

Armenia

Exchange rate: US\$1.00 equals 307 dram.

Old Age, Disability, and Survivors

Regulatory Framework

First laws: 1956 and 1964.

Current law: 2002 (state pensions), implemented in 2003, with amendments.

Type of program: Notional defined contribution (NDC) social insurance and social assistance system.

Coverage

Employed and self-employed persons.

Special systems for military personnel, police, judges, public prosecutors, and their family members.

Source of Funds

Insured person: 3% of net monthly earnings.

The minimum monthly earnings for contribution calculation purposes are 7,000 drams.

There are no maximum earnings for contribution calculation purposes.

The insured's contributions also finance sickness and maternity, work injury, and unemployment benefits.

Self-employed person: 15% of annual income less than 1,200,000 drams but not less than 60,000 drams. If annual income is greater than 1,200,000 drams, the contribution is a flat rate 180,000 drams plus 5% of the amount greater than 1,200,000 drams. (Farmers are exempt from contributions.)

The self-employed person's contributions also finance sickness and maternity and unemployment benefits.

Employer: If the employee's monthly income is less than 20,000 drams, a flat-rate monthly contribution of 7,000 dram is paid; if the employee's monthly income is between 20,000 drams and 100,000 drams, a flat-rate monthly contribution of 7,000 drams plus 15% of the amount greater than 20,000 drams is paid; if the employee's monthly income exceeds 100,000 drams, a flat-rate monthly contribution of 19,000 drams plus 5% of the amount greater than 100,000 drams is paid. (If collective farmers are employers, they contribute on behalf of employees.)

The employer's contributions also finance sickness and maternity, work injury, and unemployment benefits.

Government: The total cost of the social pension is paid by the state and subsidies as needed.

The government's contributions also finance sickness and maternity, work injury, and unemployment benefits.

Qualifying Conditions

Old-age pension: Age 63 (men) or age 61.5 (women) with at least 25 years of covered employment. The retirement age for women is being raised gradually to age 63 by 2011.

Age 59 with at least 25 years of covered employment of which at least 20 years were in arduous or hazardous work; age 55 with at least 25 years of covered employment of which at least 15 years were in extremely arduous or hazardous work.

Covered employment includes years as a university student, years of service in the armed forces, and periods receiving unemployment benefits.

Benefits are payable abroad under reciprocal agreement.

Social pension (old-age): Paid at age 65 (men and women) with less than 5 years of covered employment.

Benefits are payable abroad under reciprocal agreement.

Disability pension: Paid for a total or partial disability with at least 5 years of covered employment. The pension is paid according to three degrees of disability: total incapacity for work and requiring constant attendance (Group I); total incapacity for work but not requiring constant attendance (Group II); or partial incapacity for work (Group III).

Covered employment includes years as a university student, years of service in the armed forces, and periods receiving unemployment benefits.

A specialized medical committee assesses the degree of disability.

Benefits are payable abroad under reciprocal agreement.

Social pension (disability): Must be assessed as disabled and with less than 5 years of covered employment.

Benefits are payable abroad under reciprocal agreement.

Survivor pension: The pension is paid to a surviving spouse; a person who is not employed at the time of deceased's death and not receiving any pension and who cares for the deceased's children, brothers, sisters, or grandchildren younger than age 8; or full orphans younger than age 18 who are not receiving any other pension.

Covered employment includes years as a university student, years of service in the armed forces, and periods receiving unemployment benefits.

Benefits are payable abroad under reciprocal agreement.

Old-Age Benefits

Old-age pension: The monthly pension is equal to 100% of the base pension plus a bonus pension (395 drams for each full calendar year of covered employment multiplied by a coefficient).

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There is no legal minimum pension, but the base pension is 6,800 drams.

There is no maximum pension.

Benefit adjustment: Benefits are adjusted on an ad hoc basis according to available resources.

Social pension: 6,800 drams a month is paid.

Benefit adjustment: Benefits are adjusted on an ad hoc basis according to available resources.

Permanent Disability Benefits

Disability pension: If assessed as totally incapable of work and requiring constant attendance (Group I), the monthly pension is equal to 140% of the base pension plus a bonus pension (395 drams for each full calendar year of covered employment); if assessed as totally incapable of work but not requiring constant attendance (Group II), the monthly pension is equal to 120% of the base pension plus a bonus pension (395 drams for each full calendar year of covered employment multiplied by a coefficient).

Partial disability: If assessed with a partial incapacity for work (Group III), the monthly pension is equal to 100% of the base pension plus a bonus pension (395 drams for each full calendar year of covered employment).

The base pension is 6,800 drams a month.

There is no maximum pension.

Benefit adjustment: Benefits are adjusted on an ad hoc basis according to available resources.

