

Taiwan, China

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

Old Age, Disability, and Survivors

Regulatory Framework

First law: 1950.

Current law: 1958 (labor insurance), implemented in 1960, with amendments; and 2007 (National Pension Act), implemented in 2008.

Type of program: Social insurance system.

Note: The social insurance system involves a flat-rate benefit for citizens under the national pension program and earnings-related benefits under the labor insurance program.

In 2008, a new National Pension System began for individuals not covered by a public pension system, including the unemployed, the self-employed, non-working spouses, students, and those who work for a company with less than 5 employees.

As of January 1, 2009, workers covered under the Labor Insurance Program can choose between the existing lump-sum payment or the new monthly annuity. Those covered after January 1, 2009, will only be eligible for the new program.

Coverage

National pension program: Citizens between ages 25 and 65.

Exclusions: Persons who are covered or have been covered by other related social insurance programs, including those covered under the labor insurance program, civil servants, military personnel, farmers, and private school staff.

Labor insurance program: Employees between ages 15 and 60 in firms in industry and commerce, mines, and plantations with five or more workers; wage-earning public-sector employees; public-utility employees; fishermen; and certain self-employed persons in service occupations.

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

Special systems for civil servants, farmers, salaried public-sector employees, and private school staff.

Source of Funds

Insured person

National pension program: A flat rate of NT\$674 a month (equal to 3.9% of the minimum monthly wage in 2008, rising gradually to 7.2% by 2030).

Disabled and low-income insured persons pay no contributions, NT\$337 or NT\$505, depending on the degree of disability or total family income (equal to 0%, 1.95% and 2.92% of the minimum monthly wage in 2008, rising gradually to 0%, 3.6%, and 5.4% by 2030).

Labor insurance program: 1.3% of gross monthly earnings (1.5% in 2009, rising gradually to 2.6% by 2030).

The maximum monthly earnings for contribution calculation purposes are NT\$43,900. (The monthly earnings for contribution calculation purposes are adjusted according to changes in the minimum wage.)

The insured's contributions also finance cash sickness and maternity benefits.

Self-employed person:

National pension program: A flat rate of NT\$674 a month (equal to 3.9% of the minimum monthly wage in 2008, rising gradually to 7.2% by 2030).

Disabled and low-income insured persons pay no contributions, NT\$337 or NT\$505, depending on the degree of disability or total family income (equal to 0%, 1.95% and 2.92% of the minimum monthly wage in 2008, rising gradually to 0%, 3.6%, and 5.4% by 2030).

Labor insurance program: 3.9% of gross monthly income (4.5% in 2009, rising gradually to 7.8% by 2030).

The maximum monthly earnings for contribution calculation purposes are NT\$43,900. (The monthly earnings for contribution calculation purposes are adjusted according to changes in the minimum wage.)

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

Employer

National pension program: Not applicable.

Labor insurance program: 4.55% of monthly payroll (5.25% in 2009, rising gradually to 9.1% by 2030).

The maximum monthly earnings for contribution calculation purposes are NT\$43,900. (The monthly earnings for contribution calculation purposes are adjusted according to changes in the minimum wage.)

The employer's contributions also finance cash sickness and maternity benefits.

Government

National pension program: A flat rate of NT\$449 a month per insured person (equal to 2.6% of the minimum monthly wage in 2008, rising gradually to 4.8% by 2030). A flat rate

of NT\$1,123, NT\$786, or NT\$618 for a disabled or low-income insured person, depending on the degree of disability or total family income (equal to 6.5%, 4.55%, and 3.58% of the minimum monthly wage in 2008, rising gradually to 100%, 8.4%, and 6.6% by 2030).

Labor insurance program: 0.65% of employee earnings (0.75% in 2009, rising gradually to 1.3% by 2030); 2.6% of income for self-employed (3% in 2009, rising gradually to 5.2% by 2030); the cost of administration.

The maximum monthly earnings for contribution calculation purposes are NT\$43,900. (The monthly earnings for contribution calculation purposes are adjusted according to changes in the minimum wage.)

Government contributions also finance cash sickness and maternity benefits.

Qualifying Conditions

Old-age pension:

National pension program: Citizens age 65 and older who have been residents of Taiwan for more than 6 months a year for the last 3 years.

Labor insurance program: Age 60 with at least 15 years of coverage. (The full retirement age will increase to age 61 in 2018, increasing gradually to age 67 by 2027.)

Retirement from covered employment or self-employment is necessary.

Early old-age pension: A reduced pension is paid from age 55.

