnel and the clergy.

Medical benefits: All residents, including permanent foreign nationals.

Voluntary coverage for temporary residents and for diplomatic staff.

Source of Funds

Insured person

Cash benefits: None.

Medical benefits: 7% of income.

Employer

Cash benefits: A portion of the adjusted 35%, 40%, or 45% payroll contribution paid under Old Age, Disability, and Survivors, above. Under certain conditions, the employer pays the sickness benefit directly to the employee when the period of absence from work due to sickness is less than 90 days.

Medical benefits: 7% of payroll.

Government: Subsidies for medical benefits.

Qualifying Conditions

Cash benefits: Six months of contributions during the 12 months preceding the onset of sickness or 12 months of contributions during the last 24 months for insured persons working under fixed-term work contracts or whose declared income is at least equal to the ceiling for insurable income; no prior conditions in cases of emergency surgery, tuberculosis, certain contagious diseases, an occupational disease, or being injured at work.

Medical benefits: There is no minimum qualifying period.

Sickness and Maternity Benefits

Sickness cash benefit: 75% of the mean salary during the 6 months preceding the onset of sickness (100% for some low-income groups) is payable for up to a maximum of 180 days a year (may be extended in some cases). If the medical condition continues beyond 180 days, the award can be converted to a disability benefit.

Benefit adjustment: Benefits are adjusted according to inflation after 90 days of entitlement.

Illness prevention and rehabilitation for work benefit: The benefit includes temporary rehabilitation through a placement in an alternative place of work and a cash benefit to replace part of lost earnings resulting from a reduction in working hours. The value of each benefit component must not exceed 25% of the basis salary (mean salary during the 6 months preceding the onset of sickness). Benefits are payable for a maximum period of 90 days a year. A benefit equivalent to 75% of the basis salary is awarded to persons in quarantine.

Maternity cash benefit: 85% of the basis salary (mean salary during the 6 months preceding entitlement). The benefit is

payable for 126 days covering the period before and after childbirth.

Parental leave: 85% of the basis salary (mean salary during the 6 months preceding the claim) is payable until the child is age 2 (age 3 if the child is disabled).

Sick-child care allowance: 85% of the basis salary (mean salary during the 6 months preceding the claim). The benefit is payable for a maximum of 14 days a year (may be extended for certain difficult cases) for a child under age 8 (age 18 if disabled).

Workers' Medical Benefits

Medical services are provided directly to patients by local health insurance funds. Medical benefits include general and specialist care, hospitalization, medicines, appliances, maternity care, transport, and other services.

Dependents' Medical Benefits

Medical services are provided directly to patients by local health insurance funds. Medical benefits include general and specialist care, hospitalization, medicines, appliances, maternity care, transport, and other services.

Administrative Organization

Cash benefits: Ministry of Labor and Social Solidarity is responsible for general supervision and policy development. National Pension and Social Insurance Fund with regional pension funds administers the program.

Medical benefits: National Health Insurance Fund provides general supervision.

Local health insurance funds administer the program.

Work Injury

Regulatory Framework

First law: 1912.

Current law: 2000.

Type of program: Social insurance system.

Coverage

Employed persons, school pupils, apprentices, students undergoing occupational training, and military conscripts.

Source of Funds

Insured person: None.

Employer: A portion of the adjusted 35%, 40%, or 45% payroll contribution paid under Old Age, Disability, and Survivors, above. Under certain conditions, the employer pays sickness benefit directly to the employee when the period of absence

from work due to sickness is less than 90 days. Employers also contribute to medical benefit costs (see Sickness and Maternity, above).

Government: Any deficit.

Qualifying Conditions

Work injury benefits: There is no minimum qualifying period or minimum contribution conditions. The insured must have at least a 50% loss of working capacity due to a work injury or an occupational disease.

Temporary Disability Benefits

100% of the basis salary (75% of the mean salary during the 6 months preceding the onset of disability) is payable from the first day of disability. The benefit is payable by the employer until recovery or the certification of permanent disability.

Permanent Disability Benefits

Permanent disability pension: 40% to 75% of the projected entitlement to an old-age pension (calculated as the lifetime accumulated number of points multiplied by the point value in force at the date of retirement; see old-age pension, above), according to three degrees of disability.

Constant-attendance supplement: A lump sum for a first-degree disability.

Benefit adjustment: Benefits are adjusted according to inflation.

Workers' Medical Benefits

Medical services are provided directly to patients by local health insurance funds. Medical benefits include general and specialist care, hospitalization, medicines, appliances, maternity care, transport, and other services.

Survivor Benefits

Survivor pension: One survivor receives 50% of the old-age pension paid or payable to the insured or, if the deceased was ineligible for the old-age pension, 50% of the first-degree disability pension; two survivors, 75% of insured's pension; three or more survivors, 100% of insured's pension; full orphans are entitled to a pension for each insured parent.

Benefit adjustment: Benefits are adjusted according to inflation.

Funeral grant: Awarded on the death of the insured or the insured's dependent. For the death of a dependent, the grant is reduced by 50%.

Administrative Organization

Ministry of Labor and Social Protection provides general supervision.

County Directorates of Labor and Social Protection administer the program.

Temporary disability benefits are paid directly by enterprises.

Unemployment

Regulatory Framework

First law: 1991.

Current laws: 1991 and 1997.

Type of program: Social insurance system.

Coverage

Unemployment benefit: Persons whose individual labor contracts have expired or who have lost membership in a craft cooperative; job seekers over age 18; newly discharged military personnel; or persons newly graduated from school or university who cannot find suitable employment.

Professional insertion allowance: Young adults, aged 18 or older, who have no independent income and have not found employment in the 60 days following the completion of their studies (30 days following the completion of military service). Youths aged 16 to 17 without financial support who have finished full-time education. Disabled persons without employment and receiving specialized training.

Source of Funds

Insured person: 1% of gross earnings; the self-employed contribute 5% of declared income.

Employer: 5% of payroll.

Government: Any deficit.

Qualifying Conditions

Unemployment benefit: Six months of contributions in the last 12 months (12 months of contributions in the last 24 months for certain categories). Registered at the local labor office.

Unemployment Benefits

Unemployment benefit: 50% of average earnings over the last 3 months with up to 5 years of contributions; 55% with more than 5 years of contributions. The benefit is payable for up to 270 days.

The minimum benefit is 23% of the national minimum wage if the insured has less than 5 years of contributions; 25% if more than 5 years of contributions.

Maintenance allowance: Unemployment benefit is paid for 270 days; thereafter, an unemployment maintenance allowance is paid for up to 18 months at 60% of the minimum wage.

Professional insertion allowance: An allowance of 18% of the national minimum wage is paid to first-time job seekers after leaving secondary school (20% for university graduates).

Administrative Organization

National Office of Employment and Vocational Training provides general supervision.

Local offices administer the program.

Family Allowances

Regulatory Framework

First law: 1944.

Current laws: 1993, 1995, 1997, and 1998.

Type of program: Universal system.

Coverage

All resident children.

Source of Funds

Insured person: None.

Employer: None.

Government: Total cost.

Qualifying Conditions

Family allowances: The child must be under age 16 (age 18 if disabled or in full-time education or professional training).

Supplementary allowance for families with more than one child: Paid as a family allowance supplement to households with more than one child.

Social allowance: Paid to single-person or low-income households.

Birth grant: Paid to women after the birth of second and subsequent children.

Child foster allowance: Paid to a family or an institution responsible for the upbringing of a minor placed in their charge.

Military conscript supplementary allowance: Paid for the spouse of low-income military conscripts in cases in which the spouse is disabled or has entered the fourth month of pregnancy.

Family Allowance Benefits

Family allowances: 130,000 lei a month for each child.

Supplementary allowance for families with more than one child: 50,000 lei a month for families with two children; 100,000 lei a month for three children; 125,000 lei a month for four or more children.

Social allowance: Paid at between 166,500 lei and 625,300 lei a month according to family size. Families with more than five persons receive a supplement of 92,700 lei for each additional member.

Birth grant: 387,317 lei.

Child foster allowance: 347,906 lei a month.

Military conscript supplementary allowance: 48,836 lei a month.

Administrative Organization

Ministry of Labor and Social Protection provides general supervision.

Local offices of labor and social protection, local councils, and other institutions administer the benefits.

Russia

Exchange rate: US\$1.00 equals 29.23 rubles.

Old Age, Disability, and Survivors

Regulatory Framework

First law: 1922.

Current laws: 1995, 1996, and 2001 (state pension security, labor pensions, and mandatory pension insurance).

Type of program: Social insurance and notional and individual accounts system.

Coverage

Employed citizens, self-employed persons, and independent farmers. (The individual account covers those born in 1967 or later.)

Special schemes for civil servants, military personnel, police officers, war veterans, and other specified groups.

Source of Funds

Insured person: None.

Self-employed person: The self-employed and independent farmers contribute a fixed monthly amount of 150 rubles.

Employer: 28% of payroll, which is part of the Single Social Tax (SST); half of the employer contribution finances the basic part of the labor pension and the other half finances the notional and individual accounts. Agricultural enterprises pay 20.6% of payroll. Organizations for the disabled and for pensioners are exempted from the SST but pay contributions for mandatory pension insurance.

The overall 35.6% of payroll SST finances pensions provided under the State Pension Security law as well as the basic part of the labor pension, sickness and maternity benefits, and medical care benefits. The employer's contribution noted above is included in this rate. The contribution rate is lowered on annual income exceeding 100,000 rubles. Employers can provide supplementary benefits out of their own budgets.

Government: Total cost of social pensions and of service pensions for state employees, military personnel, police officers, and other specified groups. Republics and local authorities can provide supplementary benefits out of their own budgets.

Qualifying Conditions

Old-age pension

Old-age labor pension: Age 60 (men) or age 55 (women) with a minimum 5 years of insurance coverage.

Full qualifying conditions are reduced for persons who have worked in the far-north region or in hazardous or dangerous work, to mothers who have five or more children or disabled children, and to some specified professional categories.

Age 50 with 20 years of work (men) or age 45 with 15 years of work (women), including 10 years (men) or 7.5 years (women) working in an unhealthy working environment, underground, or in hot workshops.

Age 55 with 25 years of work (men) or age 50 with 20 years of work (women), including 12.5 years (men) or 10 years (women) in an unhealthy working environment, in geological work, in the railway service, as drivers in mines, dock workers, sailors, or as aircraft ground crew.

There is no lower age limit for teachers who have worked with children for 25 years and for medical workers employed in health care institutions in cities for 30 years; villages for 25 years.

State length-of-service pension: A supplement to the old-age labor pension to state employees, military personnel, and police officers with 15 years of service.

State social pension: Disabled citizens or those meeting the age requirement of age 65 (men) or age 60 (women).

A working pensioner may receive both the salary and pensions in full.

Disability pension

Disability labor pension: Previously employed. The value of the pension depends on the assessed degree of disability, according to three groups: Group I, 100% incapable of work and requiring constant attendance; Group II, 100% incapable of work but not in need of constant attendance; Group III, 50% incapable of work but not in need of constant attendance.

State disability pension: There is no minimum period-of-service requirement for persons under age 20 who became disabled due to a general illness or for a disability resulting from a severe work injury, occupational disease, or military service.

Survivor pension

Survivor labor pension: The insured's length of service and insurance coverage are not considered.

Eligible survivors are widows over age 55 (widowers over age 60) or unemployed and caring for children younger than age 14 or disabled; children up to age 18 (age 23 if a student, no limit if disabled before age 18); brothers and sisters up to age 18; and grandfathers aged 61 or older and grandmothers aged 56 or older.

Social survivor pension: The pension is provided if the insured did not have insurance coverage.

Old-Age Benefits

Old-age pension

Old-age labor pension: The benefit is calculated as the sum of three components:

- a basic flat rate according to different categories of beneficiaries;
- a benefit based on the notional account; and
- a benefit based on the value of the individual account (contributions plus interest) to be paid beginning in 2013.

There is no officially stated minimum or maximum monthly pension, but the total amount of all three components should not be less than 660 rubles.

State length-of-service pension: The benefit is calculated according to the length of state service and the value of wages earned.

State social pension: The amount of the social pension is a percentage of the basic part of the labor pension.

Retirement is not necessary.

Benefit adjustment: Benefits are adjusted according to the rate of inflation and increases in the average wage.

Permanent Disability Benefits

Disability pension

Disability labor pension: The benefit is awarded according to three assessed groups of disability. The benefit is calculated as the sum of three components:

- a basic flat rate according to different categories of beneficiaries (and increased according to the number of dependents);
- a benefit based on the notional account; and
- a benefit based on the value of the individual account (contributions plus interest) to be paid beginning in 2013.

State disability pension: Benefits are set by the government according to categories of beneficiaries (and increased according to the number of dependents).

Benefit adjustment: Benefits are adjusted according to the rate of inflation and increases in the average wage.

Survivor Benefits

Survivor pension

Survivor labor pension: The benefit is calculated as the sum of two components:

- a basic flat rate according to different categories of survivor; and
- a benefit based on the notional account and on the number of eligible survivors. The pension is divided equally between all eligible survivors. The pension does not cease on the remarriage of a widow.

Social survivor pension: The pension is set by the government according to different categories of beneficiaries. The pension is divided equally among all eligible survivors.

Benefit adjustment: Benefits are adjusted according to the rate of inflation and increases in the average wage.

Administrative Organization

Pension Fund of the Russian Federation and its regional bodies administer benefit awards and payments.

Ministry of Labor and Social Development of the Russian Federation is responsible for policy development.

Sickness and Maternity

Regulatory Framework

First law: 1912.

Current laws: 1984, 1993, 1995, 1999 (mandatory social insurance), 2001; and 1991, 1992, and 1993 (medical care).

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

Coverage

Cash benefits: Employed citizens.

Medical benefits: All citizens and refugees.

Source of Funds

Insured person

Cash benefits: None.

Medical insurance: None. (The insured may contribute to voluntary supplementary medical insurance. The contribution rates for voluntary supplementary medical insurance vary by plan.)

Employer

Cash benefits: 4% of payroll, included in the overall SST. See source of funds under Old Age, Disability, and Survivors, above.

Medical insurance: 3.6% of payroll, included in the overall SST. See source of funds under Old Age, Disability, and Survivors, above. (Rates for voluntary supplementary medical insurance vary by plan.)

Government: Federal government and local governments provide partial funding for medical care.

Qualifying Conditions

Cash and medical benefits: There is no minimum qualifying period. For the childbirth grant, the claimant must register with a medical establishment at the beginning of pregnancy.

Sickness and Maternity Benefits

Sickness benefit: 60% of current earnings with less than 5 years of coverage; 80% with 5 years to 8 years of coverage; 100% with over 8 years of coverage (or if the insured has three or more dependent children).

The minimum benefit is 100% of the minimum wage (600 rubles in 2003).

The maximum benefit is 85 times the minimum wage.

Note: The value of the minimum wage used for the calculation of cash benefits varies according to the benefit type.

Parental care leave: To provide care for a sick child under age 7, benefit is provided for the total period of sickness; for a child under age 15, benefit is provided for 15 calendar days; for a family member over age 15, benefit is provided for 7 calendar days.

Funeral grant: A lump sum of between 1,000 rubles and 2,000 rubles, depending on local financial resources.

Maternity benefit: 100% of the insured's gross earnings in the last month is payable for 70 days before the expected date of childbirth and 70 days after childbirth; may be increased by an additional 14 or 40 days in certain cases. (After maternity benefit ceases, a monthly child care leave allowance of 500 rubles; 70 rubles for unemployed workers, is paid until the child is age 18 months under the Family Allowances program.)

The maximum benefit is 11,700 rubles.

Childbirth grant: A lump sum of 4,500 rubles, and an extra sum paid by the local authorities.

Pregnancy registration supplement: 300 rubles, paid when the pregnancy is registered with the local authorities.

Adoption grant: A lump sum of 4,500 rubles, and an extra sum paid by the local authorities.

Workers' Medical Benefits

Compulsory medical insurance covers medical services provided directly to patients by public and private health providers. Services provided include general, preventive, and emergency care; hospitalization; laboratory services; dental care; maternity care; vaccination; and transportation.

Cost sharing: Medicines prescribed during hospitalization are provided free, or at reduced rates, to persons with certain categories of illness, to the disabled, and to war veterans.

Voluntary medical insurance covers specialized care, expensive medicines, and appliances.

Dependents' Medical Benefits

Compulsory medical insurance covers medical services provided directly to patients by public and private health providers. Services provided include general, preventive, and emergency care; hospitalization; laboratory services; dental care; maternity care; vaccination; and transportation.

Cost sharing: Medicines prescribed during hospitalization are provided free, or at reduced rates, to persons with certain categories of illness, to the disabled, and to war veterans.

Voluntary medical insurance covers specialized care, expensive medicines, and appliances.

Administrative Organization

Cash benefits: Social Insurance Fund of the Russian Federation and regional social insurance funds administer sickness and maternity cash benefits.

Enterprises and employers administer and pay benefits to their own employees.

Regional departments of social protection administer maternity benefits for the unemployed and other nonworking citizens.

Medical benefits: Ministry of Health of the Russian Federation and regional health departments implement state health care policy and develop health care programs.

Medical services are provided through clinics, hospitals, maternity homes, and other medical facilities, including private health care providers.

The implementation of medical insurance is the responsibility of regional governments.

Work Injury

Regulatory Framework

First law: 1903.

Current laws: 1998, implemented in January 2000 (work injury and occupational disease); 1999 (mandatory social insurance); 2001 (labor code); and 2002 (insurance tariffs).

Type of program: Social insurance system.

Coverage

Employed citizens, employed convicted persons, persons employed on the basis of a civil or legal agreement if under such an agreement the employer is obliged to pay contributions to the Social Insurance Fund of the Russian Federation for mandatory social insurance against work injury and occupational disease.

Medical care is available to all citizens.

Source of Funds

Insured person: None.

Employer: Varying contributions (between 0.2% and 8.5% of payroll) according to 22 classes of professional risk related to 22 categories of industry. Employers can provide supplementary benefits out of their own budgets.

Government: None. Republics and local authorities can provide supplementary benefits out of their own budgets.

Qualifying Conditions

Work injury benefits: There is no minimum qualifying period. The Medical and Social Assessment Office assesses the degree of disability annually; more frequently in certain cases.

Temporary Disability Benefits

100% of average gross earnings before the certification of the degree of disability. The benefit is payable from the first day of incapacity until the insured is fully rehabilitated.

Lump-sum compensation: A lump sum of up to 27,000 rubles, calculated in proportion to the percentage of lost work capacity, is also paid to insured workers.

In the case of a sustained loss in work capacity, a monthly benefit equal to the average wage for the last 12-month period, calculated in proportion to the percentage of lost work capacity.

