

Kazakhstan

Exchange rate: U.S.\$1.00 equals 153.40 tenge.

Old Age, Disability, and Survivors

Regulatory Framework

First law: 1991.

Current laws: 1997 and 2002.

Type of program: Dual mandatory individual accounts and social assistance system.

Notes: In 1998, the social insurance system was replaced by a system of mandatory individual accounts. Benefits continue to be paid for rights earned under the old system.

Provisions and rates are as of January 1997 unless indicated otherwise.

Coverage

Mandatory individual account (new system): All employed residents.

Old-age pension (old system): All employed residents prior to the implementation of the new system.

Social assistance system (new system): Social assistance allowances are provided to pensioners whose pension income falls below a government-set minimum level and to persons without entitlement to contributory benefits.

Special provisions for government employees, teachers, professional athletes, and specific categories of performing artists, truck drivers, machine operators, railway employees, and test pilots.

Source of Funds

Insured person

Mandatory individual account (new system): 10% of wages.

Old-age pension (old system): None.

Social assistance system (new system): None.

Employer

Mandatory individual account (new system): None.

Old-age pension (old system): None.

Social assistance system (new system): None.

Government: Total cost of social allowance benefits. The government provides subsidies as needed to finance benefit rights earned under the old system.

The above contributions also finance cash sickness, maternity, and work injury benefits and family allowances.

Qualifying Conditions

Mandatory individual account (new system): Age 63 (men) and 55 (women) with at least 35 years of contributions.

Early retirement: Age 55 if living in ecologically damaged zones or in zones with a maximum radiation risk; age 52 and 6 months for mothers living in rural areas with five or more children older than age 8.

Old-age pension (old system): Age 63 with 25 years of contributions (men) or age 58 with 20 years of contributions (women).

Early retirement: Age 55 if living in ecologically damaged zones or in zones with a maximum radiation risk; age 52 and 6 months for mothers living in rural areas with five or more children older than age 8.

Old-age social allowance (new system): Paid to low-income pensioners and to citizens who are ineligible for an old-age pension.

Disability social allowance (new system): Assessed as disabled.

Survivor social allowance (new system): The death of the family breadwinner.

Old-Age Benefits

Mandatory individual account (new system): Insured's contributions plus accrued interest.

Old-age pension (old system): 60% of earnings plus 1% of earnings for each year in excess of 25 years (men) or 20 years (women) of work. The pension is paid monthly.

Partial pension (if insufficient years of covered employment): Monthly benefit is reduced in proportion to the number of years below required years of coverage.

Benefit adjustment: Periodic benefit adjustment according to changes in the consumer price index.

Old-age social allowance (new system): 100% of the social minimum (4,336 tenge as of January 2002).

Benefit adjustment: Established yearly in the national budget.

Permanent Disability Benefits

Disability social allowance (new system): Flat-rate monthly allowances according to the assessed degree of disability and the prescribed category of disabled person.

Benefit adjustment: Periodic benefit adjustment according to changes in the consumer price index.

Survivor Benefits

Survivor social allowance (new system): Flat-rate monthly allowances according to family size and whether any family members are disabled.

Benefit adjustment: Periodic benefit adjustment according to changes in the consumer price index.

Administrative Organization

Individual account system (new system): Committee for the Regulation of Pension Funds within the Ministry of Labor and Social Protection is responsible for licensing and supervising nonstate pension funds as well as for controlling and supervising the single state pension fund.

Old-age pension (old system): Ministry of Labor and Social Protection provides general coordination and supervision. Regional departments of the Ministry of Labor and Social Protection administer the program.

Social assistance system (new system): Regional departments of the Ministry of Labor and Social Protection administer the system.

Sickness and Maternity

Information is not available.

Work Injury

Regulatory Framework

First law: 1955 (short-term benefits).

Current law: 1993 (labor safety).

Type of program: Employer-liability system.

Coverage

Cash benefits: Employed persons.

Medical care: Employed persons.

Source of Funds

Insured person: Voluntary contributions.

Employer: The cost of certain grant payments.

Government: The cost of disability and survivor benefits.

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 benefit: See permanent disability benefits under Old Age, Disability, and Survivors, above.

Lump-sum grant: Depending on the nature of the disability, employers provide compensation to meet any additional costs caused by a work injury.

Workers' Medical Benefits

Information is not available.

Survivor Benefits

Survivor allowance: See survivor benefits under Old Age, Disability, and Survivors, above.

Funeral benefit: Financed from the national budget and by employers.

Death grant: The employer pays to dependents a sum equal to 10 times the insured's wages.

Administrative Organization

Temporary disability benefits: Enterprises and employers pay benefits to employees.

Permanent disability benefits: Regional departments of Ministry of Labor and Social Protection administer the program.

Medical care: Ministry of Health and health departments of local governments provide general supervision and coordination.

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

Medical Insurance Fund finances approved medical treatments.

Unemployment

Information is not available.

Family Allowances

Regulatory Framework

First and current law: 2001 (targeted social assistance).

Type of program: Social assistance.

Coverage

Citizens, refugees, foreigners, and stateless persons resident in Kazakhstan who satisfy a needs test and an income test; disabled persons, persons in full-time education or training, persons aged 80 and older, and children under age 7.

Source of Funds

Insured person: None.

Employer: None.

Government: Total cost.

Qualifying Conditions

Resident; needs-tested and income-tested.

Family Allowance Benefits

A person or family must satisfy both needs and income tests.
Income for social assistance allowances is not included.

Administrative Organization

Ministry of Labor and Social Protection provides general coordination and supervision. Regional departments of labor and social protection administer the program.