

Vanuatu

Exchange rate: US\$1.00 equals 94.44 vatu.

Old Age, Disability, and Survivors

Regulatory Framework

First and current law: 1986 (provident fund), implemented in 1987, with 1989, 1998, 2000, 2001, and 2003 amendments.

Type of program: Provident fund system.

Coverage

All employees between ages 14 and 55 in regular employment, including members of cooperative societies.

Noncitizens may apply to the Provident Fund Board for exemption if covered by another country's social security scheme.

Exclusions: Persons covered under employer-provided retirement programs approved by the Provident Fund Board; home-based workers; persons in prison, accredited schools, mental hospitals, or leper asylums; and temporary workers in agriculture and forestry with employment contracts of less than 2 months.

Voluntary coverage for ministers of religious organizations and for any person without mandatory coverage between ages 14 and 55, including self-employed persons.

Source of Funds

Insured person: At least 4% of monthly earnings (additional voluntary contributions are permitted without a ceiling). Voluntary contributors pay between 1,000 vatu and 10,000 vatu a month.

The minimum monthly earnings for contribution calculation purposes are 3,000 vatu.

Self-employed person: Voluntary contributions only.

Employer: 6% of monthly payroll.

The minimum monthly earnings for contribution calculation purposes are 3,000 vatu.

Government: None.

Qualifying Conditions

Old-age benefit: Age 55; at any age if emigrating permanently. If the member has withdrawn any amount and makes additional contributions after age 55, no withdrawal is allowed until 2 years after the date of the last withdrawal, unless the member retires or dies.

Disability benefit: Must be permanently incapable of any employment due to a physical or mental disability. The disability is assessed by two registered medical practitioners.

Survivor benefit: Paid on the death of the fund member before retirement.

Death benefit: Paid to named survivors.

Old-Age Benefits

Old-age benefit: A lump sum is paid of total employee and employer contributions, plus compound interest.

Interest rate adjustment: Set annually by the Provident Fund Board depending on the financial performance of the fund.

Permanent Disability Benefits

Disability benefit: A lump sum is paid of total employee and employer contributions, plus compound interest.

Interest rate adjustment: Set annually by the Provident Fund Board depending on the financial performance of the fund.

Survivor Benefits

Survivor benefit: A lump sum is paid of total employee and employer contributions, plus compound interest.

Eligible survivors are the spouse, dependent parents of the deceased or of his or her spouse, and children. Survivors must be named by the deceased, and the benefit is split among survivors as specified by the deceased.

Interest rate adjustment: Set annually by the Provident Fund Board depending on the financial performance of the fund.

Death benefit: A lump sum of 230,000 vatu is paid to named survivors.

Administrative Organization

Ministry of Finance provides general supervision.

Managed by a general manager, a six-member tripartite Provident Fund Board (<http://www.vnpf.com.vu>) administers the program.

Provident Fund Board is responsible for appointing a commercial fund manager and for setting the investment criteria.

Sickness and Maternity

Regulatory Framework

No statutory benefits are provided for sickness and maternity.

The 1983 Employment Act requires employers to:

- provide 100% of wages for sick leave for up to 21 days a year, if the employee has been in continuous employment with the employer for 12 months or more.
- provide 50% of wages for maternity leave of up to 12 weeks (6 weeks before and 6 weeks after the expected date of childbirth). Employers are required to allow a mother to interrupt work twice a day for 30 minutes to feed a nursing child.
- provide medical care for workers and for their dependents when they are living on the employer's property.