Permanent Disability Benefits

Permanent disability pension: The pension is calculated according to three degrees of disability. Groups I and II receive 75% of average gross earnings, and Group III receives 30% of average gross earnings.

The minimum level of disability is from 10% to 15%.

The maximum benefit is set annually by the Social Insurance Fund (27,000 rubles per month in 2003).

Constant-attendance allowance: Twice the minimum wage per month is provided for those needing outpatient special medical care; 50% of the minimum wage for everyday attendance. (The minimum wage is 600 rubles in October 2003.)

Workers' Medical Benefits

Compulsory medical insurance covers medical services provided directly to patients by public and private health providers. Services provided include general, preventive, and emergency care; hospitalization; laboratory services; dental care; transportation; free appliances and medicines; and the cost of professional rehabilitation. Specialized care is possible under the terms of voluntary supplementary insurance coverage offered by the employer.

Survivor Benefits

Survivor pension: Payable on the death of the insured as the result of a work injury or an occupational disease. The benefit is calculated as the sum of two components:

- a basic flat rate according to different categories of survivor; and
- a benefit based on the notional account and on the number of eligible survivors.

Lump-sum compensation: In addition to the pension, a lump sum of 27,000 rubles (in 2003) is divided equally among all entitled survivors.

Death grant: A lump sum of up to 1,000 rubles. (The employer may pay an extra benefit.)

Administrative Organization

Temporary disability benefits are administered by the Social Insurance Fund of the Russian Federation and regional funds. Enterprises and employers pay benefits to employees.

Pension Fund of the Russian Federation is responsible for the administration of permanent disability pensions.

Ministry of Health of the Russian Federation is responsible for the provision of medical services through clinics, hospitals, maternity homes, and other medical facilities, including private health care providers.

State health care policies and programs are implemented and administered by the Ministry of Health of the Russian Federation and regional health departments.

Unemployment

Regulatory Framework

First law: 1921.

Current laws: 1991 (employment in the Russian Federation), with 2003 amendment; 1993; 1996; 1997; and 2001 (labor code).

Type of program: Social insurance system.

Coverage

Citizens between ages 16 and 59 (men) or ages 16 and 54 (women).

Source of Funds

Insured person: None.

Employer: None.

Government: Financed from federal and local budgets. Republic and local governments may provide supplementary benefits for unemployed persons and their dependents out of their own budgets.

Qualifying Conditions

Unemployment benefit: Registered at the employment office, has 26 weeks of full-time employment in the last 12 months (or the 26-week equivalent for part-time employment), and is able and willing 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 job placement or vocational training, or filing fraudulent claims.

Unemployment Benefits

A severance payment equal to twice the insured's average monthly wage is paid by the employer.

Unemployment benefits as a percentage of previous average wages are paid by the local state employment service for 12 months. The benefits decrease over time: 75% of the previous average monthly wage in the first 3 months; 60% for the next 4 months; and 45% for the last 5 months.

The minimum monthly benefit must not be less than 30% of the local minimum subsistence level.

For a second period of 12 months, the monthly benefit is 30% of the local minimum subsistence level.

For unemployed persons who do not meet the prior work conditions or for persons who have never worked, the benefit is 30% of the regional minimum subsistence level for the first 6 months and 20% of the regional minimum subsistence level for the next 6 months.

Dependent supplement: The benefit is increased by 10% of the regional minimum subsistence level, up to a maximum of 30%. If both parents are unemployed, they are both entitled to claim a supplement for the same dependent.

Supplement for victims of radiation: 10% of the regional minimum subsistence level but not less 50 rubles.

Supplement for persons living in radiation-contaminated zones: 10% of the regional minimum subsistence level but not less than 100 rubles.

Early pension: Payable to unemployed older workers between ages 58 and 59 (men) or ages 53 and 54 (women). (The benefit is the same as the old-age labor pension.)

Administrative Organization

Ministry of Labor and Social Development of the Russian Federation provides general supervision, control, and partial financing.

Regional employment services administer and finance the program.

Family Allowances

Regulatory Framework

First law: 1944.

Current law: 1995 (state benefits for citizens with children), with 1999, 2000, and 2002 amendments; 1995 (regulations for state benefits for citizens with children); and 2003 (budget of the social insurance fund).

Type of program: Social insurance and social assistance system.

Coverage

Children under age 16 (or until the completion of general education up to age 18).

Source of Funds

Insured person: None.

Employer: Contributions are included in SST contribution. See source of funds under Old Age, Disability, and Survivors, above. (Employers can provide supplementary benefits out of their own budgets.)

Government: Federal and local budgets pay for remainder of benefits. Republics and local authorities can provide supplementary benefits out of their own budgets.

Qualifying Conditions

Child allowances: Granted to families with income below the locally determined minimum subsistence level. The child must be resident.

Child care leave allowance: Employees, students in vocational courses, and military personnel.

Family Allowance Benefits

Child allowances: 70 rubles for each child from 18 months to age 16 (or until the completion of general education); 105 rubles if a parent is evading alimony payments. Single parents receive twice the child allowance.

Child care leave allowance: 500 rubles is paid a month (70 rubles for unemployed workers) until the child is age 18 months; until age 7 if the child is ill (outpatient treatment); age 15 (inpatient treatment). If providing care for a sick child, 60% to 100% of wages for the first 7 days of illness; thereafter, 30% of wages (50% for single mothers) until recovery.

Administrative Organization

Ministry of Labor and Social Development of the Russian Federation provides general oversight of the program.

Regional and local departments of social protection award benefits and make payments to nonworking parents.

San Marino

Exchange rate: US\$1.00 equals 0.80 euros (€).

Old Age, Disability, and Survivors

Regulatory Framework

First and current laws: 1965 (old age), with 2001 amendment; 1965 (disability); and 1965 (survivors).

Type of program: Social insurance system.

Coverage

Employed and self-employed persons.

Source of Funds

Insured person: 1.9% of earnings.

Self-employed person: Contribution rates vary between 10% and 19.5% of earnings, according to the category of self-employment.

Employer: 10% of payroll.

Government: Contributes an amount equal to 10% of total contributions; may rise to 25% to cover any deficit. Higher contributions are made on behalf of agricultural workers.

All of the above contributions also finance work injury benefits.

Qualifying Conditions

Old-age pension: Age 60 for men and women (age 65 for agricultural and industrial workers) with at least 15 years of contributions. (For new entrants to the labor force from January 1, 2002, the pensionable age will be age 65 for men and women.)

Deferred pension: A deferred pension is possible.

Disability pension: A loss of working capacity of at least 65% and 7 years of contributions.

Survivor pension: Fifteen years of contributions or 7 years of contributions with at least 1 year in the 5 years preceding the insured's death. The pension is payable to a widow or an unemployed widower. The pension ceases on remarriage.

Old-Age Benefits

Old-age pension: 3% of average earnings during the last 5 years for each of the first 15 years of coverage, plus 2% of the average earnings during the last 5 years for each year of coverage beyond 15.

Deferred pension: An increase of 3% for each year of employment after age 60.

Benefit adjustment: Pensions are adjusted according to changes in the cost of living.

Permanent Disability Benefits

Disability pension: The pension amount is not affected by the assessed degree of disability.

The maximum pension is 86% of the average salary of the last 5 years of work.

Benefit adjustment: Pensions are adjusted according to changes in the cost of living.

Survivor Benefits

Survivor pension: The percentage of the insured's pension payable varies depending on the number of eligible survivors. For a spouse with one child, 70%; with two children, 75%; with three children, 90%; with more than three children, 100%.

Administrative Organization

National Social Security Institute administers the program.

Sickness and Maternity

Regulatory Framework

First law: 1955.

Current laws: 1955 (medical benefits), 1965 (welfare), 1967 (cash benefits), and 1968 (self-employed).

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

Coverage

Cash benefits: Employed and self-employed persons.

Medical benefits: All residents.

Source of Funds

Insured person: 3.5% of earnings.

Employer: 5% of payroll.

Government: None (cash benefits); 50% of direct taxes collected by the state (medical benefits).

Qualifying Conditions

Cash sickness benefits: There is no qualifying period.

Cash maternity benefits: There is no qualifying period.

Medical benefits: There is no qualifying period.

Sickness and Maternity Benefits

Sickness benefit: 86% of monthly earnings for the first 15 days, 100% until the end of the sixth month, and 86% until the end of the twelfth month. The benefit is payable for

365 days for workers with permanent employment contracts; to the end of employment contract for workers with short-term employment contracts.

Maternity benefit: 100% of earnings during the 5 months of maternity leave (2 months before and 3 months after the expected date of childbirth); thereafter, during the following 13 months, mothers can remain on leave and receive a benefit equal to 30% of earnings for 7 months and 20% of earnings for 6 months or they can return to work and take up to 2 hours a day of leave on full pay.

Workers' Medical Benefits

Services are provided by doctors of the National Social Security Institute and state hospitals. Benefits include all medical services, hospitalization, maternity care, and pharmaceuticals.

Dental care is provided free for tooth extractions and for the first course of treatment. There is a fee for subsequent treatment (dental services are free for children up to age 14 and for pensioners).

There is no cost sharing.

There is no limit to duration.

Dependents' Medical Benefits

Same as for the insured.

Administrative Organization

National Social Security Institute administers the program.

Work Injury

Regulatory Framework

First and current law: 1965.

Type of program: Social insurance system.

Coverage

Employed and self-employed persons.

Source of Funds

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

Self-employed 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.

Qualifying Conditions

Work injury benefits: There is no minimum qualifying period.

Temporary Disability Benefits

100% of earnings.

Permanent Disability Benefits

The monthly benefit is calculated according to the assessed degree of disability and the value of the old-age pension that would be paid with 30 years of contributions.

The minimum assessed degree of disability for entitlement is 15%.

Workers' Medical Benefits

All necessary services are provided free of charge.

Survivor Benefits

Survivor pension: The percentage of the insured's pension payable varies depending on the number of eligible survivors. For a spouse with one child, 70%; with two children, 75%; with three children, 90%; with more than three children, 100%.

Administrative Organization

National Social Security Institute administers the program.

State hospitals, or government-approved establishments, deliver medical services.

Unemployment

Regulatory Framework

First and current laws: 1967 (unemployment), 1977 (temporary unemployment), and 1980 (special economic benefit).

Type of program: Social insurance system.

Coverage

Unemployment: Salaried employees.

Exclusions: Civil servants.

Temporary unemployment: Industrial and business employees and tradesmen.

Source of Funds

Unemployment

Insured person: 0.5% of earnings.

Employer: 1.5% of payroll.

Government: None.

Temporary unemployment

Insured person: None.

Employer: 2% or 4% of payroll.

Government: None.

Qualifying Conditions

Unemployment benefit: Payable to unemployed insured employees.

Special economic benefit: Payable in cases of mass unemployment or the closure of the place of employment.

Temporary unemployment benefit: Payable for temporary unemployment resulting from unforeseen circumstances, restructuring, or a short-term market downturn.

Unemployment Benefits

Unemployment benefit: 50% of the average wage in the 3 months before unemployment is payable for up to 100 days a year for permanent contract workers; 25% for up to 50 days for temporary contract workers.

Special economic benefit: 75% of earnings for the first 6 months and 65% of earnings for a maximum of a further 6 months.

Temporary unemployment benefit: 86% of earnings payable for a maximum of 9 months.

Administrative Organization

National Social Security Institute administers the unemployment and temporary unemployment programs.

Family Allowances

Regulatory Framework

There is no information available on the family benefits program in San Marino.

Serbia

Exchange rate: US\$1.00 equals 54.64 dinars.

Old Age, Disability, and Survivors

Regulatory Framework

First law: 1922, implemented in 1937.

Current law: 2003.

Type of program: Social insurance system.

Coverage

Employees in industry, commerce, and agriculture; public-sector employees; and members of handicraft and fishery cooperatives.

Special systems for various categories of self-employed workers including craftsmen, artists, and farmers.

Source of Funds

Insured person: 16% of earnings.

Employer: 16% of payroll.

Government: Guarantees cash benefits.

The minimum earnings for contribution purposes range from 37% of the national average wage for employees with the lowest level of education to 155% of the national average wage for employees with the highest level of education.

The maximum earnings for contribution purposes are five times the national average wage.

Qualifying Conditions

Old-age pension: Men, age 63 with 20 years of insurance; age 65 with 15 years of insurance; or age 53 with 40 years of insurance. Women, age 58 with 20 years of insurance; age 60 with 15 years of insurance; or age 53 with 35 years of insurance.

Retirement from insured employment is necessary.

The pension is payable abroad if there is a reciprocal agreement.

Disability pension: Incapacity for all work (total disability). The insured must not be of retirement age and have at least 5 years of insurance.

If younger than age 30, the insured must have at least 1 year of service if the onset of disability was before age 20; at least 2 years of service if the onset of disability was before age 25; at least 3 years of service if the onset of disability was before age 30.

Survivor pension: The deceased was a pensioner or had 5 years of insurance coverage or was eligible for a disability pension.

Old-Age Benefits

Old-age pension: The value of personal points (a personal coefficient multiplied by the number of years of service) multiplied by the value of the general point.

The personal coefficient is equal to the sum of annual personal coefficients divided by the period for which they are calculated. The annual personal coefficient is the ratio between an individual wage and the average wage in the Republic for the same calendar year.

The value of the general point is 242.07 dinars (2003).

The maximum pension is 85% of average earnings.

Benefit adjustment: Benefits are adjusted every quarter. The adjustment is based equally on the increase in the cost of living and on the increase in average net wages.

Permanent Disability Benefits

Disability pension: The value of personal points (a personal coefficient multiplied by the number of years of service) multiplied by the value of the general point.

The personal coefficient is equal to the sum of annual personal coefficients divided by the period for which they are calculated. The annual personal coefficient is the ratio between an individual wage and the average wage in the Republic for the same calendar year.

The value of the general point is 242.07 dinars (2003).

Projected years of service are calculated as 2/3 of the period between the onset of disability and age 53 and 1/2 of the period between age 53 and age 58 (women) or age 63 (men).

Constant-attendance allowance: An allowance is provided where necessary.

Benefit adjustment: Benefits are adjusted every quarter. The adjustment is based equally on the increase in the cost of living and on the increase in average net wages.

Survivor Benefits

Survivor pension: 70% of the pension paid or accrued to the insured for one survivor; 80% for two survivors; 90% for three survivors; or 100% for four or more survivors.

Eligible survivors include a widow aged 45 or older (a widower aged 53 or older), or disabled, or caring for a child under age 15 (age 26 if a student, no limit if disabled); a dependent mother aged 58 or older, or disabled; a dependent father aged 63 or older, or disabled; and dependent grandchildren, brothers, or sisters.

Funeral grant: 1.5 times the average pension in the quarter before the insured's death.

Benefit adjustment: Benefits are adjusted every quarter. The adjustment is based equally on the increase in the cost of living and on the increase in average net wages.

Administrative Organization

Social Security Institute provides general supervision.

Pension and disability funds administer the programs at the local level.

Sickness and Maternity

Regulatory Framework

First law: 1922.

Current laws: 1992 and 1999 (health insurance for foreigners).

Type of program: Social insurance system.

Note: This information is from 1999.

Coverage

Employees in industry, commerce, and agriculture; public-sector employees; members of handicraft and fishery cooperatives; students; artists; self-employed workers; and farmers. Foreign citizens including persons without citizenship, those with refugee status, or those granted asylum. Pensioners are covered for medical benefits.

Source of Funds

Insured person: Contribution rates vary according to profession, up to a maximum of 9.7% of earnings.

Employer: Contribution rates vary, up to a maximum of 9.7% of payroll.

Government: None.

Regional pension and disability associations and employment associations pay contributions for beneficiaries' health coverage.

Qualifying Conditions

Sickness and maternity benefits: Coverage for 12 continuous months or for 18 months during the last 2 years.

Medical benefits: There is no minimum qualifying period.

Sickness and Maternity Benefits

Sickness benefit: The employer pays for the first 60 days. The benefit is payable from the first day of incapacity until recovery or until the award of a disability pension.

The minimum benefit is 50% of average earnings.

The maximum benefit is 75% of average earnings for the first 60 days and 95% from the 61st day if the qualifying period is met; 90% if it is not.

Maternity benefit: 100% of earnings if the qualifying period is met; 80% if it is not.

Maternity grant: The grant is determined by the health insurance association.

Workers' Medical Benefits

Medical services are provided directly to patients through the facilities of the government health service on the basis of contracts with local health insurance associations.

Dependents' Medical Benefits

Same as for the insured person. The wife or another female dependent of the insured receives the same maternity benefits as an insured woman.

Administrative Organization

Health insurance funds administer the program at the local level.

National Committee provides general coordination of regional funds and associations.

Work Injury

Regulatory Framework

First law: 1922.

Current laws: 1983, 1992, 1999 (health insurance for foreign citizens), and 2003.

Type of program: Social insurance system.

Coverage

Employees in industry, commerce, and agriculture; public-sector employees; members of handicraft and fishery cooperatives; students; artists; self-employed workers; and farmers. Foreign citizens including persons without citizenship, those with refugee status, or those granted asylum.

Source of Funds

Insured person: None.

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

Government: None.

Qualifying Conditions

Work injury benefits: There is no minimum qualifying period.

Temporary Disability Benefits

100% of earnings. The benefit is payable from the first day of incapacity until recovery or the award of a permanent disability pension.

Permanent Disability Benefits

Permanent disability pension: The value of personal points (a personal coefficient multiplied by 40) multiplied by the value of the general point.

The personal coefficient is equal to the sum of annual personal coefficients divided by 40. The annual personal coefficient is the ratio between an individual wage and the average wage in the Republic for the same calendar year.

The value of the general point is 242.07 dinars (2003).

For a disability caused by a work injury or an occupational disease, the calculation of personal points is always based on 40 years of projected service.

Constant-attendance allowance: An allowance is provided where necessary.

Benefit adjustment: Benefits are adjusted every quarter. The adjustment is based equally on the increase in the cost of living and on the increase in average net wages.

Workers' Medical Benefits

Medical services are provided directly to patients through the facilities of the government health service on the basis of contracts with local health insurance associations.

Survivor Benefits

Survivor pension: 70% of the pension paid or accrued to the insured for one survivor; 80% for two survivors; 90% for three survivors; or 100% for four or more survivors.

Eligible survivors include a widow aged 45 or older (a widower aged 53 or older), or disabled, or caring for a child under age 15 (age 26 if a student, no limit if disabled); a dependent mother aged 58 or older, or disabled; a dependent father aged 63 or older, or disabled; and dependent grandchildren, brothers, or sisters.

Funeral grant: The cost of the funeral.

Administrative Organization

Social Security Institute provides general supervision.

Pension and disability funds administer the programs at the local level.