Social pension: If assessed as totally incapable of work and requiring constant attendance (Group I), the monthly pension is equal to 140% of the base pension; if assessed as totally incapable of work but not requiring constant attendance (Group II), the monthly pension is equal to 120% of the base pension.

The base pension is 6,800 drams a month.

Partial disability: If assessed with a partial incapacity for work (Group III), the monthly pension is equal to 100% of the base pension.

Benefit adjustment: Benefits are adjusted on an ad hoc basis according to available resources.

Survivor Benefits

Survivor pension: 100% of the base pension is paid plus 50% of the bonus pension (395 drams for each year the deceased was in covered employment multiplied by a coefficient) for one eligible survivor, 90% for two eligible survivors, 120% for three, or 150% for four or more.

The base pension is 6,800 drams a month.

The survivor pension paid to a spouse ceases on remarriage.

Full orphan's pension: The pension is equal to 500% of the base pension plus 50% of the bonus pension (395 drams

for each full calendar year of covered employment of both deceased parents) for one eligible full orphan, 90% for two, 120% for three, or 150% for four or more.

The base pension is 6,800 drams a month.

There is no maximum survivor pension.

Benefit adjustment: Benefits are adjusted on an ad hoc basis according to available resources.

Administrative Organization

Ministry of Labor and Social Affairs (<http://www.mss.am>) is responsible for policy.

State Social Security Service (<http://www.sif.am>) administers the program.

Sickness and Maternity

Regulatory Framework

First law: 1912.

Current laws: 2005 (insurance benefit) and 2005 (social benefits) with 2007 amendment.

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

Coverage

Cash sickness and maternity benefits: All employed and self-employed persons.

Medical benefits: All persons residing in Armenia.

Source of Funds

Insured person

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

Medical benefits: None.

Self-employed person

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

Medical benefits: None.

Employer

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

Medical benefits: None. (The total cost of optional employer-operated health care facilities.)

Government

Cash benefits: Paid by the state.

Medical benefits: The total cost of medical benefits is paid by central and local governments.

Qualifying Conditions

Cash sickness benefits: There is no minimum qualifying period.

Cash maternity benefits: Must be in insured employment.

Childbirth or adoption lump sum: There is no minimum qualifying period.

Medical benefits: Must reside in Armenia.

Sickness and Maternity Benefits

Sickness benefit: If the insured has been in covered employment for at least 8 years, the benefit is equal to 100% of average earnings in the last 3 months before the incapacity began; if in covered employment for less than 8 years, 80% of earnings is paid.

The benefit is also paid to an insured parent to provide care for a sick child.

Maternity benefit: The benefit is equal to 100% of average earnings regardless of the number of years of covered employment divided by 30.4 (average number of days in a month) and multiplied by the number of days of maternity leave. The benefit is paid for 140 days (70 days before and 70 days after the expected date of childbirth); 155 days if there are complications resulting from childbirth; 180 days for multiple births.

Child-care leave benefit: 3,000 drams a month is paid until the child is age 2.

Childbirth or adoption lump sum: 35,000 drams per child is paid during the 6 months after childbirth or adoption.

Benefit adjustment: Benefits are adjusted on an ad hoc basis according to available resources.

Workers' Medical Benefits

Medical services are provided directly to patients by government health providers. Medical benefits include preventive care, general and specialist curative care, hospitalization, laboratory services, dental care, maternity care, and transportation.

Cost sharing: Patients pay part of the cost of appliances. Medicines are free if provided while the patient is hospitalized or for pensioners receiving only the base pension. The government fully covers certain medical treatments (for certain groups, especially poor families and health programs for certain diseases) and partially covers some expenses.

Dependents' Medical Benefits

Medical services are provided directly to patients by government health providers. Medical benefits include preventive care, general and specialist curative care, hospitalization, laboratory services, dental care, maternity care, and transportation.

Cost sharing: Patients pay part of the cost of appliances. Medicines are free if provided while the patient is hospitalized or for children with a disability younger than age 16, for all infants until age 1, and for pensioners receiving only the base pension. The government fully covers certain medical treatments (for certain groups, especially poor families and health programs for certain diseases) and partially covers some expenses.

Administrative Organization

Cash benefits: State Social Security Service (<http://www.sif.am>) administers the program.

Medical benefits: Ministry of Health (<http://www.moh.am>) develops and implements health policy.

State Health Agency (<http://www.pag.am>) purchases publicly financed services from health care provider organizations and monitors the effective use of state financial resources.

Work Injury

Regulatory Framework

First laws: 1955 and 1974.

Current laws: 2002 (state pensions), implemented in 2003, with amendments; and 2005 (insurance benefit and social benefits).