Deferred old-age pension: The pension may be deferred until age 65.

Old-age benefit: Insured persons with coverage prior to January 1, 2009, may opt for a lump-sum payment at retirement, instead of the labor insurance old-age pension. A lump-sum payment is optional for those with coverage prior to January 1, 2009, and age 60 (men) or age 55 (women) with at least 1 year of coverage; age 55 (men) with at least 15 years of coverage; age 50 with at least 25 years of coverage (men and women); at any age with at least 25 years of coverage for employment with the same employer (men and women).

Disability pension:

National pension program: Citizens who are assessed as severely mentally or physically disabled with a permanent total incapacity for work by a hospital designated by the Bureau of National Health Insurance.

If not normally eligible for coverage under the national pension program, persons who have been residents of Taiwan for more than 6 months a year for the last 3 years and who are assessed as severely mentally or physically disabled with an incapacity for work are eligible for the minimum disability pension.

Labor insurance program: Must be assessed as permanently physically or mentally disabled with a permanent total incapacity for work by a hospital designated by the Bureau of National Health Insurance.

Disability benefit: Insured persons with coverage prior to January 1, 2009, may opt for a lump-sum payment when the labor insurance disability begins, instead of the labor insurance disability pension. Must be assessed as permanently disabled by a hospital designated by the Bureau of National Health Insurance.

Survivor pension: The deceased must have paid at least one contribution.

National pension program: The deceased was actively insured at the time of death or was an old-age or disability pensioner.

Eligible survivors (in order of priority) are the widow(er) (aged 55 or older; aged 45 or older with a monthly income below the survivor pension amount) and children (aged 25 years or younger; no limit with a total incapacity for work), parents (aged 55 or older with a monthly income below the survivor pension amount), grandparents (aged 55 or older with a monthly income below the survivor pension amount), dependent grandchildren, and dependent brothers and sisters.

Eligibility ceases for widow(er)s on remarriage.

Funeral grant (national pension program): Paid to the person who paid for the funeral for the death of the insured person before age 65.

Labor insurance program: The deceased was actively insured at the time of death or was an old-age or disability pensioner.

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

Funeral grant (labor insurance program): Paid to the person who paid for the funeral of the insured.

Survivor benefit: Paid for the death of the insured person with coverage prior to July 17, 2008, when a survivor opts for a lump-sum payment instead of the labor insurance survivor pension.

Old-Age Benefits

National pension program (old-age): The monthly pension is equal to 0.65% of the monthly insured amount multiplied by the number of years of coverage plus NT\$3,000 or 1.3% of monthly insured amount multiplied by the number of years of coverage, whichever is greater.

The monthly insured amount is NT\$17,280 (equal to the minimum monthly wage in 2008).

The minimum old-age pension is NT\$3,000 per month.

Benefit adjustment: After October 2009, the monthly insured amount will be adjusted according to changes in the consumer price index.

Labor insurance program (old-age): The monthly pension is equal to 0.775% of the insured's monthly average covered earnings in the 36 months before retirement multiplied by the number of years of coverage plus NT\$3,000 or 1.55% of the insured's monthly average covered earnings in the 36 months before retirement multiplied by the number of years of coverage, whichever is greater.

The minimum old-age pension is NT\$3,000 per month.

Early pension: The pension is reduced by 4% for each year that retirement is taken before the normal retirement age, up to 20%.

Deferred pension: The pension is increased by 4% for each year of deferred retirement, up to 20%.

Note: Persons insured before January 1, 2009, may opt for a lump-sum old-age benefit instead of a monthly old-age pension at retirement.

Old-age benefit: Persons insured before January 1, 2009, who opt for a lump-sum benefit instead of a monthly labor insurance old-age pension are paid a lump sum of 1 month of the insured's average monthly covered earnings for each year of contributions for the first 15 years, plus 2 months of the insured's average monthly covered earnings for each year of contributions exceeding 15 years.

An increment of 1 month of the insured's average monthly covered earnings for each year of continued work and contributions after age 60 is paid, up to 5 months.

The maximum is equal to 45 months of the insured's average covered earnings.

Permanent Disability Benefits

National pension program (disability): The monthly pension is equal to 1.3% of the monthly insured amount multiplied by the number of years of coverage.

The monthly insured amount is NT\$17,280 (equal to the minimum monthly wage in 2008).

The minimum disability pension is NT\$4,000.

Benefit adjustment: After October 2009, the monthly insured amount will be adjusted according to changes in the consumer price index.