Union of Pension and Disability Associations coordinates and administers short-term cash benefits.

Unemployment

Regulatory Framework

First law: 1927.

Current law: 1992.

Type of program: Social insurance system.

Note: This information is from 1999.

Coverage

Employed persons.

Source of Funds

Insured person: Contribution rates vary, up to a maximum of 0.9% of earnings.

Employer: Contribution rates vary, up to a maximum of 0.9% of the employee's earnings.

Government: None.

Qualifying Conditions

Unemployment benefit: Employed for the last 9 months or 12 of the last 18 months. Total household income from employment should not exceed a specified monthly amount.

Unemployment Benefits

Unemployment benefit (income-tested): 70% of average earnings in the last 3 months is payable for up to 3 months; may be extended up to 30 months for workers with 30 years of previous employment.

Administrative Organization

Unemployment funds coordinate and administer the program.

Family Allowances

Regulatory Framework

First law: 1949.

Current law: 1990.

Type of program: Employment-related system.

Note: This information is from 1999.

Coverage

Employees; some categories of self-employed persons; artists; social insurance beneficiaries; and nonworking, low-income, single mothers with one or more children.

Source of Funds

Insured person: Contribution rates vary.

Employer: Private-sector employers pay the total contribution on behalf of their employees.

Government: None.

Qualifying Conditions

Family allowances: Child must be under age 15 (age 26 if a student, no limit if disabled). Taxable household income must be below the specified monthly amount, which is adjusted periodically for changes in the cost of living. Most laws also require 12 months of coverage.

Family Allowance Benefits

Family allowances (income-tested): The allowance varies according to the number of children in the family.

Benefit adjustment: Allowances are adjusted periodically for changes in the cost of living.

Administrative Organization

National Committee provides general coordination of the regional funds and associations.

Self-governing regional associations administer programs.

Slovak Republic

Exchange rate: US\$1.00 equals 33.16 koruna (SK).

Old Age, Disability, and Survivors

Regulatory Framework

First laws: 1906 (salaried employees) and 1924 (wage earners).

Current law: 2003 (social insurance act), implemented in 2004.

Type of program: Social insurance system.

Note: Beginning January 1, 2005, a new system consisting of first-pillar mandatory social insurance and second-pillar mandatory individual accounts will be implemented. All new entrants to the workforce will be required to join the new two-pillar system, but current workers will have until June 2006 to choose whether to join the new system or stay in the old one.

Coverage

Employees, the self-employed, and voluntarily insured persons.

Source of Funds

Insured person: 4% of earnings for old-age and survivor pensions and 3% of earnings for disability and survivor pensions; 26% for voluntary contributors.

Self-employed person: 26% of earnings.

Employer: 19% of payroll.

Government: 26% of the general assessment basis.

The general assessment basis is 12 times the national average monthly wage in the relevant calendar year.

Qualifying Conditions

Old-age pension: Age 62 (men and women) with at least 10 years of insurance.

Early pension: A reduced pension is paid with at least 10 years of insurance. The early pension must be equal to at least 1.2 times the adult subsistence income level (5,502 SK).

Deferred pension: A deferred pension is possible.

Disability pension: At least a 40% loss of working capacity.

Survivor pension: The deceased met the pension requirements for an old-age or disability pension or was a pensioner at the time of death.

Old-Age Benefits

Old-age pension: The pension is equal to the product of average personal wage points (the personal assessment basis divided by the general assessment basis), the insurance period, and the current pension value (183.58 SK).

The personal assessment basis is total earnings in the relevant calendar year on which contributions were paid.

The general assessment basis is 12 times the national average monthly wage in the relevant calendar year.

The pension value is adjusted annually on January 1 according to changes in the national average wage.

Early pension: Same as the old-age pension, except the current pension value is reduced by 0.5% for each 30-day period before retirement age that the pension is awarded.

Deferred pension: Same as the old-age pension, except the current pension value is increased by 0.5% for each 30-day period after retirement age that the pension is awarded.

There is no officially stated minimum or maximum monthly pension.

Benefit adjustment: Benefits are adjusted periodically according to changes in consumer prices and the national average wage.

Permanent Disability Benefits

Disability pension: The pension is paid with a minimum insured period of at least 1 year if aged 22 or younger; 2 years if aged 23 to 24; 3 years if aged 24 to 26; 5 years if aged 27 to 28; and at least 5 years if older than age 28.

With at least a 70% loss of working capacity, the pension is based on average personal wage points (the personal assessment basis divided by the general assessment basis), the total projected insurance period up to retirement age, and the current pension value.

With less than a 70% loss of working capacity, the pension is based on the percentage loss of working capacity, average personal wage points (the personal assessment basis divided by the general assessment basis), the total projected insurance period up to retirement age, and the current pension value.

The personal assessment basis is total earnings in the relevant calendar year on which contributions were paid.

The general assessment basis is 12 times the national average monthly wage in the relevant calendar year.

The pension value is adjusted annually on January 1 according to changes in the national average wage.

There is no officially stated minimum or maximum monthly pension.

Benefit adjustment: Benefits are adjusted periodically according to changes in consumer prices and the national average wage.

Survivor Benefits

Survivor pension: 60% of the insured's pension is paid to a widow(er). The pension ceases on remarriage.

Orphan's pension: 30% of the insured's pension until the end of compulsory education (age 26 if a student or disabled).

There is no minimum survivor pension.

The maximum survivor pension is 100% of the insured's pension.

Benefit adjustment: Benefits are adjusted periodically according to changes in consumer prices and the national average wage.

Administrative Organization

Ministry of Labor, Social Affairs, and Family provides supervision.

Social Insurance Agency, consisting of headquarters and 38 branch offices, administers the program.

Sickness and Maternity

Regulatory Framework

First law: 1888.

Current law: 2003 (social insurance act), implemented in 2004.

Type of program: Social insurance system.

Coverage

Employees, the self-employed, and voluntarily insured persons.

Source of Funds

Insured person: 1.4% of earnings; voluntarily insured persons contribute 4.4% of earnings.

Self-employed person: 4.4% of earnings.

Employer: 1.4% of payroll.

Government: None.

Qualifying Conditions

Cash sickness and medical benefits: Temporary incapacity for work due to a sickness or an accident; the voluntarily insured must also have at least 270 days of insurance in the 2 years before the onset of the incapacity.

Cash maternity benefits: 270 days of insurance in the 2 years before the expected date of childbirth.

Compensation allowance: Paid to women who are exempt from some types of work while pregnant and who are redeployed by their employer to another job paying lower wages.

Sickness and Maternity Benefits

Sickness benefit: For the first 3 days, 25% of the daily assessment basis; thereafter, 55% of the daily assessment basis. The employer pays the first 10 days. (The Social Insurance Agency pays benefits for the self-employed and voluntarily insured from the first day of incapacity.) The benefit is payable for up to 1 year.

The daily assessment basis is based on the value of earnings on which contributions for sickness benefits have been paid in the calendar year preceding the year of the onset of incapacity.

Attendance care benefit: 55% of the daily assessment basis to provide care for a sick child.

The daily assessment basis is based on the value of earnings on which contributions for sickness benefits have been paid in the calendar year preceding the year of the onset of incapacity.

Maternity benefit: 55% of the daily assessment basis. The benefit is payable for 28 weeks (37 weeks for a single mother and for multiple births) including at least 6 weeks before the expected date of childbirth.

The benefit is also paid for 22 weeks for fostering a child.

The daily assessment basis is based on the value of earnings on which contributions for sickness benefits have been paid in the calendar year preceding the year of the onset of incapacity.

Compensation allowance: The benefit is 55% of the difference between the monthly assessment basis for compensation allowance (30.4167 times the daily assessment basis) and the assessment basis on which contributions for sickness benefit are paid. The benefit is paid for 1 calendar month.

Workers' Medical Benefits

Medical services are provided directly to patients through General Health Insurance Agency facilities. Services include medical treatment, hospitalization, medicines, dental care (with limited cost sharing), maternity care, appliances, travel expenses, sanatorium, and spa treatment.

Dependents' Medical Benefits

Same as for family head. Medical services are provided directly to patients through the General Health Insurance Agency facilities. Services include medical treatment, hospitalization, medicines, dental care (with limited cost sharing), maternity care, appliances, travel expenses, sanatorium, and spa treatment.

Administrative Organization

Ministry of Labor, Social Affairs, and Family provides supervision.

Social Insurance Agency, consisting of headquarters and 38 branch offices, administers the program.

Ministry of Health and General Health Insurance Agency administer medical services provided through health centers and clinics.

Work Injury

Regulatory Framework

First law: 1887.

Current law: 2003 (social insurance act), implemented in 2004.

Type of program: Social insurance system.

Coverage

Employees.

Source of Funds

Insured person: None.

Employer: Contributions vary according to the assessed degree of risk. The average contribution is 1.2% of payroll.

Government: None.

Qualifying Conditions

Work injury benefits: There is no minimum qualifying period.

Temporary Disability Benefits

Temporary disability benefit (injuries bonus): The benefit is paid for a work injury or occupational disease. The benefit is 62% of the daily assessment basis for 3 days of incapacity or 25% of the daily assessment basis for 4 days of incapacity.

The daily assessment basis is based on the value of earnings on which contributions for sickness benefits have been paid in the calendar year preceding the year of the onset of incapacity.

Rehabilitation benefit: 80% of the daily assessment basis.

Retraining allowance: 80% of the daily assessment basis.

Permanent Disability Benefits

Permanent disability benefit: With at least a 70% loss of working capacity, the pension is based on average personal wage points (the personal assessment basis divided by the general assessment basis), the total projected insurance period up to retirement age, and the current pension value.

With less than a 70% loss of working capacity, the pension is based on the percentage loss of working capacity, average personal wage points (the personal assessment basis divided by the general assessment basis), the total projected

insurance period up to retirement age, and the current pension value.

The personal assessment basis is total earnings in the relevant calendar year on which contributions were paid.

The general assessment basis is 12 times the national average monthly wage in the relevant calendar year.

The pension value is adjusted annually on January 1 according to changes in the national average wage.

There is no officially stated minimum or maximum monthly pension.

Injury annuity: The benefit is paid for a loss of 40% or more of working capacity as a result of a work injury or occupational disease. The benefit cannot be paid at the same time as the injuries bonus or while receiving rehabilitation benefits or retraining allowances. The monthly benefit is based on 80% of the assessment basis (30.4167 times the daily assessment basis) and the percentage loss of working capacity.

The daily assessment basis is based on the value of earnings on which contributions for sickness benefits have been paid in the calendar year preceding the year of the onset of incapacity.

Injury settlement: The lump sum is paid for a loss of at least 10% but not more than 40% of working capacity as a result of a work injury or occupational disease. The lump sum is based on the assessment basis (365 times the daily assessment basis) and the percentage loss of working capacity.

The daily assessment basis is based on the value of earnings on which contributions for sickness benefits have been paid in the calendar year preceding the year of the onset of incapacity.

Workers' Medical Benefits

Same as for the medical benefits shown under sickness benefit, above, plus the cost of specialist medical treatment (up to 500,000 SK) and rehabilitation.

Survivor Benefits

Survivor pension: 60% of the insured's pension is paid to a widow(er). The pension ceases on remarriage.

Orphan's pension: 30% of the insured's pension until the end of compulsory education (age 26 if a student or disabled).

There is no minimum survivor pension.

The maximum survivor pension is 100% of the insured's pension.

Benefit adjustment: Benefits are adjusted periodically according to changes in consumer prices and the national average wage.

Death benefit: A lump sum is payable to the spouse or child of a person who died of a work injury or an industrial disease. The maximum benefit for a spouse must not exceed

1,000,000 SK. The maximum benefit for one child is 50% of the benefit paid to the spouse; the total maximum benefit for children must not exceed 1,000,000 SK.

Benefit adjustment: The death benefit is adjusted in July according to changes to the old-age pension.

Funeral benefit: The cost of the funeral of a person who died of a work injury or an industrial disease. The pension is paid to the person who met the cost of the funeral, up to a maximum.

Administrative Organization

Ministry of Labor, Social Affairs, and Family provides supervision.

Social Insurance Agency, consisting of headquarters and 38 branch offices, administers the program.

Ministry of Health and General Health Insurance Agency administer medical services provided through health centers and clinics.

Unemployment

Regulatory Framework

First law: 1991.

Current law: 2003 (social insurance act), implemented in 2004.

Type of program: Social insurance system.

Coverage

Unemployed job seekers.

Source of Funds

Insured person: 1% of earnings; voluntary contributors, 2%.

Employer: 1% of payroll.

Government: None.

Qualifying Conditions

Unemployment benefit: Registered with a labor office, looking for work, and younger than age 62. Unemployment insurance contributions were paid for at least 3 of the last 4 years.

Unemployment Benefits

50% of the daily assessment basis is paid for up to 6 months.

The daily assessment basis is based on the value of earnings on which contributions have been paid in the 3 calendar years preceding unemployment.

Administrative Organization

Ministry of Labor, Social Affairs, and Family provides supervision.

Social Insurance Agency, consisting of headquarters and 38 branch offices, administers the program.

Family Allowances

Regulatory Framework

First law: 1945.

Current laws: 1994, 1995, 1996, 1997, 1998, 1999, and 2001.

Type of program: Universal system.

Coverage

Residents; noncitizens must have at least 1 year's residence.

Source of Funds

Insured person: None.

Employer: None.

Government: Total cost.

Qualifying Conditions

Family allowances (child allowances): Until the completion of compulsory education; age 25 if a student or disabled.

Parental allowance: For a parent taking daily care of a child under age 4; under age 7 if the child has special health care needs.

National service allowance: Awarded to the spouse and dependent children of a person performing military or civilian national service duties.

Birth grant (layette): A grant for the purchase of clothing and other necessities for a newborn child whose father, mother, or guardian has permanent residence in the Slovak Republic.

Multiple birth allowance: An annual allowance paid to parents to care for the birth of triplets or more children or the birth of two sets of twins within a 2-year period. The family must be resident in the Slovak Republic and have at least three children younger than age 15.

Foster parent grant: Paid to a foster caregiver without the means to provide necessary care.

Foster care allowance: Paid for children in foster care.

Funeral allowance: A lump-sum social benefit.

Family Allowance Benefits

Family allowances (child allowances): 500 SK a month for each child. The allowance is paid regardless of family income.

Parental allowance: 3,790 SK a month; 1,200 SK if the parent is gainfully employed or receiving sickness benefits.

National service allowance: 800 SK a month for a dependent child and 1,050 SK a month for a spouse or other dependent.

Birth grant (layette): 4,000 SK; the grant is increased by 50% for the birth of triplets or more children.

Multiple birth allowance: For a child up to age 6, the allowance is equal to 2,160 SK a month; aged 6 to 15, 2,660 SK; older than age 15, 2,840 SK.

Foster parent grant: For a child up to age 6, the lump-sum grant is 5,400 SK; aged 6 to 15, 6,640 SK; older than age 15, 7,080 SK.

A lump sum of 7,080 SK is payable on the termination of foster care.

Foster care allowance: For a child up to age 6, the monthly allowance is 2,160 SK; aged 6 to 15, 2,660 SK; older than age 15, 2,840 SK.

Funeral allowance: 2,100 SK.

Administrative Organization

Ministry of Labor, Social Affairs, and Family provides supervision.

Social Insurance Agency, consisting of headquarters and 38 branch offices, administers the program.

Slovenia

Exchange rate: US\$1.00 equals 190.87 tolar.

Old Age, Disability, and Survivors

Regulatory Framework

First law: 1922.

Current laws: 1999, with 2000, 2001, 2002, and 2003 amendments.

Type of program: Social insurance system.

Coverage

Employed persons in industry, commerce, and agriculture; public-sector employees; members of handicraft and fishery cooperatives; and self-employed workers including craftsmen, liberal professions, artists, and farmers.

Source of Funds

Insured person: The contribution rate varies. The average contribution rate is 15.5% of earnings.

Employer: The contribution rate varies. The average contribution rate is 8.85% of payroll.

Government: Covers the cost for veterans and certain groups of insured (policemen, ex-active army officers) and makes up the deficit in the event of an unforeseen decline in contributions.

Qualifying Conditions

Old-age pension

Men: Age 58 with 40 years of contributions; age 63 with 20 years of contributions; or age 65 with 15 years of contributions.

Women: Age 54 and 8 months with 35 years and 9 months of contributions (in 2005, age 55 with 36 years of contributions); age 59 and 8 months with 20 years of contributions (in 2005, age 60 with 20 years of contributions); or age 61 and 8 months with 15 years of contributions (in 2005, age 62 with 15 years of contributions).

For both men and women, retirement from insured employment is necessary.

Payment abroad is permitted under reciprocal agreement.

The full pensionable age for both men and women will increase gradually to age 63 (men) and age 61 (women), with the contribution period increasing to 40 years and 38 years, respectively.

Early pension: An early pension is possible.

Deferred pension: A deferred pension is possible.

Disability pension: Loss of working capacity (total disability) or greatly reduced capacity for regular or equivalent work (partial disability). A coverage period of at least 1/3 of the years after age 20 (1/4 if younger than age 30; 1/4 after age 21 and younger than age 30; insured or 3 months of insurance before age 20).

Survivor pension: The deceased had completed a 5-year insurance period, had 5 years of pension contributions, or was receiving or had fulfilled the conditions for an old-age pension or disability pension.

Old-Age Benefits

A minimum of 35% (men) or 38% (women) of average earnings during the 14 highest paid consecutive years (15 in 2005) of the insured period since 1970 (pension rating base). Past earnings are revalued for changes in average wages and pensions. An increment of 1.5% of earnings is awarded for each year of insurance from 2000. An additional increment of 2% is awarded for each year before 2000 if the total number of years of insurance coverage exceeds 15, with the exception of women, who are awarded 3% for each year before 2000 if coverage exceeds 20.

The pension rating base is the insured's monthly average earnings/income on which contributions were paid during the 14 highest paid consecutive years of the insured period since 1970.

Partial pension: A reduced pension is paid with less than 40 years (men) or 38 years (women) of service.

Early pension: A reduced pension is paid if retirement is prior to the full pensionable age.

Deferred pension: An increased pension is paid if retirement is after the full pensionable age.

The maximum pension varies according to the length of the qualifying period but is no more than four times the minimum pension.

Benefit adjustment: Benefits are adjusted on an ad hoc basis twice a year according to the growth of average salaries and pensions in a prescribed period.