Type of program: Social insurance system.

Coverage

All employed persons.

Exclusions: Self-employed persons.

Source of Funds

Insured person

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

Medical benefits: None.

Self-employed person: Not applicable.

Employer

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

Medical benefits: None. (The total cost of optional employer-operated health care facilities.)

Government

Cash benefits: Paid by the state.

Medical benefits: The total cost is paid by central and local governments.

Qualifying Conditions

Work injury benefits: There is no minimum qualifying period.

Temporary Disability Benefits

The daily benefit is based on 100% of the insured's average monthly earnings in the last 3 months.

The benefit is paid from the first day of incapacity until recovery or the award of a permanent disability pension.

A specialized medical committee assesses the degree of disability.

Benefit adjustment: Benefits are adjusted on an ad hoc basis according to available resources.

Permanent Disability Benefits

Permanent disability pension: If assessed with a total incapacity for work and requiring constant attendance (Group I), the monthly pension is equal to 140% of the base pension plus a bonus pension (395 drams for each full calendar year of covered employment); if assessed with a total incapacity for work but not requiring constant attendance (Group II), the monthly pension is equal to 120% of the base pension plus a bonus pension (395 drams for each full calendar year of covered employment multiplied by a coefficient).

Partial disability: If assessed with a partial incapacity for work (Group III), the monthly pension is equal to 100% of the base pension plus a bonus pension (395 drams for each year of covered employment).

A specialized medical committee assesses the degree of disability.

The base pension is 6,800 drams a month.

There is no maximum pension.

Benefit adjustment: Benefits are adjusted on an ad hoc basis according to available resources.

Survivor Benefits

Survivor pension (orphan's pension): 100% of the base pension is paid plus 50% of the bonus pension (395 drams for each year the deceased was in covered employment multiplied by a coefficient) for one eligible survivor, 90% for two eligible survivors, 120% for three, or 150% for four or more.

The base pension is 6,800 drams a month.

Full orphan's pension: The pension is equal to 500% of the base pension plus 50% of the bonus pension (395 drams for each full calendar year of covered employment of both deceased parents), for one eligible full orphan, 90% for two, 120% for three, or 150% for four or more.

The base pension is 6,800 dram a month.

Benefit adjustment: Benefits are adjusted on an ad hoc basis according to available resources.

Administrative Organization

Temporary disability benefits: State Social Security Service (<http://www.sif.am>) administers the programs.

Enterprises and employers pay benefits to their employees.

Permanent disability and survivor pensions: Ministry of Labor and Social Affairs (<http://www.mss.am>) is responsible for policy.

Medical benefits: State Health Agency (<http://www.pag.am>) purchases publicly financed services from health care provider organizations and monitors the effective use of state financial resources.

Unemployment

Regulatory Framework

First law: 1921.

Current laws: 1991 (employment), implemented in 1992; and 2005 (social protection), implemented in 2006.

Type of program: Social insurance system.

Coverage

All 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: Paid by the state.

Qualifying Conditions

Unemployment benefits: Must be unemployed as a result of enterprise reorganization, staff reduction, or the cancellation of a collective agreement.

The insured must have at least 12 months of covered employment before unemployment began; have at least 12 months of covered employment between two periods of unemployment; be seeking to rejoin the labor force after a lengthy period of unemployment; or be seeking a first job. The insured must be registered at an employment office and be able and willing to work.

Unemployment Benefits

The base benefit is equal to 60% of the national minimum wage (15,000 drams a month).

The national monthly minimum wage is 25,000 drams.

The benefit is paid for up to 12 months.

Benefit adjustment: Benefits are adjusted on an ad hoc basis according to available resources.

Administrative Organization

State Social Security Service (<http://www.sif.am>) provides financing of unemployment programs.

State Employment Service (<http://www.employment.am>) and regional centers of State Employment service implement the program.

Family Allowances

Regulatory Framework

First law: 1944.

Current law: 2005 (social benefits).

Type of program: Universal and social assistance system.

Coverage

Families with children.

Source of Funds

Insured person: None.

Self-employed person: None.

Employer: None.

Government: The total cost is paid by the state.

Qualifying Conditions

Family allowances: The beneficiary must be employed at the time of the child's birth. Benefits are paid for children up to age 18.

Family Allowance Benefits

Family allowances: If the mother is not working, 3,000 drams a month is paid for a child younger than age 2.

Cash benefits: Each child younger than age 18 receives 8,000 drams (base sum), plus between 5,000 drams and 7,500 drams (supplementary sum), a month.

Benefit adjustment: Benefits are adjusted on an ad hoc basis according to available resources.

Administrative Organization

Ministry of Labor and Social Affairs (<http://www.mss.am>) is responsible for the program.