Labor insurance program (disability): The monthly pension is equal to 1.55% of the insured's monthly average covered earnings in the 6 months before the disability began multiplied by the number of years of coverage.

The minimum disability pension is NT\$4,000.

Note: Persons insured before January 1, 2009, may opt for a lump-sum disability benefit instead of a monthly disability pension.

Disability benefit: Persons insured before January 1, 2009, who opt for a lump-sum benefit instead of a monthly labor insurance disability pension are paid a lump sum of 1 to 40 months of the insured's average covered earnings in the 6 months before the disability began, according to the assessed degree of disability.

Survivor Benefits

National pension program (survivor): The monthly pension paid for the death of an actively insured person is equal to 1.3% of the monthly insured amount multiplied by the number of years of coverage. The monthly pension paid for the death of an old-age or disability pensioner is 50% of the old-age or disability pension due.

The monthly insured amount is NT\$17,280 (equal to the minimum monthly wage in 2008).

The minimum pension is NT\$3,000.

Survivors are eligible for only one survivor pension. If there is more than one eligible survivor, 25% of the survivor pension will be paid for each extra survivor, up to 50%.

Funeral grant (national pension program): A lump sum of 5 times the monthly insured amount is paid.

The monthly insured amount is NT\$17,280 (equal to the minimum monthly wage in 2008).

Benefit adjustment: After October 2009, the monthly insured amount will be adjusted according to changes in the consumer price index.

Labor insurance program (survivor): The monthly pension paid for the death of an actively insured person is equal to 1.55% of the insured's monthly average covered earnings in the 6 months before death multiplied by the number of years of coverage. The monthly pension paid for the death of an old-age or disability pensioner is 50% of the old-age or disability pension due.

The minimum pension is NT\$4,000.

Funeral grant (labor insurance program): A lump sum of 5 months of the deceased's average covered earnings in the 6 months before death is paid. In the absence of eligible survivors for the survivor pension, a lump sum of 10 months of the deceased's average covered earnings in the 6 months before death is paid.

Survivor benefit: Persons insured before January 1, 2009, who opt for a lump-sum benefit instead of a monthly labor insurance disability pension are paid a lump sum of 30 months of the deceased's average monthly covered earnings in the 6 months before death if the deceased had 2 or more years of contributions; 20 months if the deceased had between 1 and 2 years of contributions; 10 months if less than 1 year of contributions.

Administrative Organization

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

Social Affairs Department of the Ministry of the Interior (<http://www.moi.gov.tw>) coordinates the national pension program.

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

Sickness and Maternity

Regulatory Framework

First law: 1950.

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

Type of program: Social insurance system.

Coverage

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

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

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

Medical benefits: Must have resided in Taiwan for at least 4 months, including foreign nationals with a resident permit.

Source of Funds

Insured person

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

Medical benefits: Contributions are paid according to 46 wage classes. Employees of public or private companies contribute 1.365% of gross monthly earnings, plus an additional 1.365% of gross monthly earnings for each dependent up to 4.095% of monthly earnings for three or more dependents.

The minimum monthly earnings for contribution calculation purposes for medical benefits are NT\$17,280 (equal to the minimum monthly wage in 2008).

The maximum monthly earnings for contribution calculation purposes for medical benefits are NT\$131,700.

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

Self-employed person

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

Medical benefits: Contributions are paid according to 46 wage classes: 4.55% of gross monthly income for higher earners or 2.73% of income for lower earners, plus an additional 2.73% of gross monthly income for each dependent up to 8.19% of monthly income for three or more dependents.

The minimum monthly earnings for contribution calculation purposes for medical benefits are NT\$17,280 (equal to the minimum monthly wage in 2008).

The maximum monthly earnings for contribution calculation purposes for medical benefits are NT\$131,700.

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

Employer

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

Medical benefits: Contributions are paid according to 46 wage classes: 3.185% of monthly payroll for employees of public or private firms, plus an additional 2.482% of monthly payroll for dependents, regardless of number.

The employer's contributions also finance work injury medical benefits.

The minimum monthly earnings for contribution calculation purposes for medical benefits are NT\$17,280 (equal to the minimum monthly wage in 2008).

The maximum monthly earnings for contribution calculation purposes for medical benefits are NT\$131,700.

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

Government

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

Medical benefits: Contributions are paid according to 46 wage classes: 0.455% of employee earnings for employees of public and private firms, none for higher-earning self-employed, 1.82% of income for lower-earning self-employed. The average contribution of all insured persons for the dependents of military personnel and the heads of low-income families, plus any deficit. Contributes on behalf of the dependents of insured persons. Pays for the cost of administration.