Permanent Disability Benefits

Disability pension: A minimum of 45% (men) or 48% (women) of average earnings during the 14 highest paid consecutive years (15 in 2005) of the insured period from 1970 (pension rating base) if the onset of disability is before age 63 (men) or age 61 (women); otherwise, 35% (men) or 38% (women) of average earnings during the 14 highest paid consecutive years (15 in 2005) of the insured period from 1970. Past earnings are revalued for changes in average wages and pensions. An increment of 1.5% of earnings is awarded for each year of insurance from 2000. An additional increment of 2% is awarded for each year before 2000 if the total number of years of insurance coverage exceeds 15, with the exception of women, who are awarded 3% for each year before 2000 if coverage exceeds 20.

The pension rating base is the insured's monthly average earnings/income on which contributions were paid during the 14 highest paid consecutive years of the insured period since 1970.

The pension calculation period covers years of insurance coverage and projected years. Projected years are calculated as 2/3 of the period between the onset of disability and age 58 and 1/2 of the period between age 58 and age 63 (men) or age 61 (women).

The maximum pension varies according to the length of the qualifying period but is no more than four times the minimum pension.

Partial disability: The minimum benefit is 35% of the minimum pension rating base. The maximum benefit is 80% of the disability pension.

Benefit adjustment: Disability pensions are adjusted on an ad hoc basis twice a year according to the growth of average salaries and pensions in a prescribed period.

Constant-attendance allowance: Provided where necessary.

Benefit adjustment: The allowance is adjusted twice a year according to growth of average salaries.

Survivor Benefits

Survivor pension: Age 52 and 6 months for a widow (age 53 in 2005) or age 53 for a widower.

The minimum survivor pension is 70% of the pension awarded or accrued to the insured if there is one survivor; a combined total of 80% for two survivors; 90% for three survivors; 100% for four or more survivors.

Eligible survivors: A widow(er); children under age 15 (age 26 if a student); a dependent mother age 52 and 6 months (age 53 in 2005) and a dependent father age 57 and 6 months (age 58 in 2005) or disabled; dependent grandchildren, brothers, and sisters.

Benefit adjustment: Pensions are adjusted on an ad hoc basis twice a year according to the growth of average salaries.

Administrative Organization

Institute for Pension and Invalidity Insurance of Slovenia, including nine regional units, administers the program.

Sickness and Maternity

Regulatory Framework

First laws: 1922 (sickness) and 1949 (maternity).

Current laws: 1992 (sickness), with 2001 amendment; and 2001 (maternity).

Type of program: Social insurance system.

Coverage

Sickness benefits: Employed persons, self-employed persons, and farmers (if insured).

Maternity benefits: Persons insured for parental leave and eligible for maternity benefit (mothers, fathers, and third persons caring for the child during leave from work).

Source of Funds

Insured person

Sickness benefits: 6.36% of gross salary.

Maternity benefits: Employees contribute 0.1% of their gross salary; self-employed persons and farmers (if insured) contribute 0.2% of the insurance base for Old Age, Disability, and Survivors (see above).

Employer

Sickness benefits: 6.36% of gross payroll.

Maternity benefits: 0.1% of gross payroll.

Government

Sickness and maternity; benefits in kind: Contributions are credited on behalf of certain groups of insured. Government pays for the health care of military personnel, refugees, and prisoners. Government also pays for the collection of blood, organs, and tissues for transplantation.

Sickness and maternity; cash benefits: Contributions are credited on behalf of certain groups of insured. Government finances 92% of the cost of maternity benefits from general taxation.

Qualifying Conditions

Sickness benefit: There is no minimum qualifying period.

Maternity benefit: The mother must be covered by parental leave insurance prior to the first day of compulsory maternity leave. The father of the child, the adoptive parent, or any other person who cares for the child must have the right to maternity leave and coverage for parental leave.

Sickness and Maternity Benefits

Sickness benefit: 80% to 100% of average wages in the previous year, depending on the cause of absence. The benefit cannot be lower than the minimum wage. The employer pays the benefit for the first 30 days.

Maternity benefit: 100% of earnings is payable during maternity leave (105 calendar days, 28 of which are taken before the expected date of childbirth) and during child-care leave (260 calendar days), for 365 calendar days in total. The father is entitled to paternity leave to the same extent as the mother for maternity leave, minus the number of days already used by the mother. The minimum duration of paternity leave

taken by the father must not be less than 28 days. If the father cares for the child instead of the mother, he can also be entitled to up to 260 days of child-care leave.

Maternity and child-care leave may be prolonged in instances of multiple births, premature births, the birth of a child with physical or mental impairment, or if the parents are already rearing at least two other children under age 8.

Workers' Medical Benefits

Provided through public health facilities on the basis of separate contracts between contractors and the insurance institute. Insured individuals contribute a portion of the cost of fees that vary with the type and complexity of the service provided.

Dependents' Medical Benefits

Provided through public health facilities on the basis of separate contracts between contractors and the insurance institute. Insured individuals contribute toward the cost of fees that vary with the type and complexity of the service provided.

Administrative Organization

Sickness benefit: Institute of Health Insurance of Slovenia, including 10 regional units, administers the program.

Maternity benefit: Sixty-two social work centers administer the program.

Ministry of Labor, Family, and Social Affairs pays benefits.

Work Injury

Regulatory Framework

First law: 1922.

Current laws: 1992, 1993, 1996, 1998, 1999, and 2001 (health insurance), with amendments; and 1999 (pension and invalidity), with 2000, 2001, 2002, and 2003 amendments.

Type of program: Social insurance system.

Coverage

Employees, self-employed persons, farmers, and other persons insured under the pension and disability scheme, including students in secondary and postsecondary education in a work placement program, professional excursions, or paid work; physically and mentally disabled individuals in professional training, work placements, or practical training; unemployed persons performing public work; volunteers; and prisoners.

Source of Funds

Insured person: The contributions for temporary and permanent disability benefits are taken from the insured's

combined contribution for Old Age, Disability, and Survivors and Sickness (see above). Self-employed persons and farmers pay 0.53% of the insurance base for Old Age, Disability, and Survivors (if covered) for temporary disability, and the contribution for permanent disability is taken from the insured's combined contribution for Old Age, Disability, and Survivors and Sickness (see above).

Employer: The contribution for temporary disability is 0.53% of payroll. The contribution for permanent disability is taken from the combined contribution for Old Age, Disability, and Survivors and Sickness (see above).

Government: The government makes up any deficit caused by a decline in contribution rates for permanent disability benefits.

Qualifying Conditions

Work injury benefits: There is no minimum qualifying period.

Temporary Disability Benefits

100% of base earnings for a temporary absence from work due to an occupational disease or work injury. The benefit is paid from the first day of incapacity until recovery or certification with a permanent disability.

Base earnings are calculated as the average monthly gross wage received in the calendar year preceding the year in which the temporary disability occurred.

Permanent Disability Benefits

Permanent disability pension: Paid at a minimum of 82.5% of the pension rating base (82% in 2005). The benefit calculation is the same as that made for permanent disability pension under Old Age, Disability, and Survivors, above.

The pension rating base is the insured's monthly average earnings/income on which contributions were paid during the 14 highest paid consecutive years of the insured period since 1970.

The minimum benefit will be reduced by 0.5% of the pension rating base each calendar year until 2025 (men) and 2023 (women).

Benefit adjustment: The allowance is adjusted twice a year according to growth of average salaries.

Survivor Benefits

Survivor pension: 70% of the pension awarded or accrued to the insured is paid for one survivor; a combined total of 80% for two survivors; 90% for three survivors; 100% for four or more survivors.

Eligible survivors: Widow(er); children under age 15 (age 26 if a student); a dependent mother age 52 and 6 months (age 53 in 2005) and a dependent father age 57 and 6 months (age 58 in 2005) or disabled; dependent grandchildren, brothers, and sisters.

Benefit adjustment: Benefits are adjusted on an ad hoc basis twice a year according to the growth of average salaries.

Administrative Organization

Institute for Pension and Invalidation Insurance of Slovenia and Institute of Health Insurance of Slovenia administer the program.

Unemployment

Regulatory Framework

First law: 1927.

Current laws: 1991, 1992, 1993, 1994, 1998, and 2000.

Type of program: Social insurance system.

Coverage

Employed persons in industry, commerce, and agriculture; public employees; and members of handicraft and fishery cooperatives.

Source of Funds

Insured person: 0.14% of gross wage.

Employer: 0.06% of payroll.

Government: The government provides subsidies.

Qualifying Conditions

Unemployment benefit: Employed full-time with the same or different employers during 12 months in the last 18 months prior to becoming involuntarily unemployed and registered with the Employment Service within 30 days of the termination of employment; seasonal workers employed for a definite period must have 12 months of insurance in the last 18 months after the conversion of their working hours into the full-time equivalent. Individuals must be capable of, available for, and actively seeking employment.

Unemployment Benefits

70% of the base for the first 3 months; thereafter, 60%.

The base is calculated as the average monthly earnings in the 12 months prior to the termination of employment.

The duration of benefit is related to the length of the contribution period: 3 months of benefit for an insurance period of 1 to 5 years; 6 months of benefit for 5 to 15 years; 9 months of benefit for 15 to 25 years; 12 months of benefit for 25 years; 18 months of benefit for insured persons over age 50 with an insurance period of more than 25 years; 24 months of benefit for insured persons over age 55 with an insurance period of more than 25 years.

Administrative Organization

Employment Service of Slovenia, including 10 regional units, administers the program.

Family Allowances

Regulatory Framework

First law: 1949.

Current law: 1993.

Type of program: Universal system.

Coverage

Families with children residing permanently in Slovenia.

Source of Funds

Insured person: None.

Employer: None.

Government: Total cost.

Qualifying Conditions

Family allowances: Paid to a parent or a third person if the child is under age 18 (age 26 if a student, in training, or with a serious infirmity), a citizen, or any person entitled under the conditions of international law.

Family Allowance Benefits

Child benefit: The benefit is awarded according to eight income categories ranging from a maximum for those earning 15% or less of the average monthly national wage in the calendar year prior to the application down to a minimum level for those earning between 75% and 99%. Higher rates are awarded for the second and third child; thereafter, the benefit for each subsequent child is paid at the same rate as the third child.

Special child-care allowance: 20,170 tolar (40,330 tolar for a child in need of 24-hour care) is paid monthly. Paid to families with a child up to age 17 (age 26 if a student) with a need for special medical care.

Birth grant (layette): A lump sum of 56,010 tolar for the purchase of clothing and other necessities for a newborn child whose father or mother has permanent residence in Slovenia.

Large family allowance: An annual benefit of 78,420 tolar paid to families with several children.

Parent income supplement: Paid to one parent who has ceased or reduced work to care for a child with a severe physical or mental disability. The monthly benefit is the national minimum wage on which contributions are paid. The benefit is paid until the child is age 18.

Benefit adjustment: Benefits are adjusted periodically according to the growth in prices of basic necessities.

Administrative Organization

Sixty-two social work centers administer the program.

Ministry of Labor, Family, and Social Affairs pays benefits.

Spain

Exchange rate: US\$1.00 equals 0.80 euros (€).

Old Age, Disability, and Survivors

Regulatory Framework

First law: 1919.

Current law: 1994.

Type of program: Social insurance system.

Coverage

Employees in industry and services (classified according to 11 occupational classes).

Special systems for agricultural workers and small farmers, domestic servants, the self-employed, seamen, and coal miners.

Source of Funds

Insured person: 4.7% of covered earnings based on wage classes that vary according to 11 occupational classes.

Employer: 23.6% of earnings according to 11 occupational classes.

Government: Annual subsidy.

The maximum earnings for contribution and benefit purposes are €731.50 a month for occupational classes 1 to 7 and a maximum daily base of €1.05 for occupational classes 8 to 11.

Qualifying Conditions

Old-age pension: Age 65 (age 64 if the position of the retiring worker is to be taken by a person registered as unemployed) with 15 years of contributions, including 2 years of contributions in the last 15 years. Retirement from employment is necessary.

The retirement age is lower for difficult, dangerous, or unhealthy work.

Early pension: Age 61 with 30 years of contributions if the insured is involuntarily unemployed and registered as a job seeker for at least 6 months before applying for the pension. The pension is paid at a reduced rate.

Under transitional provisions, entitlement to a reduced pension at age 60 (legislation before January 1, 1967) is also still in effect.

The pension is payable abroad if reciprocity exists.

Disability pension: The loss of normal earning capacity. If under age 26, the insured must have contributed for 1/2 of the period between age 16 and the onset of disability; if over age 26, the insured must have contributed for 1/4 of the

period from age 20 to the onset of disability, with at least 5 years of contributions and at least 1/5 of the required contributions in the last 10 years.

Survivor pension: The insured had 500 days of contributions in the last 5 years and died from a common illness, was a pensioner at the time of death, or had at least 15 years of contributions.

Old-Age Benefits

Old-age pension: 50% of the benefit base for the first 15 years of contributions, plus 3% for each year between 16 and 25 years of contributions and 2% for each year beginning with the 26th year, up to a maximum of 100%. Since January 1, 2002, the pension amount may exceed 100% for those who retire at age 65 or older and who have at least 35 years of credited contributions. The value of 2% of the benefit base is added for each deferred year. The benefit amount cannot exceed the maximum public pension benefit in effect.

The minimum pension at age 65 is €111.76 a month; €184.89 with a dependent spouse.

Early pension: A reduced pension is payable if under age 65. Early pensions are reduced by 8% for each year the pension is taken before age 65 for persons with 30 years of contributions, by 7.5% with 31 to 34 years of contributions, 7% with 35 to 37 years of contributions, by 6.5% with 38 to 39 years of contributions, or by 6% if 40 years or more of contributions.

The minimum early pension is €86.66; €153.16 with a dependent spouse.

Schedule of payments: Fourteen payments a year.

Benefit adjustment: Periodic adjustment of pensions each year according to the anticipated changes in the consumer price index for that year.

Permanent Disability Benefits

Disability pension: For permanent total (all work) disability, the pension is 100% of the benefit base. For permanent total (occupational) disability (100% loss of working capacity in the insured's trade or profession), the award is 55% of the benefit base, plus 20% if aged 55 or older and not employed.

Permanent total disability (all work): The minimum award, if age 65, is €111.76 a month; €184.89 with a dependent spouse.

Permanent total disability (occupational): The minimum award, if age 65, is €111.76 a month; €184.89 with a dependent spouse.

Permanent total disability (third-person assistance): The minimum award is €17.64 a month; €27.34 with a dependent spouse.

Eligibility for a permanent disability benefit caused by a work injury or an occupational disease occurring at age 65, according to the assessed degree of disability, is possible.

If the disability is not caused by a work injury or an occupational disease occurring at age 65 or older and the person does not meet the old-age pension qualifying conditions, the pension benefit is calculated subject to the assessed degree of disability and 50% of the benefit base.

Constant-attendance allowance: 50% of the value of the pension.

Schedule of payments: Fourteen payments a year.

Permanent partial disability: A lump-sum award equal to 24 times the monthly benefit base for a temporary disability that may result in a permanent disability.

Schedule of payments: Fourteen payments a year.

Benefit adjustment: Periodic adjustment of pensions each year according to anticipated changes in the consumer price index for that year.

Survivor Benefits

Survivor pension: 52% of either the survivor's or the insured's benefit base. For survivors with income below a government-set level, the pension is 50% of income (70% of the benefit base with dependents). The pension is payable to a widow(er).

A widow(er) or a surviving former spouse who remarries is not eligible unless the beneficiary is aged 61 or older at the time of remarriage, receives a permanent disability pension (all work or third-person assistance), or is at least 65% disabled; the survivor pension represents 75% of the pensioner's total income; or the newly married couple's income does not exceed twice the minimum wage (if the income exceeds this level, the amount of the pension will be decreased proportionately).

The minimum survivor pension is €306.15 a month for persons younger than age 60 without dependent children; €383.66 for persons with dependents. For survivors aged 60 to 64, €383.66; aged 65 or older, €411.76.

Orphan's pension: 20% of the insured's benefit base for each orphan under age 18 or disabled. If not disabled or working but annual income is less than 75% of the minimum wage, the pension is paid up to age 22 with one surviving parent; up to age 24 for a full orphan. The same rules apply to grandchildren and siblings.

The minimum orphan's pension is €24.46 a month for each orphan. If there is only one full orphan, €30.65 a month; if there are other surviving children, the individual pension is increased by €306.15 and divided by the number of orphans.

Other eligible survivors: Dependent parents and grandparents; minor or disabled siblings or grandchildren; children or siblings over age 45; and single, widowed, separated, or divorced spouses, under certain circumstances. Entitlement is 20% of the insured's benefit base, which can be increased by the widow's pension if there is no surviving spouse or eligible surviving children.

The minimum pension for other eligible survivors is €24.96 a month. If there is no surviving spouse or eligible surviving

children, a single beneficiary receives €20.44 a month (over age 65) or €301.71 a month (under age 65). If there are several beneficiaries, a monthly sum of €181.69 is divided among all eligible survivors.

The maximum total survivor pension is 100% of the benefit base.

Funeral grant: €30.05.

Administrative Organization

Ministry of Labor and Social Affairs provides general supervision.

General Treasury of Social Security administers the economic resources of the social security system.

National Institute of Social Security administers and pays cash benefits.

Institute of Migration and Social Services administers benefits in kind.

Sickness and Maternity

Regulatory Framework

First laws: 1929 (maternity) and 1942 (sickness).

Current law: 1994.

Type of program: Social insurance system. Cash and medical benefits.

Coverage

Sickness and maternity cash benefits: Employees in industry, commerce, and services.

Medical benefits: Pensioners and employees in industry, commerce, and services.

Special systems for agricultural workers and small farmers, domestic servants, the self-employed, seamen, and coal miners.

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: An annual subsidy.

The maximum earnings for contribution and benefit purposes are €2,731.50 a month for occupational classes 1 to 7 and a daily maximum base of €91.05 for occupational classes 8 to 11.

Qualifying Conditions

Cash sickness benefits: Must have 180 days of contributions during the last 5 years.

Cash maternity benefits: Must have 180 days of contributions during the 5 years before childbirth or the official date of the fostering (or the adoption) of the child.

Medical benefits: Currently insured, a pensioner, or a recipient of periodic social security benefits. There is no minimum qualifying period.

Sickness and Maternity Benefits

Sickness benefit: 60% of the benefit base is payable for the 4th to the 20th day (the employer pays from the first through to the 15th day); thereafter, 75% of the benefit base for up to 12 months (may be extended to 18 months; 30 months in special cases).

Maternity benefit: 100% of benefit base is payable for 16 weeks; 18 weeks for each child in the case of multiple births. For the adoption or foster care of a child under age 6 (or older if disabled and in other exceptional circumstances), benefit is payable for 16 weeks (plus 2 weeks for a second and subsequent adopted or fostered children). If the mother does not meet the qualifying conditions, the benefit is payable to the father for 6 fewer weeks. If both parents are employed, the benefit can be shared between the mother and father and the leave period may also be taken on a part-time basis. The timing of the payment period can be adjusted in cases of premature birth and the extended hospitalization of the child.

