

Brunei

Exchange rate: US\$1.00 equals
1.37 Brunei dollars (B\$).

Old Age, Disability, and Survivors

Regulatory Framework

First and current laws: 1955 (old-age and disability pensions), with 1984 (universal pension) amendment; and 1992 (employees' trust fund).

Type of program: Provident fund and universal old-age and disability pension system.

Coverage

Provident fund: All employees up to age 55 who are citizens or permanent residents of Brunei, including government civil servants who began service on or after January 1, 1993. (Civil servants who began service before January 1, 1993, are covered by the government pension scheme.)

Voluntary coverage for persons aged 55 or older and self-employed persons.

Exclusions: Foreign workers.

Special systems for armed forces personnel, police force personnel, and prison wardens.

Universal old-age and disability pension: All residents of Brunei.

Source of Funds

Insured person

Provident fund: 5% of monthly earnings if monthly earnings exceed B\$80. (Additional voluntary contributions are permitted with prior notification given to the employer.)

There are no maximum earnings for contribution calculation purposes.

Universal old-age and disability pension: None.

Self-employed person

Provident fund: Voluntary contributions only.

There are no minimum or maximum declared earnings for contribution calculation purposes.

Universal old-age and disability pension: None.

Employer

Provident fund: 5% of monthly payroll. (Additional voluntary contributions on behalf of employees are permitted.)

There are no minimum or maximum earnings for contribution calculation purposes.

Universal old-age pension: None.

Government

Provident fund: None.

Universal old-age and disability pension: The total cost.

Qualifying Conditions

Old-age benefit

Provident fund: Age 55. Retirement is not necessary.

Early withdrawal: Age 50.

Drawdown payment: Fund members with at least B\$40,000 in their individual account or who have been provident fund members for at least 10 years may draw down funds from their account to build or purchase a house for personal residence.

A lump sum is paid to members of any age if emigrating permanently from the country.

Universal old-age pension: Age 60 and a resident of Brunei. Persons born in Brunei must have at least 10 years of residence immediately before claiming the pension; persons born outside Brunei must have at least 30 years of residence immediately before claiming the pension.

Disability benefit

Provident fund: The fund member must be unable to work as the result of a physical or mental disability. The degree of disability is assessed by the Medical Board.

Universal disability pension: The insured must be unable to work, have resided in Brunei in the 10 years immediately before the disability began, and receive suitable medical treatment and rehabilitation.

Survivor benefit (provident fund): Paid to the next of kin or named survivors.

Old-Age Benefits

Old-age benefit

Old-age benefit (provident fund): A lump sum is paid equal to total employee and employer contributions plus compound interest.

Early withdrawal: Fund members may draw down 25% of accumulated assets.

Drawdown payment: The fund member may draw down up to 45% of accumulated assets in the individual account only once before age 55 to build or purchase a house for personal residence.

Interest rate adjustment: Set by the government annually according to the financial health of the fund, interest rates on savings accounts, and inflation rates.

Universal old-age pension: A flat-rate amount is paid.

Benefit adjustment: The pension is adjusted on an ad hoc basis.

Permanent Disability Benefits

Disability benefit

Disability benefit (provident fund): A lump sum is paid equal to total employee and employer contributions plus compound interest.

Interest rate adjustment: Set by the government annually according to the financial health of the fund, interest rates on savings accounts, and inflation rates.

Universal disability pension: A flat-rate amount is paid.

Benefit adjustment: The pension is adjusted on an ad hoc basis.

Survivor Benefits

Survivor benefit (provident fund): A lump sum is paid equal to total employee and employer contributions plus compound interest.

Interest rate adjustment: Set by the government annually according to the financial health of the fund, interest rates on savings accounts, and inflation rates.

Administrative Organization

Under the supervision of the Employees' Trust Fund Board, the Employees' Trust Fund Department (<http://www.etf.gov.bn>) of the Ministry of Finance is responsible for the administration of contributions and benefits and the investment of funds.

Department of Community Development of the Ministry of Culture, Youth, and Sports (<http://www.beliasukan.gov.bn>) administers the universal benefit program.

Sickness and Maternity

Regulatory Framework

The government provides all residents of Brunei with access to medical benefits, including outpatient and inpatient care provided by registered physicians and, upon referral by a physician, in approved hospitals. The Ministry of Health (<http://www.moh.gov.bn>) registers physicians and approves hospitals that provide services to residents.

Work Injury

Regulatory Framework

First and current law: 1957 (workmen's compensation), with 1984 amendment.

Type of program: Employer-liability system.

Coverage

All employees who are citizens or permanent residents of Brunei.

Exclusions: Household workers, security personnel, and home-based workers.

There is no voluntary coverage.

Source of Funds

Insured person: None.

Self-employed person: Not applicable.

Employer: The total cost is met through the direct provision of benefits.

Government: None.

Qualifying Conditions

Work injury benefits: There is no minimum qualifying period.

Temporary Disability Benefits

Temporary disability benefit: A monthly benefit is paid equal to 67% of the employee's average monthly earnings in the 6 months before the disability began.

The maximum monthly benefit is B\$130.

The benefit is paid after a 4-day waiting period for up to 5 years. If the disability lasts more than 14 days, the benefit is paid retroactively for the first 4 days.

Permanent Disability Benefits

Permanent disability benefit: A lump sum is paid equal to 48 times the employee's average monthly earnings in the 6 months before disability began.

The maximum benefit is B\$9,600.

Constant-attendance supplement (total permanent disability): If the insured requires the constant attendance of others to perform daily functions, a lump sum is paid equal to 25% of the total permanent disability benefit.

Partial disability: A lump sum is paid equal to the total permanent disability benefit multiplied by the assessed percentage of disability, according to a schedule.

If temporary disability benefits are paid for a period exceeding 6 months before the determination of total or partial permanent disability, the temporary disability benefits paid after the 6-month period are deducted from the permanent disability benefit.

Workers' Medical Benefits

The employer must pay for the examination and treatment of the insured by a registered physician and, upon referral by a physician, in approved hospitals.

Survivor Benefits

Survivor benefit: A lump sum is paid equal to 36 times the insured's average monthly earnings in the last 6 months before death.

The maximum benefit is B\$7,200.

Eligible survivors are dependent members of the deceased's family, including the spouse, children, parents, and brothers and sisters.

In the absence of eligible survivors, the employer must pay for the insured's funeral.

Administrative Organization

Workmen's Compensation, Health and Safety Section, of the Department of Labor (<http://www.labour.gov.bn>) enforces the law. The Department of Labor is part of the Ministry of Home Affairs.

Individual employers must pay compensation directly to employees or dependent survivors.

An arbitrator settles disputes regarding the determination and provision of benefits.