Government contributions also finance work injury medical benefits.

The minimum monthly earnings for contribution calculation purposes for medical benefits are NT\$17,280 (equal to the minimum monthly wage in 2008).

The maximum monthly earnings for contribution calculation purposes for medical benefits are NT\$131,700.

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

Qualifying Conditions

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

Cash maternity benefit: Must have at least 280 days of contributions before childbirth (181 days of contributions for a premature childbirth).

Medical benefits: Provided for a nonwork-related injury or illness.

Sickness and Maternity Benefits

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

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

Workers' Medical Benefits

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

There is no limit to duration.

The government provides free maternity medical care.

Cost sharing: For ambulatory and emergency care at clinics, 20% of scheduled fees; for hospital visits (according to the type of hospital and the doctor's referral), between 30% and 50%; for inpatient care for short-term illnesses, from 10% (for the first 30 days) to 30% (from the 61st day and thereafter); for inpatient care for chronic long-term illnesses, from 5% (for the first 30 days) to 30% (from the 181st day and thereafter).

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

Dependents' Medical Benefits

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

There is no limit to duration.

The government provides free maternity medical care.

Cost sharing: For ambulatory and emergency care at clinics, 20% of scheduled fees; for hospital visits (according to the type of hospital and the doctor's referral), between 30% and 50%; for inpatient care for short-term illnesses, from 10% (for the first 30 days) to 30% (from the 61st day and thereafter); for inpatient care for chronic long-term illnesses, from 5% (for the first 30 days) to 30% (from the 181st day and thereafter).

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

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

Administrative Organization

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

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

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

Work Injury

Regulatory Framework

First laws: 1929 and 1950.

Current laws: 1958 (labor insurance), implemented in 1960, with amendments; and 2001 (work injury), implemented in 2002.

Type of program: Social insurance system.

Coverage

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

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

Source of Funds

Insured person: None.

Self-employed person: None.

Employer

Cash benefits: 0.05% to 2.97% of monthly payroll, according to the assessed risk of the industry. The average rate is 0.22%. The contribution rate for employers with more than 70 employees is adjusted annually according to the claims rate of the company.

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

Government

Cash benefits: The cost of administration.

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

Qualifying Conditions

Work injury benefits: There is no minimum qualifying period.

Temporary Disability Benefits

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

Permanent Disability Benefits

Permanent disability benefit: If assessed as permanently disabled, a lump sum is paid based on the insured's average monthly covered earnings in the last 6 months before the disability began and the assessed degree of disability.

If assessed as permanently disabled without any capacity to work, an additional lump sum is paid based on 20 months of the insured's average monthly covered earnings in the last 6 months before the disability began and the assessed degree of disability.

Constant-attendance allowance: NT\$10,000 a month is paid if assessed as totally disabled without any capacity to work and in need of constant medical care, supervision, or help to complete daily tasks.

Living allowance: After receiving the lump-sum permanent disability benefit, a monthly allowance of between NT\$1,500 and NT\$7,000 is paid to insured persons with a partial or total permanent disability, according to the assessed degree of disability.

Workers' Medical Benefits

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

There is no limit to duration.

Survivor Benefits

Survivor benefit: 100% of the deceased's pension plus a lump sum equal to 10 months of the deceased's average monthly covered earnings in the 6 months before death is paid.

Eligible survivors are the spouse, children, parents, grandparents, grandchildren, brothers, and sisters.

Survivor grant: A lump sum of 40 months of the deceased's average covered earnings in the 6 months before death is paid.

Survivor's supplement (income-tested): A lump sum of NT\$100,000 may be paid to the dependent spouse, children, or parents.

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

Administrative Organization

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

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

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

Unemployment

Regulatory Framework

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

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

Type of program: Social insurance system.

Coverage

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

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

Source of Funds

Insured person: 0.2% of gross monthly earnings.

Self-employed person: Not applicable.

Employer: 0.7% of monthly payroll.

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

Qualifying Conditions

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

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

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

Unemployment Benefits

The benefit is equal to 60% of average monthly earnings in the 6 months before unemployment. The benefit is paid after a 14-day waiting period for up to 6 months or for up to 3 months for new claims occurring within 2 years of receiving unemployment benefits for at least 6 months.

Early reemployment award: A lump sum of 50% of the total unpaid unemployment benefit that would have been paid for the maximum duration of benefit is paid.

Administrative Organization

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

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