Workers' Medical Benefits

Medical services are provided to patients directly through the facilities of the National Health Institute, the regional autonomous health services, or by contracted doctors and hospitals. Benefits include general and specialist care, hospitalization, medicines, dental care, maternity care, laboratory services, appliances, and transportation.

Cost sharing: The patient generally pays 40% of the cost of medicines prescribed for outpatient treatment. Medicines are free for pensioners and when dispensed by social security facilities. In the case of some specific and chronic listed diseases, the beneficiary pays 10% of the cost up to a maximum of €2.64. When the cost of the prescribed medicine is higher than the reference cost, the beneficiary pays the difference.

There may be a limit to duration in certain cases.

Dependents' Medical Benefits

Medical services are provided to patients directly through the facilities of the National Health Institute, the regional autonomous health services, or by contracted doctors and hospitals. Benefits include general and specialist care, hospitalization, medicines, dental care, maternity care, laboratory services, appliances, and transportation.

Cost sharing: The patient generally pays 40% of the cost of medicines prescribed for outpatient treatment. Medicines are free for pensioners and when dispensed by social security

facilities. In the case of some specific and chronic listed diseases, the beneficiary pays 10% of the cost up to a maximum of €2.64. When the cost of the prescribed medicine is higher than the reference cost, the beneficiary pays the difference.

There may be a limit to duration in certain cases.

Administrative Organization

Ministry of Labor and Social Affairs and Ministry of Health and Consumers provide general supervision.

National Institute of Social Security administers and pays cash benefits.

General Treasury of Social Security administers the resources of the social security system.

Ministry of Health and Consumers, through the National Health Institute, operates its own medical centers.

Regional autonomous communities provide benefits through their health services.

Work Injury

Regulatory Framework

First law: 1900.

Current law: 1994.

Type of program: Social insurance system.

Coverage

Employed persons.

Special systems for some categories of worker.

Source of Funds

Insured person: None.

Employer: 0.81% to 16.20% of payroll, according to the assessed degree of risk. The average contribution rate is 1.98%.

Government: None.

The maximum monthly earnings for contribution and benefit purposes are €2,731.50.

Qualifying Conditions

Work injury benefits: There is no minimum qualifying period, even for those who sustained a work injury or who were diagnosed with an occupational disease at age 65.

Temporary Disability Benefits

75% of the benefit base. The calculation of the benefit base also includes the extra number of hours worked during the 12 months prior to the work injury. The benefit is payable from the day following the work injury for up to 12 months

(may be extended to 18 months; 30 months in exceptional cases).

Permanent Disability Benefits

Permanent disability pension: For all assessed degrees of disability, the award is calculated according to the insured's wage at the time the disability occurred.

Constant-attendance allowance: 50% of the value of the pension.

Workers' Medical Benefits

All necessary care, medicine, appliances, and rehabilitation. There is no limit to duration.

Survivor Benefits

Survivor pension: 52% of either the survivor's or the insured's benefit base. For survivors with income below a government-set level, the benefit is 50% of income (70% of the benefit base with dependents). The pension is payable to a widow(er).

A widow(er) or a surviving former spouse who remarries is not eligible unless the beneficiary is aged 61 or older at the time of remarriage, receives a permanent disability pension (all work or third-person assistance), or is at least 65% disabled; the survivor pension represents 75% of the pensioner's total income; or the newly married couple's income does not exceed twice the minimum wage (if the income exceeds this level, the amount of the pension will be decreased proportionately).

The minimum pension is €306.15 a month for persons younger than age 60 without dependent children; €383.66 for persons with dependents. For survivors aged 60 to 64, €383.66; aged 65 or older, €411.76.

Orphan's pension: 20% of the insured's benefit base for each orphan under age 18 or disabled. If not disabled or working but annual income is less than 75% of the minimum wage, the pension is paid up to age 22 with one surviving parent; up to age 24 for a full orphan. The same rules apply to grandchildren and siblings.

The minimum orphan's pension is €24.46 a month for each orphan. If there is only one full orphan, €430.65 a month; if there are other surviving children, the individual pension is increased by €306.15 and divided by the number of orphans.

Other eligible survivors: Dependent parents and grandparents; minor or disabled siblings or grandchildren; children or siblings over age 45; and single, widowed, separated, or divorced spouses, under certain circumstances. Entitlement is 20% of the insured's benefit base, which can be increased by the widow's pension if there is no surviving spouse or eligible surviving children.

The minimum pension for other eligible survivors is €24.96 a month. If there is no surviving spouse or eligible surviving

children, a single beneficiary receives €20.44 a month (over age 65) or €301.71 (under age 65). If there are several beneficiaries, a monthly sum of €181.69 is divided among all eligible survivors.

Lump-sum benefits: Lump sums are provided for needy dependent parents who are not entitled to a pension.

Funeral grant: €30.05.

Administrative Organization

Ministry of Labor and Social Affairs and Ministry of Health and Consumers provide general supervision.

National Institute of Social Security pays benefits.

Unemployment

Regulatory Framework

First law: 1919.

Current law: 1994.

Type of program: Social insurance and social assistance system.

Coverage

Employees in industry and services, railway employees, miners, and seamen.

Exclusions: The self-employed and other specified groups.

Special systems for agricultural workers and members of cooperatives.

Source of Funds

Insured person: 1.55% of the contribution base if the insured has a permanent employment contract; 1.60% with a fixed-term contract, regardless of occupational class.

Employer: 6% of payroll per employee if the employment contract is permanent; for fixed-term contracts, the contribution is 6.7% for full-time work or 7.7% for part-time work (7.7% for full-time or part-time employment provided through an agency specializing in temporary work contracts). Contribution rates apply to all employees regardless of their occupational class.

Government: Variable subsidies.

The maximum earnings for contribution and benefit purposes are €2,731.50 for occupational classes 1 to 7 and a maximum daily base of €1.05 for classes 8 to 11.

Qualifying Conditions

Unemployment benefit: The insured must have 12 months of contributions during the last 6 years, be registered at the employment office, and unemployment must not be due to the refusal of a suitable job offer or training. The duration of

the benefit varies with the number of days of contributions. The maximum duration of benefit is 720 days with 2,160 days or more of contributions.

Unemployment assistance: Provided to workers who have exhausted their contributory benefit entitlement or who are not covered.

Unemployment Benefits

Unemployment benefit: 70% of average covered earnings during the last 6 months for up to 180 days; 60% after 180 days.

The minimum benefit is 75% of the minimum wage or 100% of the minimum interprofessional salary if the insured has at least one dependent child.

The maximum benefit is 170% of the minimum interprofessional salary, with a possible increase to 220% for workers with children.

Unemployment assistance: The assistance is 75% of the minimum interprofessional salary for 6 months (and may be extended for two additional 6-month periods, to 18 months) if earnings are less than 75% of the minimum interprofessional salary.

Interprofessional salary: The minimum interprofessional salary is €490 a month (July 2004).

Administrative Organization

Ministry of Labor and Social Affairs provides general supervision.

National Employment Institute administers the program.

Family Allowances

Regulatory Framework

First law: 1938.

Current law: 1994, with 2003 amendment.

Type of program: Social assistance system.

Coverage

All Spanish citizens and legal residents.

Source of Funds

Insured person: None.

Employer: None.

Government: Total cost is financed from general revenue.

Qualifying Conditions

Family allowances: The child must be under age 18 (no limit if at least 65% disabled). There is no minimum contribution requirement.

Income-tested allowance: Family income is under €8,495.65 per year for a family with one child (the income limit is increased by 15% for each additional child). There is no family income limit for a family with a disabled child under age 18 who has an assessed degree of disability of at least 33%; 65% if aged 18 or older.

Birth or adoption grant: A lump-sum benefit is paid on the birth or adoption of a third child. The lump sum is payable to the mother, father, or legal guardian or custodian if family income does not exceed the base income established for the family allowance.

Multiple births or adoption grant: A lump-sum benefit is payable to the mother, father, or legal guardian or custodian in the event of multiple births or adoption. There is no income limit.

Family Allowance Benefits

Family allowances

Income-tested allowance: For a child under age 18, the allowance is €291.01 a year; €581.66 a year if the child is at least 33% disabled; €3,217.08 a year if aged 18 or older and at least 65% disabled; €4,825.68 a year if 75% or more disabled and requires the help of another person to complete essential routine tasks.

Birth or adoption grant: A lump-sum benefit of €450.76 is paid on the birth of the third and subsequent children.

Multiple births or adoption grant: For the birth of twins, a lump sum equal to four times the minimum interprofessional salary; for the birth of triplets, a lump sum equal to eight times the minimum interprofessional salary; for four or more births, a lump sum equal to twelve times the minimum interprofessional salary.

For multiple births, the lump sum can be paid at the same time as the birth grant for third and subsequent children.

Interprofessional salary: The minimum interprofessional salary is €490 a month (July 2004).

Administrative Organization

Ministry of Labor and Social Affairs provides general supervision.

National Institute of Social Security and the Treasurer General of Social Security pay benefits.

Sweden

Exchange rate: US\$1.00 equals 7.31 kronor.

Old Age, Disability, and Survivors

Regulatory Framework

First law: 1913.

Current laws: 1962 and 1998, implemented in 1999.

Type of program: Universal and social insurance system (old system) and unified social insurance and individual notional and mandatory individual accounts system (new system).

Note: In 1999, a new system of social insurance notional accounts plus mandatory individual “premium pension” accounts was established. There will be a gradual transition from the old to the new system for persons born between 1938 and 1953. Persons born in 1954 and later are completely within the new system; those born in 1937 or earlier will remain within the old system.

Coverage

Earnings-related pension (old system): All employed and self-employed persons earning over 40,100 kronor a year.

Earnings-related pension (new system): All employed and self-employed persons earning over 17,800 kronor a year.

Premium pension (new system): All employed and self-employed persons earning over 17,800 kronor a year.

Guarantee pension (old and new system): All residents.

Source of Funds

The old and new systems have the same sources of funds.

Insured person: 7% of assessable income (up to 341,300 kronor) for old-age insurance; no contribution for the survivor pension.

Self-employed person: 7% of assessable income (up to 341,300 kronor), plus 10.21% of assessable income for old-age insurance; 1.70% of assessable income for the survivor pension.

Employer: 10.21% of payroll for old-age insurance, plus 1.70% of payroll for the survivor pension.

Note: The combined total of the insured person and employer contributions (plus a small government appropriation for government employee pension rights for childcare years, national service, and study periods) is 16% to the earnings-related component and 2.5% to the premium pension component.

Government: The total cost of the guarantee pension (new system) and permanent disability benefits. The government pays earnings-related contributions for government civil servants.

Qualifying Conditions

Earnings-related old-age pension (old system): Age 65 with 3 years’ coverage.

Early pension: A reduced pension is paid if aged 61 to 64.

Deferred pension: The pension can be deferred until age 70.

Earnings-related old-age pension (new system): The retirement age is flexible beginning at age 61. The pension is based on lifetime earnings reported to the scheme. The insured must have years with annual earnings in excess of 17,800 kronor.

Premium pension (new system): The pension is based on lifetime earnings reported to the scheme from age 16.

Guarantee pension (old and new systems): Age 65 and resident in Sweden for at least 3 years.

Disability pension (sickness compensation): Work capacity must be reduced by at least one quarter and the person must be insured at the onset of disability. The earnings-related sickness compensation is independent of insurance periods. The residence-based guaranteed sickness compensation is based on periods of residence.

Survivor pension: For the guaranteed survivor pension, the insured was resident in Sweden for at least 3 years. The earnings-related survivor pension is dependent on the insured’s accrued old-age pension rights.

Note: Transitional rules introduced on January 1, 1990, apply to the survivor pension program.

Old-Age Benefits

Earnings-related old-age pension (old system): 60% of average income above 40,100 kronor in the 15 best years of income. Income in years in which earnings were below 40,100 kronor is compensated at 96% for a single pensioner; 78.5% for a married pensioner.

The full pension requires 30 years of coverage. The pension is reduced proportionally for shorter periods of coverage.

Early pension: Retirement between ages 61 and 64 results in a permanent 0.5% reduction for each month the pension is taken before age 65.

Deferred pension: The deferral of the pension until age 70 provides a permanent increment of 0.7% per month of deferral.

Earnings-related old-age pension (new system): The pension provided by the notional account is calculated using an annual index, based on the development of average wages (disability pension payments are counted as earnings for this purpose), plus an annuity factor depending on average life expectancy at the time of retirement for the appropriate age cohort, and on a “norm” for the expected increase of average wages in future years. The pension payments are calculated by dividing total accrued pension assets by this factor. Life expectancy is based on the most recent 5-year average of unisex life expectancy statistics.

The norm for the increase in average wages is set at 1.6%.

Benefit adjustment: The norm for the increase in average wages is used for the annual adjustment of pensions.

Premium pension (new system): The pension is based on contributions plus net returns converted into an individual, joint, fixed, or variable annuity.

Guarantee pension (old and new systems): 83,709 kronor for a single pensioner (74,670 kronor for a married pensioner) with 40 years of residence and without an earnings-related pension.

Old-age pensions are subject to taxation.

Benefit adjustment: Benefits are adjusted annually in relation to the price index for the guaranteed pension. Earnings-related pensions are adjusted annually in relation to the wage index.

Permanent Disability Benefits

Guaranteed sickness compensation (disability pension): 94,320 kronor for an insured person with 40 years of residence and without an earnings-related benefit. The pension is reduced by 1/40 for each year of residence less than 40.

Partial disability: A reduced pension is paid at 3/4, 1/2, or 1/4 of the full pension according to the assessed degree of disability.

Constant-attendance supplement: Up to 27,117 kronor a year.

Earnings-related sickness compensation (disability pension): 64% of the insured's assumed future income, calculated as an average of the 3 best income years within a given period immediately before the year of the claim to benefit.

Permanent disability benefits are subject to taxation.

Benefit adjustment: Benefits are adjusted annually in relation to the price index for guaranteed sickness compensation. Earnings-related sickness compensation is adjusted annually in relation to the wage index.

Survivor Benefits

Guaranteed survivor pension: A pension is payable for 10 months to a widow(er) who was married to, or who cohabited with (under certain conditions), the insured for at least 5 years. The 10-month period may be extended if the surviving spouse is a parent living with a child under age 18; no limit if the child is under age 12.

The maximum pension is 83,709 kronor a year, provided the insured had 40 years of residence in Sweden (including assumed years of residence between the age at the time of death and age 65) and the surviving spouse does not receive an income-related pension.

Earnings-related survivor pension: A pension is payable to a widow(er) for the same period of duration as the guaranteed survivor pension. The pension is equal to 55% of the

insured's accrued pension rights under the old-age pension system.

Surviving child's allowance: 15,720 kronor a year (31,440 kronor for a full orphan) is paid to a surviving child up to age 18 (age 20 if a student) who is not receiving an orphan's pension.

Orphan's pension for a child under age 12: 35% of the insured's accrued right to the old-age pension. The pension is increased by 21 percentage points per child if there is more than one orphan.

The maximum survivor pension must not exceed 100% of the insured's pension.

Widows' pension: Transitional rules apply to widows born before 1945 who were married to the insured at the end of 1989.

Survivor benefits for dependents are subject to taxation.

Benefit adjustment: Benefits are adjusted annually according to the price index for the guaranteed pension. Earnings-related pensions are adjusted annually according to the wage index.

Administrative Organization

National Social Insurance Board provides central administration and supervision.

Regional and local social insurance bodies administer the program.

Premium Pension Agency administers mandatory individual accounts.

Self-employed persons' contributions are paid with income tax. Employers' contributions are collected by tax authorities with employers' income tax payments.

Sickness and Maternity

Regulatory Framework

First laws: 1891 (cash benefits) and 1931 (medical benefits).

Current laws: 1962 and 1991 (sick pay from employer).

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

Coverage

Cash benefits: Gainfully occupied persons earning 9,500 kronor or more a year.

Medical benefits: All residents.

Source of Funds

Insured person

Cash benefits: Employees make no contribution; self-employed persons contribute 11.81% of payroll

(contributions may vary), plus 2.2% for parents' cash benefits (parental insurance).

Medical care: None.

Employer

Cash benefits: 11.08% of payroll, plus 2.2% for parents' cash benefits (parental insurance).

Medical care: None.

Government

Cash benefits: None.

Medical care: Total cost is met by regional county councils.

Qualifying Conditions

Cash sickness benefit: Income from employment or involuntarily unemployed and registered with the employment service.

Parents' cash benefits (parental insurance): All residents are entitled to benefits at the guaranteed and basic levels. Each parent is entitled to benefits above a guaranteed level if insured for cash sickness benefit above the guaranteed level for at least 240 days before childbirth.

Pregnancy cash benefit (parental insurance): Paid to a pregnant employee in a physically demanding job whose employer is not able to transfer her to less demanding work.

Sickness and Maternity Benefits

Sickness benefit: 77.6% of income loss, based on an annual income ceiling of 294,700 kronor. The benefit is payable from the 22nd day of incapacity for the duration of the illness. The benefit is paid for 7 days a week. Pensioners are limited to 180 days of benefit after retirement.

Employers pay sickness benefits for days 2 to 21 at 80% of income loss.

Self-employed persons and other qualifying nonemployees receive 77.6% of income loss from days 2 to 21 (the number of necessary qualifying days may vary).

The maximum daily benefit is 627 kronor.

Parents' cash benefit for childbirth (parental insurance): 80% of income loss for 390 days (the guaranteed benefit is 180 kronor a day) and an additional 90 days at a basic level of 60 kronor a day. The total benefit duration for both parents combined is 480 days per child until the child is age 8.

The maximum daily benefit for the 390-day period is 646 kronor.

Pregnancy cash benefit (parental insurance): 80% of income loss. The guaranteed benefit is 180 kronor a day. The benefit is payable for 50 days, beginning not earlier than 60 days nor later than 11 days before the expected date of childbirth.

Temporary parents' cash benefit (parental insurance): Paid for the care of children under age 12 (age 16 if seriously ill, chronically ill, or disabled; in certain cases, age 21 or age 23). The benefit is 80% of income loss, up to an annual income ceiling of 294,700 kronor. The total benefit duration for both parents combined is 60 days per child a year on occasions when the child or the child's carer is sick. An additional 60 days per child may be paid for a sick child (but not for a sick carer). A father is entitled to 10 extra days of benefit in connection with the birth of his child.

Sickness and maternity cash benefits are subject to taxation.

Benefit adjustment: The minimum qualifying amounts and maximum levels are adjusted annually according to the consumer price index.

Workers' Medical Benefits

Benefits include a refund of part of travel costs, free dental care for children up to age 20, subsidies for basic and preventive dental care, a high-cost limit for prosthetic treatment, and free insulin.

A fee of 60 to 300 kronor is paid for each doctor's consultation. For inpatient treatment (including in a maternity ward) in a public hospital, the patient pays a maximum of 80 kronor a day (reduced for low-income earners).

Patients pay the full cost of other medicines up to 900 kronor in a 12-month period; thereafter, the partial cost met by patients for other medicines must not exceed 1,800 kronor a year. The maximum cost is 900 kronor a year for other kinds of medical services.

Dependents' Medical Benefits

Benefits include a refund of part of travel costs, free dental care for children up to age 20, subsidies for basic and preventive dental care, a high-cost limit for prosthetic treatment, and free insulin.

A fee of 60 to 300 kronor is paid for each doctor's consultation. For inpatient treatment (including in a maternity ward) in a public hospital, the patient pays a maximum of 80 kronor a day (reduced for low-income earners).

Patients pay the full cost of other medicines up to 900 kronor in a 12-month period; thereafter, the partial cost met by patients for other medicines must not exceed 1,800 kronor a year. The maximum cost is 900 kronor a year for other kinds of medical services.

Administrative Organization

Cash benefits: National Social Insurance Board provides central administration and supervision.

Regional and local social insurance offices administer the program.

Contributions of employed and self-employed persons are paid together with income tax. Employers' contributions are collected by the tax authorities with employers' income tax payments.

Medical care: National Board of Health and Welfare provides central supervision.

Regional county councils administer and finance the program.

Work Injury

Regulatory Framework

First law: 1901.

Current laws: 1962 (social insurance), 1976, and 1991 (employers' sick pay).

Type of program: Social insurance system.

Coverage

All employed and self-employed persons.

Source of Funds

Insured person: None; the self-employed contribute 0.68% of earnings.

Employer: 0.68% of payroll.

Government: None.

Qualifying Conditions

Work injury benefits: There is no minimum qualifying period.

Temporary Disability Benefits

Temporary disability benefit is identical to sickness benefit under Sickness and Maternity.

77.6% of income loss, up to an annual income ceiling of 294,700 kronor. The benefit is payable from the 22nd day of incapacity for the duration of the illness. The benefit is paid for 7 days a week. Pensioners are limited to 180 days of benefit after retirement.

Employers pay temporary work injury benefits for days 2 to 21 at 80% of income loss.

The self-employed and other qualifying nonemployees receive 77.6% of income loss from days 2 to 21.

The maximum daily benefit is 627 kronor.

Benefit adjustment: The minimum qualifying amounts and maximum levels are adjusted annually according to the consumer price index.

Permanent Disability Benefits

If the loss of income capacity is 100%, the benefit is 100% of income up to a maximum of 294,700 kronor a year.

Partial disability: If the loss of income capacity is 1/15 or more, the benefit is in proportion to the degree of lost income capacity.

Disability benefits are coordinated with sickness compensation (see Old age, Disability, and Survivors, above).

Work injury benefits are subject to taxation.

Benefit adjustment: Benefits are adjusted annually according to a combined wage and price index.

Workers' Medical Benefits

See benefits under Sickness and Maternity, above.

Survivor Benefits

Survivor pension: A pension is payable for 10 months if the survivor was married to, or cohabited with (under certain conditions), the deceased for at least 5 years. The 10-month period may be extended up to a maximum of an additional 12 months if the surviving parent is living with a child under age 18; no limit if living with a child under age 12.

The pension amount corresponds to 45% of the permanent disability benefit the deceased was, or would have been, entitled to; 20% if an orphan's pension is paid at the same time.

Orphan's pension: Between 20% and 40% of the permanent disability benefit the deceased was, or would have been, entitled to for children under age 18 (under age 20 if disabled). The pension amount depends on the number of children entitled to an orphan's pension.

Funeral grant: 11,790 kronor.

Survivor pensions are subject to taxation.

Benefit adjustment: Benefits are adjusted annually according to a wage index.

Administrative Organization

National Social Insurance Board provides central administration and supervision.

Regional and local social insurance offices administer program.

Unemployment

Regulatory Framework

First law: 1934.

Current law: 1998.

Type of program: A subsidized program consisting of basic insurance and a voluntary income-related insurance system.

Coverage

Voluntary program: Employed and self-employed persons under age 65.

Basic program: Employees and persons seeking employment if over age 20 and under age 65 and ineligible for the income-related insurance (voluntary program).

Note: Union members are usually covered by unemployment insurance funds. All funds must be open to voluntary affiliation for any employee in the branch of work or field of activity concerned. Approximately 80% of all employees belong to the unemployment insurance funds.

Source of Funds

Insured person: For the voluntary program, the insured pays a membership fee of approximately 100 to 150 kronor a month, according to the fund (covers about 7% of the cost); for the basic program there is no membership fee.

Employer: Unemployment insurance is financed by employers out of a labor market contribution calculated as a percentage of the payroll.

Government: None.

Qualifying Conditions

Unemployment benefits: Unemployed and registered as a jobseeker at the public employment service and able and willing to accept a suitable job for at least 3 hours per day and at an average of 17 hours per week. Unemployment due to voluntary leaving, misconduct, or the refusal of a suitable job or training results in suspension for 20 to 60 benefit days. The worker must have been employed for a minimum of 6 months (at least 70 hours per month) or for at least 450 hours during a continuous 6-month period during the last 12 months prior to unemployment. Membership in an unemployment fund for 12 months.

Basic unemployment benefit is available to a student who does not fulfill the principal qualifying conditions (above), who has finished at least 1 year of full-time study, and who has been registered as a jobseeker for at least 90 days within 10 months of the studies having ended.

Unemployment Benefits

Basic unemployment benefit: The maximum benefit is 320 kronor a day. The benefit is payable for up to 300 days per benefit period. The benefit is paid for 5 days a week.

Voluntary income-related benefit: 80% of previous income. The maximum benefit is 730 kronor a day for the first 100 days of a benefit period; thereafter, 680 kronor a day. The benefit is payable for up to 300 days per benefit period. The benefit is paid for 5 days a week.

Unemployment benefits are subject to taxation.

Benefit adjustment: The minimum level (basic unemployment benefit) and maximum levels are adjusted by parliament on an ad hoc basis. Adjustments are not linked directly to a price or salary index.

Administrative Organization

Supervised by the Swedish Unemployment Insurance Board, there are 38 unemployment insurance funds in operation.

Family Allowances

Regulatory Framework

First laws: 1947 (child allowance) and 1964 (maintenance advance).

Current laws: 1947 (child allowance) and 1996 (maintenance support).

Type of program: Universal system.

Coverage

Child allowance: All residents with one or more children.

Maintenance support: Children under age 18 (age 20 if a student) living permanently with one parent. The parent does not provide the child with support corresponding to the level of the maintenance support.

For parental insurance benefits, see Sickness and Maternity, above.

Source of Funds

Insured person: None.

Employer: None.

Government: Total cost. (The cost of maintenance support is partly covered by repayments made by parents liable for maintenance.)

Qualifying Conditions

Child allowance: The child must be under age 16 (under age 20 if a student; age 23 if attending a school for children with learning difficulties).

Maintenance support: The child must be under age 18 (age 20 if a student until June of the relevant year) and must live permanently with only one of the parents. In case of alternating residence, make-up maintenance support can be paid to the parent with legal custody of the child.

Family Allowance Benefits

Child allowance: 950 kronor per child each month. Supplements are payable to families with three or more children.

Maintenance support: Full maintenance support is 1,173 kronor per child each month. If the child has income above a maximum, the maintenance support is reduced by half the surplus amount. Make-up maintenance support is paid in cases in which the parent liable for maintenance pays a certain amount directly to the child on time.

Benefit adjustment: Benefits are adjusted by parliament on an ad hoc basis. Adjustments are not linked directly to a price or salary index.

Administrative Organization

National Social Insurance Board provides central administration and supervision.

Regional and local social insurance offices administer the program.

Switzerland

Exchange rate: US\$1.00 equals 1.27 francs.

Old Age, Disability, and Survivors

Regulatory Framework

First and current laws: 1946 (old-age and survivor pensions), 1959 (disability pensions), 1982 (occupational pensions), and 2000 (social insurance).

Type of program: Social insurance and mandatory occupational pension system.

Coverage

Base pension: All persons resident in Switzerland or those who are gainfully employed there.

Voluntary insurance for Swiss citizens and citizens of European Union (EU) countries who live in a non-EU country if they have previously been compulsorily insured in Switzerland for at least 5 years without interruption.

Mandatory occupational pension: Employees whose annual earnings exceed 25,320 francs with the same employer. Persons who were unemployed as of July 1, 1997, are insured for disability and survivor benefits.

Voluntary insurance for self-employed persons who are not eligible for mandatory insurance.

Source of Funds

Insured person

Base pension: 4.2% of earnings (old-age and survivors) and 0.7% of earnings (disability).

There are no maximum earnings for contribution purposes for the base pension.

Mandatory occupational pension: Depending on age and gender, contributions vary from 7% to 18% of income between 25,320 francs and 75,960 francs.

Self-employed

Base pension: 7.8% of income (old-age and survivors) and 1.4% of income (disability). Contributions vary according to a decreasing scale of contributions.

There are no maximum earnings for contribution purposes for the base pension.

Mandatory occupational pension: Voluntary contributions.

Employer

Base pension: 4.2% of payroll (old-age and survivors) and 0.7% of payroll (disability).

There are no maximum earnings for contribution purposes for the base pension.

Mandatory occupational pension: The contribution is at least equal to the employee's contribution.

Government

Base pension: Annual subsidies to the social insurance system cover about 20% of the cost of old-age benefits (16.36% from federal government and 3.64% from cantons) and 50% of the cost of disability benefits (75% from federal government and 25% from cantons).

There are no maximum earnings for contribution purposes for the base pension.

Mandatory occupational pension: None.

Qualifying Conditions

Old-age pension

Base pension: Age 65 (men) or age 63 (women). The age requirement for women will be 64 in 2005. A full pension requires that contributions be made in all years from age 21.

Partial pension: A partial pension is payable for an incomplete insurance period. A minimum of 1 year's contributions is required for a pension.

Special pension: For Swiss nationals who do not meet the required minimum contribution period for an old-age base pension.

Mandatory occupational pension: Age 65 (men) or age 62 (women). Women can remain in the occupational scheme until they reach the base scheme retirement age if they fulfill the eligibility conditions for a base pension.

Disability pension

Base pension: Must be assessed as at least 40% disabled. To receive a full pension, the insured must have made contributions in all years from age 21.

Partial pension: A partial pension is paid for an incomplete insurance period. A minimum of 1 year's contributions is required for a pension.

Special pension: For Swiss nationals who do not meet the required minimum contribution period for a disability base pension.

Mandatory occupational pension: Must be assessed as at least 50% disabled.

Survivor pension

Base pension: For a full widow(er) pension, the insured must have contributed in all years from age 21. The insured had a minimum of 1 year's contributions.

Special pension: For a Swiss national whose spouse did not meet the required minimum contribution period for a base pension.

Mandatory occupational pension: A pension is paid if the widow has children or if the widow is aged 45 or older and the marriage had lasted for at least 5 years.

Orphan's pension (mandatory occupational pension): Paid to orphans younger than age 18 (age 25 if a student).

Old-Age Benefits

Old-age pension

Base pension: If average annual income is less than or equal to 37,080 francs, the pension is a flat-rate amount of 9,146 francs a year plus a variable amount calculated by multiplying annual income by 13/600; if average annual income is above 37,080 francs, a flat-rate amount of 12,854 francs a year plus a variable amount calculated by multiplying average annual income by 8/600.

The minimum old-age base pension is 1,030 francs a month.

The maximum old-age base pension is 2,060 francs a month.

The combined individual pensions of a couple cannot exceed 150% of the maximum old-age base pension (3,090 francs a month).

Partial pension: A percentage of the full pension according to the relationship between the insured's number of years of contributions and the number of years of contributions of others in the insured's age group.

Dependent supplement: 40% of the insured's pension is paid for each child under age 18 (age 25 if a student).

Special pension (old age): The pension is equal to the minimum old-age base pension.

Benefit adjustment: Adjusted every 2 years for changes in prices and wages.

Mandatory occupational pension: An annual payment equal to 7.2% of the accumulated funds in the personal account, with interest.

Benefit adjustment: Adjusted for price increases within the limit of the insurance institution's financial capacity.

Permanent Disability Benefits

Disability pension

Base pension: If average annual income is less than or equal to 37,080 francs, the pension is a flat-rate amount of 9,146 francs a year plus a variable amount calculated by multiplying annual income by 13/600; if average annual income is above 37,080 francs, a flat-rate amount of 12,854 francs a year plus a variable amount calculated by multiplying average annual income by 8/600. The full pension is paid if the insured is assessed as at least 70% disabled; three-quarter pension if at least 60%; half pension if at least 50% disabled; one-quarter pension if at least 40% disabled.

Partial pension: The percentage of the full pension payable is determined according to the relationship between the insured's number of years of contributions and the number of years of contributions of those in the insured's age group.

Dependent supplement: A child under age 18 (age 25 if a student) receives 40% of the pension.

Special pension (disability): The pension is equal to the minimum disability base pension.

Benefit adjustment: Adjusted every 2 years for changes in prices and wages.

Mandatory occupational pension: The annual pension is equal to 7.2% of the funds that would have been accumulated at retirement age. The full pension is paid if the insured is assessed as at least 2/3 disabled; half pension if at least 50% disabled.

Benefit adjustment: Benefits that have been paid for more than 3 years are adjusted for price increases (at the same time as adjustments to the base pension).

Survivor Benefits

Survivor pension

Base pension (widow(er)): 80% of the insured's pension is payable to a widow caring for a child; to a widow aged 45 or older who was married for at least 5 years; regardless of age to a widower caring for a child under age 18.

The minimum monthly benefit is 824 francs.

The maximum monthly benefit is 1,648 francs.

Base pension (orphan): 40% of the insured's pension for each orphan under age 18 (age 25 if a student); 40% for a full orphan, but not more than 60% of the maximum old-age pension.

Special pension (survivor): The pension is equal to the minimum survivor base pension.

Benefit adjustment: Adjusted every 2 years for changes in prices and wages.

Mandatory occupational pension (widow): 60% of the insured's full pension.

Mandatory occupational pension (orphan): 20% of the insured's full pension for each orphan.

Benefit adjustment: Benefits that have been paid for more than 3 years are adjusted for price increases (at the same time as adjustments to the base pension).

Administrative Organization

Base pension

Federal Department of Interior provides general supervision.

Federal Social Insurance Office supervises implementation.

Decentralized network of cantonal, industrial, and federal compensation funds is responsible for the collection and recording of contributions and the payment of pensions.

Central compensation office maintains a register of all insured persons and pensioners.

Mandatory occupational pension

Federal Social Insurance Office and cantons provide general supervision.

Registered occupational pension institutes administer the program (in 1998 there were 10,409 institutes).

Sickness and Maternity

Regulatory Framework

First law: 1911.

Current laws: 1994 (sickness insurance) and 2000 (social insurance).

Type of program: Mandatory (medical care) and voluntary (cash benefits) private insurance system.

Coverage

Cash benefits: All persons resident in Switzerland involved in gainful activity and older than age 15 but younger than age 65 can buy insurance providing daily allowances.

Medical care: All persons resident in Switzerland.

Source of Funds

Insured person

Cash benefits: Premiums vary depending on the fund, benefits provided for the insured, age at the date of entry, and the region.

Medical care: A single premium for funds in the same region.

Employer

Cash benefits: Contributions are not required by law, but some collective agreements require the employer to share employees' membership fees.

Medical care: None.

Government

Cash benefits: None.

Medical care: Federal subsidies to cantons permit reduced premiums paid by low-income earners. Cantons must provide minimum additional assistance.

Qualifying Conditions

Cash sickness benefits: The benefit is payable to insured persons after a 3-day waiting period, unless agreed otherwise.

Cash maternity benefits: Nine months (270 days) of membership without interruption of more than 3 months.

Sickness and Maternity Benefits

Sickness benefit: The amount of the daily allowance is set by agreement between the insurer and the insured. The benefit is payable after a 3-day waiting period, unless agreed otherwise, for up to at least 720 days in a period of 900 consecutive days.

Maternity benefit: The benefit is payable for up to 16 weeks, including at least 8 weeks after childbirth.

Workers' Medical Benefits

A comprehensive list of service benefits is set by law. Funds can also provide additional benefits through complementary insurance. There is no time limit on duration.

Cost sharing: The patient pays 100% of costs up to a ceiling (standard ceiling is 300 francs) and 10% of costs above this ceiling up to a set annual total. In addition, there is a daily contribution of 10 francs for hospitalization costs (except for insured persons who live with at least one member of their family). There is no cost sharing for maternity care.

Dependents' Medical Benefits

Medical insurance is individual. Insured persons receive benefits in their own right.

A comprehensive list of service benefits is set by law. Funds can also provide additional benefits through complementary insurance. There is no time limit on duration.

Cost sharing: The patient pays 100% of costs up to a ceiling (standard ceiling is 300 francs) and 10% of costs above this ceiling up to a set annual total. In addition, there is a daily contribution of 10 francs for hospitalization costs (except for insured persons who live with at least one member of their family). There is no cost sharing for maternity care.

Administrative Organization

Federal Office of Social Insurance supervises compliance.

Recognized funds and private insurance companies are authorized to administer and provide health insurance. There were 108 recognized funds in 2001.

Work Injury

Regulatory Framework

First law: 1911, implemented in 1918.

Current laws: 1981 (injury insurance) and 2000 (social insurance).

Type of program: Mandatory insurance covering occupational and nonoccupational accidents and occupational diseases.

Coverage

All employees.

Voluntary coverage for the self-employed.

If working time does not exceed 8 hours a week, the insurance covers only work-related injuries (including travel to and from work).

Source of Funds

Insured person

Occupational accidents and diseases: None.

Nonoccupational accidents: Total cost.

Employer

Occupational accidents and diseases: Total cost.

Contribution rates vary from 0.04% to 17.2% of payroll according to the assessed degree of risk.

The maximum earnings for contribution and benefit purposes are 106,800 francs a year.

Nonoccupational accidents: None.

Government

Occupational accidents and diseases: None.

Nonoccupational accidents: None.

Qualifying Conditions

Work injury benefits: There is no minimum qualifying period. Benefits are payable for occupational accidents and diseases and nonoccupational accidents.

Temporary Disability Benefits

80% of earnings if totally disabled. The benefit is payable after a 3-day waiting period until recovery or certification of permanent disability.

Partial disability: A reduced benefit is paid if partially disabled.

Permanent Disability Benefits

Permanent disability pension: 80% of insured earnings if totally disabled.

Constant-attendance supplement: Two to six times the maximum insured daily earnings according to the assessed degree of disability.

Partial disability: A percentage of the full pension according to the assessed degree of disability.

Lump-sum award: For a permanent injury according to the schedule in law. The award is paid in addition to the pension.

Benefit adjustment: Pensions are adjusted every 2 years for changes in the cost-of-living index (at the same time as adjustments to the old-age base pension).

Workers' Medical Benefits

Medical, hospital, and pharmaceutical treatment; prostheses and other necessary care; and travel expenses. There is no limit on duration.

Survivor Benefits

Survivor pension: 40% of insured earnings is payable to a widow(er) who has dependent children or is at least 2/3 disabled or to a widow over age 45.

Widow's settlement: A lump sum is payable to a widow who is ineligible for a pension. The lump sum varies according to the duration of the marriage.

Orphan's pension: 15% of insured earnings is payable for each orphan under age 18 (age 25 if a student); 25% if a full orphan.

Other eligible survivors: A surviving divorced spouse receives up to 20% of insured earnings if he or she had been eligible for alimony.

The maximum survivor pension is 70% of insured earnings. If benefits are payable to both the current and the divorced spouse, the maximum total pension is 90%.

Funeral grant: A lump sum of up to 2,051 francs.

Benefit adjustment: Pensions are adjusted every 2 years for changes in the cost-of-living index (at the same time as adjustment to old-age base pension).

Administrative Organization

Federal Social Insurance Office provides general supervision.

Public accident insurance funds and approved sickness insurance funds manage the program.

Private insurance companies manage the program for employers who are subject to compulsory insurance.

Swiss National Accident Insurance Fund manages the program for accidents.

Unemployment

Regulatory Framework

First law: 1924.

Current laws: 1982 (unemployment insurance) and 2000 (social insurance).

Type of program: Social insurance system.

Coverage

Employed persons.

Source of Funds

Insured person: 1% of earnings.

The maximum monthly earnings for contribution and benefit calculation purposes are 8,900 francs.

Employer: 1% of payroll.

The maximum monthly earnings for contribution and benefit calculation purposes are 8,900 francs.

Government: Federal government contributes up to 0.15% of the insured payroll toward the cost of the employment service and for labor market-related measures. If necessary, the federal government provides loans at the prevailing market rate.

Qualifying Conditions

Unemployment benefit: The insured must be totally or partially unemployed, reside in Switzerland, have completed mandatory schooling, not be in receipt of a basic old-age pension, have 12 months of contributions in the last 2 years (waived for certain categories), be able and willing to work, and satisfy any other necessary requirements.

Unemployment Benefits

80% of insured earnings; 70% if the insured has no dependent children, is receiving a full daily benefit that exceeds 140 francs, and is not disabled. The benefit is payable after a 5-day waiting period.

The maximum duration of benefits is 400 days with at least 12 months of contributions; 520 days with at least 18 months of contributions and aged 55 or older (the age condition is waived if the insured is receiving a basic disability pension or a mandatory accident insurance disability pension); 260 days for persons who are not subject to any contribution condition.

Partial unemployment benefit: 80% of lost earnings is paid for up to 12 months in a 2-year period for a reduction in working hours; for up to 6 months for a reduction in working hours due to bad weather.

Administrative Organization

Federal Office of Economy approves and supervises unemployment funds.

Federal Social Insurance Office supervises contributions.

Cantonal and regional unemployment funds (public funds) administer the program for cantons or regions. In addition, some funds administer programs for certain professional groups.

Regional placement offices assist unemployed persons in finding employment.

Family Allowances

Regulatory Framework

First and current federal laws: 1952 (agriculture only) and 2000 (social insurance).

First and current cantonal laws: All cantons have laws, enacted during or after 1943.

Type of program: Employment-related system (in most cantons) and employment-related and social assistance system (in five cantons).

Coverage

Federal program covers agricultural employees and small self-employed farmers whose annual earnings do not exceed a fixed amount. The beneficiary must have one or more children (family allowances) or a spouse (housekeeping allowance).

Cantonal programs cover nonagricultural employees with one or more children. Several cantons also cover some self-employed persons, including farmers not covered by the federal program.

Employers usually affiliate with family allowance funds; in some cantons, employers may guarantee payment.

Special system for civil servants.

Source of Funds

Insured person: None (except in Valais, 0.3% of salary).

Employer

Agricultural employer: 2% of payroll (federal program).

Nonagricultural employer: From 0.1% to 5% of payroll, according to canton and fund.

Government: Federal and cantonal governments share the residual cost for agricultural employees and the total cost for small self-employed farmers (2/3 by the federal government and 1/3 by cantonal governments).

Qualifying Conditions

Family allowances: In the federal program, the child must be under age 16 (under age 20 if unable to work and not receiving a disability pension; under age 25 if an apprentice or a student). In most cantonal programs, the child must be under age 16 (under ages 18 to 20 if disabled; under age 25 if an apprentice or a student).

Birth grants: Some cantons pay birth grants.

Vocational training allowances: Some cantons pay vocational training allowances. When provided, vocational training allowances replace family allowances.

Family Allowance Benefits

Family allowances: The federal program pays 170 francs a month for each of the first two children (190 francs in mountain regions); 175 francs a month for the third and each subsequent child (195 francs in mountain regions). In addition, a household allowance of 100 francs is granted for each married worker.

The legal minimum allowance in cantonal programs is from 150 francs to 344 francs a month for each child, according to canton. Funds often pay higher amounts than the legal minimum.

Birth grants: 600 francs to 1,500 francs, according to canton.

Vocational training allowances: 190 francs to 444 francs a month, according to canton. When provided, vocational training allowances replace family allowances.

Administrative Organization

Federal program: Cantonal old-age and survivor insurance funds collect contributions and pay allowances.

Cantonal programs: Supervised by cantonal governments and administered by numerous public and approved private family allowance funds.

Employers usually pay allowances directly with wages and settle the remaining surplus or deficit with the respective fund.

Ukraine

Exchange rate: US\$1.00 equals
5.31 hryvnias (H).

Old Age, Disability, and Survivors

Regulatory Framework

First law: 1922.

Current law: 2003 (Compulsory State Pension Insurance), implemented in 2004.

Type of program: Social insurance system.

Note: The 2003 law is being implemented in stages. A supplementary mandatory individual account will be introduced at a later date and will include additional contributions by insured persons younger than age 50 (men) or age 45 (women) at the implementation date.

Coverage

All employees.

Special provisions for victims of the Chernobyl catastrophe.

Source of Funds

Insured person: 1% of earnings up to H149, plus 2% for earnings of H150 or more.

Employer: 32% of payroll.

Government: Subsidies as needed from central and local governments.

The maximum monthly earnings for contributions purposes are H2,660 (June 1, 2003).

Qualifying Conditions

Old-age pension: Age 60 (men) or age 55 (women) with at least 5 years of covered employment; requirements are reduced for those who worked for at least 5 years under arduous or hazardous conditions, for mothers of five or more or disabled children, for disabled veterans, and for other specified categories.

In all cases, contributions must be paid for periods of covered employment. Covered employment can include years spent in higher education, the armed services, caring for disabled persons or children under age 3, or being unemployed and seeking a job, if contributions are paid for these periods.

Partial pension: If the insured has less than 25 years (men) or 20 years (women) of covered employment.

Early pension: An early pension is payable to unemployed older workers (for men between ages 58 and 6 months and 60 or for women between ages 53 and 6 months and 55) who meet the requirements for covered employment and who were

working for an enterprise that was liquidated or reorganized. The early pension ceases if the beneficiary is reemployed.

Deferred pension: A deferred pension is possible.

Carer's allowance: The monthly allowance is payable to a carer of a person older than age 80. The carer must not be employed but may receive an unemployment benefit.

Disability pension: The insured has a minimum of 2 to 5 years of covered employment, depending on age at the onset of disability.

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

Partial pension for total disability: If the insured has less than 25 years (men) or 20 years (women) of covered employment.

Partial disability: Group III disability, incapacity for usual work.

Carer's allowance: The monthly allowance is payable to a carer of a Group I disabled child under age 16. The carer must not be employed but may receive an unemployment benefit.

Survivor pension: The insured had up to 5 years of covered employment. The pension is payable to surviving children whether or not they were the insured's dependents and to nonworking dependents (including the spouse; either parent, if disabled or of pensionable age; and grandparents, if no other support is available).

Partial pension: If the deceased had less than 25 years (men) or 20 years (women) of covered employment.

Funeral grant: Payable for the funeral of an employee, a student, an unemployed person, or a pensioner.

Social pension: Payable to citizens who are not working and not eligible for an old-age, disability, or survivor pension.

Old-Age Benefits

Old-age pension: 1% of the wage base for every full year of covered employment with at least 5 years of covered employment. The pension is payable monthly.

The minimum pension is H92.45 (20% of the national average wage for each employment sector).

There is no maximum pension.

The minimum wage is H140 a month.

The wage base is based on 60 months of earnings before June 1, 2000, regardless of interruptions, plus all covered periods from June 1, 2000.

Partial pension: If the insured has less than 25 years (men) or 20 years (women) of covered employment, the monthly benefit is reduced in proportion to the number of years below the required number of years of coverage.

Deferred pension: A supplement of 10% of the pension for each year worked after entitlement to the full pension. The maximum pension is 75% of average monthly earnings.

Carer's allowance: The allowance is payable monthly.

Social pension: Paid to a person who has no insurance coverage. The pension rate varies between H23.30 and H59.

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

Permanent Disability Benefits

Disability pension: The total disability pension (Group I) is 100% of the old-age pension; Group II, 90%.

Partial pension for total disability: If the insured has insufficient years of covered employment, the monthly benefit is reduced in proportion to the number of years below the required number of years of coverage.

Partial disability (Group III): The monthly pension is equal to 50% of the old-age pension.

Carer's allowance: The allowance is payable monthly.

Social pension: The pension is between 30% and 200% of the minimum old-age pension, depending on the assessed degree of disability.

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

Survivor Benefits

Survivor pension: The monthly pension is 50% of the insured's old-age pension for one dependent; 100% for two dependents.

The minimum monthly pension is 100% of the 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.

Funeral grant: Ten times the minimum wage for the funeral of an employee, student, or unemployed person; 2 months' pension or 10 times the minimum wage, whichever is higher, for the funeral of a pensioner.

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

Administrative Organization

Ministry of Labor and Social Policy provides general coordination.

Regional and local social protection departments administer the program.

Sickness and Maternity

Regulatory Framework

First law: 1912.

Current law: 2001.

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

Coverage

Cash benefits: Employed persons, those on leave to pursue education and training, those unemployed as a result of enterprise liquidation, the registered unemployed, and military personnel.

Medical benefits: All residents. Special provisions for victims of the Chernobyl catastrophe.

Source of Funds

Insured person: For cash benefits, 0.25% to 0.5% of earnings. For medical benefits, none; except for voluntary medical insurance policies.

Self-employed person: 3% of declared income.

Employer: For cash benefits, 2.5% of payroll. For medical benefits, none.

Government: Total cost of medical benefits. The cost of universal maternity cash benefits is met by central and local government budgets.

Qualifying Conditions

Cash and medical benefits: There is no minimum qualifying period.

Sickness and Maternity Benefits

Sickness benefit: 60% of average gross earnings over the last 3 months if the insured has less than 5 years of service; 80% with 5 to 8 years of service; 100% with 8 years of service or more, or for a person injured in the Chernobyl catastrophe, a person caring for a child injured in the Chernobyl catastrophe, a veteran of the Second World War, or a surviving spouse of a war veteran or soldier killed in combat. The benefit is payable for a maximum of 6 months or until the determination of permanent disability.

The benefits are payable at 100% of earnings for a working parent caring for a sick family member for up to 14 days per case.

Maternity benefit: 100% of earnings is payable to employed women for 70 days before and 56 days (70 days in the case of a complicated birth or multiple births) after the expected date of childbirth; for women on leave from education and training, the benefit is 100% of the stipend; for women unemployed because of enterprise liquidation, the benefit is 100% of earnings received at the last place of work; for those registered as unemployed for at least 10 months, the benefit is 100% of the minimum wage.

Benefits to spouses of members of the armed forces are payable at 100% of earnings plus in-kind benefits.

Care leave: 100% of the minimum wage is paid monthly to employed women for child care leave until the child is 3 years old and to women on leave for education and training; 50% of the minimum wage to eligible unemployed women until the child is 2 years old (until the child is 3 years old if the family income satisfies the income test).

Workers' Medical Benefits

Medical services are provided directly to patients by government health providers.

Benefits include preventive care, general and specialist curative care, hospitalization, laboratory services, dental care, maternity care, and transportation.

Cost sharing: The patient ordinarily pays part of the cost of appliances. Medicines, if provided with hospitalization, are free.

Medicines are also free for disabled children under age 16, children under age 1, and pensioners receiving the minimum pension.

Care in sanatoria and rest homes, with preference being given to workers who may pay part of cost.

Dependents' Medical Benefits

Same as for the household head.

Administrative Organization

Ministry of Labor and Social Policy, Ministry of Finance, and Social Insurance Fund provide general oversight of the program for cash benefits.

Ministry of Labor and Social Policy and social protection departments of local governments administer benefits.

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

Ministry of Health and local health departments administer the provision of medical services through clinics, hospitals, maternity homes, and other facilities.

Work Injury

Regulatory Framework

First law: 1912.

Current laws: 1990 (pensions), 1992 (lump-sum cash benefits), and 1999 (mandatory social insurance for work injury and occupational diseases).

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

Note: This information is from 2002.

Coverage

Cash benefits: All employees.

Medical benefits: All residents.

Special provisions for victims of the Chernobyl catastrophe.

Source of Funds

Insured person: For cash benefits, see source of funds under Old Age, Disability, and Survivors, above. For medical benefits, see medical benefits under Sickness and Maternity, above.

Employer: For cash benefits, see source of funds under Old Age, Disability, and Survivors, above. For medical benefits, see medical benefits under Sickness and Maternity, above.

Government: For cash benefits, see source of funds under Old Age, Disability, and Survivors, above. For medical benefits, see medical benefits under Sickness and Maternity, above.

Qualifying Conditions

Work injury benefits: There is no minimum qualifying period.

Temporary Disability Benefits

100% of earnings. The benefit is payable from the first day of incapacity until recovery or until the award of a disability pension.

Permanent Disability Benefits

Permanent disability pension: Group I total disability pension (incapacity for any work, requiring constant attendance), 70% of earnings; Group II total disability pension (incapacity for any work, not requiring constant attendance), 60% of earnings; Group III (partial disability, incapacity for usual work), 40% of earnings.

Workers' Medical Benefits

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

Survivor Benefits

Survivor pension: The monthly pension is 30% of the insured's wage base for each dependent.

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

Funeral grant: Ten times the minimum wage for the funeral of an employee; 2 months' pension or 10 times the minimum wage, whichever is higher, for the funeral of a work injury pensioner.

Administrative Organization

Social Insurance Fund supervises temporary disability benefits.

Enterprises and employers pay benefits to their own employees.

Ministry of Labor and Social Policy and social protection departments of local governments administer benefits.

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

Ministry of Health and local health departments administer the provision of medical services through clinics, hospitals, maternity homes, and other facilities.

Unemployment

Regulatory Framework

First law: 1921.

Current laws: 1991 and 2001.

Type of program: Social insurance system.

Coverage

Working-age citizens.

Special provisions for victims of the Chernobyl catastrophe.

Voluntary affiliation for the self-employed.

Source of Funds

Insured person: 0.5% of earnings.

Employer: 1.9% of payroll.

Government: Subsidies as needed from central and local governments.

Qualifying Conditions

Unemployment benefit: Registered at an employment office, able and willing to work, and income does not exceed the minimum wage. The benefit may be reduced, suspended, or terminated if the worker is discharged for violating work discipline, leaving employment without good cause, violating conditions for job placement or vocational training, or filing a fraudulent claim.

Unemployment Benefits

Unemployment benefit: With up to 2 years of covered employment, the benefit is based on 50% of average earnings;

with 2 years to 6 years, 55% of average earnings; with 6 years to 10 years, 70% of average earnings. For the first 90 calendar days, 100% of the benefit is payable; 80% for the next 90 calendar days; 70% thereafter. The total duration of payment is 360 days in a 2-year period. For insured persons within 2 years of retirement, the total duration of payment is 720 calendar days.

The minimum benefit is 23% of the subsistence minimum.

The maximum benefit is equal to the regional average wage in the previous month.

Unemployment assistance: Payable to unemployed persons who have exhausted their entitlement to unemployment benefits if the monthly average income for each family member does not exceed the established legal minimum. The benefit is H80 for an active person, H110 for a nonactive person, or H115 for a disabled person. The duration of payment is up to 180 days.

Dependent supplement: Payable to unemployed persons after 360 days of unemployment benefits and 180 days of unemployment assistance. The supplement is H80 for an active person, H110 for a nonactive person, or H115 for a disabled person. The supplement is payable once every 6 months.

Funeral grant: Payable to dependents, family members, or the person undertaking funeral arrangements. The amount of the grant equals the subsistence minimum.

Administrative Organization

Ministry of Labor and Social Policy provides general policy coordination.

Employment Service and its local offices administer the program.

Family Allowances

Regulatory Framework

First law: 1944.

Current law: 1993.

Type of program: Social insurance and social assistance system.

Note: This information is from 2002.

Coverage

Families with children.

Special provisions for victims of the Chernobyl catastrophe.

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 and Sickness and Maternity, above.

Government: Central and local budget subsidies for allowances for children of unemployed families and of nonworking mothers.

Qualifying Conditions

Family allowances: Large families (three or more children), single mothers with one or more children, and families with one or more disabled children.

Family Allowance Benefits

Family allowances: For children under age 16 (age 18 if a student), the allowance is 50% of the minimum wage per child. For families with three or more children under age 16, the monthly allowance is equal to 100% of the minimum wage; families with four or more children, 200% of the minimum wage. Allowances are income tested.

For single mothers, widow(er)s not receiving a survivor pension or a social pension, and children whose father has evaded child support, the allowance is 50% of the minimum wage for each child under 16 (age 18 if a student). Allowances are income tested.

For guardians of children under age 16, the allowance is 200% of the minimum wage. The allowance is income tested.

For carers of disabled children under age 16, the allowance is 100% of the minimum wage.

Birth grant: A lump sum equal to twice the subsistence minimum for every child; H725 (May 2004).

Administrative Organization

Ministry of Labor and Social Policy and social protection departments of local governments administer the program for unemployed families and nonworking mothers.

Employers make payments to employees.

United Kingdom

Exchange rate: US\$1.00 equals 0.56 pounds (£).

Old Age, Disability, and Survivors

Regulatory Framework

First laws: 1908 (old-age pension), 1911 (disability insurance), and 1925 (old-age and survivors' insurance).

Current laws: 1992 (consolidated legislation), 1995 (pensions), 1999 (welfare reform and pensions), and 2000 (child support, pensions, and social security).

Type of program: Social insurance and social assistance system.

Coverage

Employed persons aged 16 to 65 (men) or aged 16 to 60 (women) with weekly earnings of at least £77.

Self-employed persons aged 16 to 65 (men) or aged 16 to 60 (women) with annual income of at least £4,095 are covered for all benefits except the state second pension, work injury benefits, and contributory jobseeker's allowance.

Voluntary contributors are covered for the basic State Retirement Pension and survivor's benefits only.

Beginning October 2003, the pension credit (means-tested) is available to all residents aged 60 or older.

Source of Funds

Insured person: 11% of weekly earnings between £89.01 and £595; certain married women and widows contribute 4.85%, plus an additional 1% on earnings over £595.

Self-employed person: A flat-rate contribution of £2 a week if earnings are more than £4,095. In addition, self-employed persons with annual profits between £4,615 and £30,940 pay an earnings-related contribution of 8%, plus 1% of any profits above £30,490.

Voluntary contributor: A flat-rate contribution of £6.95 a week.

Employer: 12.8% of employee's earnings over £89 a week.

Government: Total cost of means-tested allowances and other noncontributory benefits. Also, a treasury grant to contributory programs up to a maximum of 17% of benefit expenditure per year to cover shortfalls.

15% of all the above contributions is allocated to the National Health Service toward the cost of medical benefits.

Qualifying Conditions

Basic state retirement pension (flat rate): Age 65 (men) or age 60 (women, rising gradually to age 65 from 2010 to

2020) with 50 weeks of paid contributions before April 1975 or contributions based on earnings of at least 50 times the lower earnings level in the tax years April 1975 to April 1978. Since 1978, contributions have been based on earnings of 52 times the lower earnings level. Coverage is required for approximately 90% of the years in the working life (generally 49 years for men and 44 years for women).

The number of years needed for a full pension is reduced if the insured is caring for a child or an elderly or disabled relative. No pension is payable if the insured is entitled to less than 25% of the full pension. Coverage is credited for periods covered by claims for certain benefits (such as incapacity benefit and jobseeker's allowance).

Partial pension: The pension is proportionately reduced with a shorter coverage period.

Deferred pension: The pension can be deferred until age 70 (men) or age 65 (women), subject to a minimum deferral period of 7 weeks.

Age addition: Aged 80 or older.

State second pension (S2P): Contributions paid as an employed person on earnings between the National Insurance lower and upper earnings level in any tax year from April 1978. Beginning April 2003, under certain conditions, carers with earnings below set limits (or no earnings) and people who have a long-term illness or disability will be credited at a specified threshold for each year they are caring or receiving an eligible benefit.

Old-person's pension (noncontributory retirement pension): Aged 80 or older and ineligible for the contributory pension or entitled to a pension of less than £46.35 a week. Must have been resident in the UK for 10 years in any 20-year consecutive period after age 60.

Pension credit: Men and women aged 60 or older (rising gradually to age 65 from 2010 to 2020), resident in the UK, and whose income is below prescribed levels.

Long-term incapacity benefit: Contributions are paid on earnings of at least 25 times the weekly lower earnings level in one of the last 3 tax years before the benefit claim year, plus contributions paid or credited on earnings of at least 50 times the weekly lower earnings level in both of the last 2 tax years before the claim starts. The benefit is payable after 52 weeks of disability (as determined by a medical test); after 28 weeks to those who are terminally ill or receiving the highest-rate component of disability living allowance.

Disability living allowance (noncontributory, no means test): Disabled before age 65 (can be paid beyond age 65). The allowance is usually paid after 3 months of disability (except if terminally ill). The amount is determined by care and mobility needs.

Attendance allowance (noncontributory, no means test): Disabled at age 65 or older. The allowance is usually paid after 6 months of disability (except if terminally ill). The lower or higher allowance rate is determined by care needs.

Carer's allowance (noncontributory, no means test): Paid to a person who forgoes full-time work to care for a severely disabled person (receiving certain qualifying benefits) for 35 hours or more a week. The carer must be over age 16 and under age 65 at the time of claim and not be in full-time education or earning over £77 a week.

Survivor benefits: The deceased met the coverage requirements for an old-age pension or was a pensioner at the time of death.

Widowed parent's allowance: A widowed parent with at least one dependent child under age 19 for whom he or she receives child benefit.

Bereavement allowance: A weekly benefit is payable to a surviving spouse aged 45 or older without dependent children. The allowance is payable for 52 weeks following the date of widowhood.

Bereavement payment: A lump sum is payable immediately to help with costs arising on the death of a spouse.

Guardian's allowance: For a person raising a full orphan or, in certain cases, a child with one surviving parent.

Old-Age Benefits

Basic state retirement pension (flat rate): The maximum pension is £77.45 a week.

Dependent supplement: £46.35 a week for a dependent adult if the dependent's earnings from work are below a specified amount.

Deferred pension: An increment of 0.1428% of the pension for each week of deferred retirement.

Age addition: £0.25 a week.

State second pension (S2P): The accrual rate applies to earnings between the lower and upper earnings levels. For earnings between tax years 1978/1979 and 1987/1988, the accrual rate is 25%. The accrual rate on earnings after April 1988 will vary depending on the level and year of earnings and the date of retirement. The lowest earners will have the highest accrual rate.

Old-person's pension (noncontributory retirement pension): £46.35 a week minus any old-age pension.

Benefit adjustment: Pensions and allowances are increased annually according to price changes. (The amount of the increase is calculated according to the retail price index from the previous September.)

Pension credit: A means-tested benefit is payable depending on personal circumstances and income (from earnings, savings, and other pensions). Those entitled are guaranteed £102.10 a week (single person) or £155.80 a week (couple) including their other income. Persons aged 65 or older may receive an additional amount if they have savings or other nonstate pensions.

Permanent Disability Benefits

Long-term incapacity benefit: The benefit is payable starting from the 53rd week of incapacity (or starting from the 29th week if terminally ill and disabled for at least 28 weeks) following the payment of short-term incapacity benefit (see Sickness and Maternity). The benefit is £72.15 a week, plus £43.15 a week for a dependent adult caring for the claimant's child(ren) subject to certain conditions. A supplement is payable if the disability began before age 45.

Disability living allowance (noncontributory, no means test): The care component is £57.20, £38.30, or £15.15 a week according to needs. The mobility component is £39.95 or £15.15 a week according to needs.

Attendance allowance (noncontributory, no means test): £38.30 or £57.20 a week according to needs.

Carer's allowance (noncontributory, no means test): £43.15 a week plus dependent supplements, if appropriate.

Benefit adjustment: Pensions and allowances are increased annually according to price changes. (The amount of the increase is calculated according to the retail price index from the previous September.)

Survivor Benefits

Widowed parent's allowance: £77.45 a week.

Bereavement allowance: The amount varies with age at the date of entitlement or when the widowed parent's allowance ends. Aged 55 or older, £77.45 a week; aged 45 to 54, a percentage of the full rate is paid.

Bereavement payment: A lump sum of £2,000 is payable immediately to the surviving spouse.

Guardian's allowance: £11.55 a week per child; reduced to £9.70 if the higher rate of child benefit is payable for the child.

Benefit adjustment: Pensions and allowances are increased annually according to price changes. (The amount of the increase is calculated according to the retail price index from the previous September.)

Administrative Organization

The Pension Service (part of the Department for Work and Pensions) administers the state pension scheme and provides services and support to pensioners.

Jobcentre Plus (part of the Department for Work and Pensions) administers benefits for people of working age and helps them find work.

Inland Revenue is responsible for the administration of the National Insurance contribution system and for the payment of tax credits.

Sickness and Maternity

Regulatory Framework

First law: 1911.

Current laws: 1977 (national health service), 1992 (consolidated legislation), 1994 (incapacity benefit), and 1999 (welfare reform and pensions).

Type of program: Social insurance and social assistance (cash benefits) system and universal (medical benefits) system.

Coverage

Short-term incapacity benefit: All employed and self-employed persons who satisfy certain conditions and are not eligible for statutory sick pay. The benefit is also payable to unemployed or nonemployed persons if they satisfy the necessary contribution conditions.

Statutory sick pay: Paid by the employer to employees with average weekly earnings of at least £77.

Maternity allowance: All employed and self-employed persons who satisfy certain conditions and are not eligible for statutory maternity pay.

Statutory maternity pay: Paid by the employer to women employees with average weekly earnings of at least £77.

Statutory paternity pay: Paid by the employer to an employee whose wife or partner is expecting a baby and whose average weekly earnings are at least £77.

Statutory adoption pay: Paid by the employer to an employee whose wife or partner is adopting a child and whose average weekly earnings are at least £77.

Medical benefits: All residents, irrespective of nationality or the payment of contributions or income tax.

Source of Funds

Insured person: For incapacity benefit and maternity allowance, see source of funds under Old Age, Disability, and Survivors, above.

Employer: For incapacity benefit and maternity allowance, see source of funds under Old Age, Disability, and Survivors, above. The total cost of statutory sick pay (except for certain small employers) and 8% of statutory maternity and paternity pay.

Government: 92% of statutory maternity and paternity pay (100% in the case of some small employers) and a small portion of statutory sick pay; most of the cost of medical benefits (National Health Service). The total cost of means-tested allowances.

Medical benefits are funded mainly from general taxation, with a small proportion from National Insurance contributions and patients' copayments.

Qualifying Conditions

Short-term incapacity benefit: At least 4 consecutive days of sickness within a period of incapacity for work. Contributions must be paid on earnings of at least 25 times the lower earnings level in one of the last 3 tax years before the benefit claim year, plus contributions paid or credited on earnings equal to at least 50 times the weekly lower earnings level in both of the last 2 tax years before the claim starts.

Young people incapacitated before age 20 (age 25 if they have been in education or training) may be able to receive incapacity benefit without satisfying the contribution conditions.

Statutory sick pay: At least 4 consecutive days of sickness within a period of incapacity for work. Paid to employees under age 65 with average weekly earnings of at least £77.

Maternity allowance: All employed and self-employed persons must have worked for at least 26 weeks in the 66-week period before the expected week of childbirth and have average weekly earnings of at least £30 in a 13-week period. The insured must not be receiving statutory maternity pay from an employer.

Statutory maternity pay: Employed continuously for at least 26 weeks by the same employer up to and including the 15th week before expected week of childbirth and has average weekly earnings of at least £77.

Statutory paternity pay: Employed continuously for at least 26 weeks by the same employer up to and including the 15th week before the expected week of childbirth.

Statutory adoption pay: Employed continuously for at least 26 weeks by the same employer up to the week of adoption.

Medical benefits: There is no minimum qualifying period.

Sickness and Maternity Benefits

Short-term incapacity benefit: The benefit is paid at a lower and a higher rate. The lower rate is payable for up to 28 weeks at £54.40 a week, plus £33.65 a week for a dependent adult. The lower-rate benefit is payable after a 3-day waiting period. The higher rate is payable from week 29 to week 52 at £64.35 a week, plus £33.65 a week for a dependent adult.

Statutory sick pay: £64.35 a week is payable for up to 28 weeks of incapacity after a 3-day waiting period.

Maternity allowance: The allowance is paid for up to 26 weeks. The 26 weeks may start at any time from the 15th week before the expected date of childbirth to the week following childbirth. The standard rate is £100; 90% of average weekly earnings if earnings are less than £100.

Statutory maternity pay: The benefit is payable for a total of 26 weeks. The first 6 weeks are paid at 90% of average earnings. The remaining 20 weeks are paid at £100 a week; 90% of average weekly earnings if earnings are less than £100.

Statutory paternity pay: Paid by the employer for 1 or 2 weeks (as chosen by the employee) at £100 a week; 90% of average weekly earnings if earnings are less than £100.

Statutory adoption pay: Paid by the employer for up to 26 weeks at £100 a week; 90% of average weekly earnings if earnings are less than £100.

Workers' Medical Benefits

Medical services are provided by public hospitals and by doctors and dentists under contract with, and paid directly by, the National Health Service. Benefits include general practitioner care, specialist services, hospitalization, maternity care, dental care, medicines, appliances, home nursing, and family planning.

Cost sharing: Patients pay 80% of the cost of any dental work up to £372. Patients pay £6.30 for each prescription. Those receiving means-tested benefits and their adult dependents, children under age 16 (under age 19 if a student), pregnant women, and nursing mothers are exempt from dental and prescription charges. People over the state pension age and certain other groups are exempt from prescription charges. Exemption is also available to others with low income under the National Health Service Low Income Scheme.

There is no limit on duration of benefits.

Dependents' Medical Benefits

Same as for the family head.

Administrative Organization

Jobcentre Plus (part of the Department for Work and Pensions) administers cash benefits for people of working age and helps them find work.

Department of Health administers medical benefits and services through the National Health Service.

Work Injury

Regulatory Framework

First law: 1897.

Current law: 1992 (consolidated legislation).

Type of program: Social insurance and social assistance system.

Coverage

Employed persons.

Exclusion: Self-employed persons.

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.

Qualifying Conditions

Industrial injuries disablement benefit: The insured must be employed by an employer at the time of an accident that occurs in the course of employment. The degree of disability, which must be over 14%, is assessed by medical examination. In the case of an industrial disease, the insured must have contracted a prescribed disease during the course of employment.

Temporary Disability Benefits

In the first instance, the benefit is payable for 52 weeks. The benefit is first payable after a 3-day waiting period for up to 28 weeks at £54.40 a week, plus £33.65 a week for a dependent adult. From week 29 to week 52, the benefit is £64.35 a week, plus £33.65 a week for a dependent adult.

Beginning the 53rd week of incapacity (or starting from the 29th week if terminally ill and disabled for at least 28 weeks), the benefit is £72.15 a week, plus £43.15 a week for a dependent adult caring for the claimant's child(ren) subject to certain conditions. A supplement is payable if the disability began before age 45.

Benefit adjustment: Pensions and allowances are increased annually according to price changes. (The amount of the increase is calculated according to the retail price index from the previous September.)

Income support (social assistance): Payable when income is below certain levels. The amount depends on income and circumstances. Income support is not payable if savings exceed £8,000 or if the person is working more than 16 hours a week.

Permanent Disability Benefits

Industrial injuries disablement benefit: If assessed as 100% disabled, £116.80 a week is payable from the 15th week after the accident or the onset of the disease.

Reduced earnings allowance: Only payable for an occupational accident or disease occurring before October 1990. Up to £46.72 a week is paid if assessed as at least 1% disabled and unable to do the same job, resulting in loss of earnings.

Constant-attendance allowance: Payable if assessed as 100% disabled; £23.40 or £46.80 a week depending on need; £70.20 or £93.60 a week if needs are greater.

Exceptionally severe disablement allowance: £46.80 a week if receiving the top two rates of constant-attendance allowance.

Partial disability: From £23.36 a week for an assessed degree of disability of 20% to £105.12 a week for an assessed degree of disability of 90%.

Workers' Medical Benefits

Provided under the National Health Service.

Survivor Benefits

Widowed parent's allowance: £77.45 a week, paid to a widowed parent with at least one dependent child under age 19 for whom he or she receives child benefit.

Bereavement allowance: The amount varies with age at the date of entitlement or when the widowed parent's allowance ends. Aged 55 or older, £77.45 a week; aged 45 to 54, a percentage of the full rate is paid.

Bereavement payment: A lump-sum payment of £2,000 is payable immediately to help with costs arising on the death of a spouse.

Guardian's allowance: £11.55 a week per child; reduced to £9.70 if the higher rate of child benefit is payable for the child.

Benefit adjustment: Pensions and allowances are increased annually according to price changes. (The amount of the increase is calculated according to the retail price index from the previous September.)

Administrative Organization

Jobcentre Plus (part of the Department for Work and Pensions) administers cash benefits for people of working age and helps them find work.

Unemployment

Regulatory Framework

First law: 1911.

Current law: 1995 (jobseekers).

Type of program: Social insurance and social assistance system.

Coverage

All unemployed jobseekers meeting the entitlement conditions.

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. The total cost of means-tested allowances after a 3-day waiting period (30 days for the voluntarily insured) for 26 weeks.

Qualifying Conditions

Jobseeker's allowance (social insurance): Must be aged 18 or older and out of work or working less than 16 hours a week (if aged 16 or 17, may qualify only under specified conditions). Contributions must have been paid on earnings of at least 25 times the lower earnings level in one of the last 2 complete tax years (April to March) before the start of the benefit year (January to December) in which the claim is made, and contributions must have been paid or credited on earnings of at least 50 times the weekly lower earnings level in both the appropriate tax years. Earnings must not be higher than the prescribed amount.

Must be registered at a job center and be capable of, available for, and actively seeking employment and must also have a current jobseeker's agreement.

Jobseeker's allowance (social assistance): Paid if the person has no income or an income that does not exceed the applicable amount. The person has no entitlement to the jobseeker's allowance (social insurance); the contributory benefit is insufficient or has expired. The allowance is not payable if savings exceed £8,000.

Unemployment Benefits

Jobseeker's allowance (social insurance): A flat-rate allowance is paid for up to 6 months at £54.65 a week if aged 25 or older, £43.25 if aged 18 to 24, or £32.90 if under age 18. The allowance is payable after a 3-day waiting period.

Jobseeker's allowance (social assistance): The amount of the allowance depends on age and on household income and composition. A single person receives between £32.90 and £54.65 a week depending on age.

Administrative Organization

Jobcentre Plus (part of the Department for Work and Pensions) administers cash benefits for people of working age and helps them find work.

Family Allowances

Regulatory Framework

First law: 1945 (child benefit).

Current laws: 1992 (consolidated legislation) and 2002 (tax credits).

Type of program: Universal (child benefit) and tax credits system.

Coverage

Child benefit and child tax credit: Residents with one or more children.

Working tax credit: Low-income workers with or without children.

Source of Funds

Insured person: None.

Employer: None.

Government: Total cost.

Qualifying Conditions

Child benefit and child tax credit: Child must be under age 16 (under age 19 if a student). Eligibility is also dependent on residence and presence in the UK.

Working tax credit: Working for at least 16 hours a week.

Family Allowance Benefits

Child benefit: £16.05 a week for the eldest qualifying child and £10.75 for each additional child.

Child tax credit: The credit depends on parents' income. The minimum credit of £10.40 a week is paid if gross income is below £50,000. Higher amounts are payable for lower levels of income and if there is more than one qualifying child. The credit is paid in addition to child benefit and working tax credit.

Working tax credit: The credit depends on income and family status and can include approved childcare costs.

Administrative Organization

Inland Revenue administers the child benefit and tax credits.