

Laos

Exchange rate: U.S.\$1.00 equals 9,545 kip.

Old Age, Disability, and Survivors

Regulatory Framework

First and current law: 1999, implemented in 2001.

Type of program: Social insurance system.

Coverage

Mandatory for all private-sector and state-owned enterprises with 10 or more employees, except for international organizations operating in Laos.

Voluntary insurance for workers in smaller enterprises to be organized under the regulations.

Separate scheme for civil servants and the armed forces.

Source of Funds

Insured person: 4.5% of wages.

Contributions also finance sickness and maternity and work injury programs.

Employer: 5% of payroll.

Contributions also finance sickness and maternity and work injury programs.

Government: Administrative costs for the salaries of civil servants who work for the Social Security Organization.

Qualifying Conditions

Old-age pension: Age 60 (men and women) with 5 years of covered employment.

Early pension: Age 55.

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

Disability pension: Permanent or long-term inability to earn usual income. At least 5 years of covered employment and in covered employment at the onset of disability.

Carer's benefit: A need for frequent or constant attendance given by other persons in order to complete routine daily activities.

Survivor pension: Deceased had at least 5 years of covered employment. The spouse was married to the deceased at the time of death, must not have remarried, and must be at least age 44; a widow younger than age 44 must have young dependents or be disabled or otherwise incapable of gainful employment; a widower must be disabled or otherwise incapable of gainful employment.

Adaptation benefit: The deceased was in covered employment at the time of death. The benefit is payable to the spouse (not divorced) and for school-age or disabled children.

Orphan's pension: The pension is payable to children up to age 18; age 25 if in full-time education.

Death grant: The deceased was in covered employment for at least 12 out of the last 18 months.

Old-Age Benefits

Old-age pension: The pension is calculated according to the insured's total pension points, multiplied by the adjusted average wage. The resulting amount is then multiplied by 1.5%.

Awarded pension points may be earned, purchased, or credited. For a pension point to be awarded, the covered annual earnings of the insured person must be equal to the average earnings in that year.

For a working career that began before the scheme was introduced, workers are credited with 0.8 pension points per year for a minimum of 1 year (if aged 31 at the time of the scheme's introduction) increasing up to a maximum of 15 years (if aged 45 or older at that time).

Pension points may be purchased under certain conditions to be established in the regulations.

Early pension: Pensions are reduced by 0.5% a month for each month the pension is drawn before age 60.

Deferred pension: Pensions deferred after age 60 are increased by 0.5% per month.

Lump-sum benefit: A lump sum is awarded at pensionable age if the insured has less than 5 years of covered employment.

Permanent Disability Benefits

Disability pension: The pension is calculated in the same manner as the old-age pension except that pension points are also credited for the number of years remaining until the insured reaches pensionable age.

Carer's benefit: Not yet implemented.

Survivor Benefits

Survivor pension: 60% of the old-age pension of the deceased. If the worker died before reaching pensionable age, the pension is equal to 60% of the disability pension, calculated as if the worker was entitled to a disability pension at the time of death.

Adaptation benefit: 80% of the deceased's covered earnings.

Orphan pension: 20% of the old-age pension or disability pension. The maximum pension is 60% for three or more children.

Maximum total survivor benefit is equal to 80% of the old-age pension or disability pension.

Death grant: A variable lump-sum payment.

Administrative Organization

Social Security Organization administers the program.

Sickness and Maternity

Regulatory Framework

First and current law: 1999, implemented in 2001.

Type of program: Social insurance system.

Coverage

Mandatory for all private-sector and state-owned enterprises with 10 or more employees, except for international organizations operating in Laos.

Voluntary insurance for workers in smaller enterprises to be organized under the regulations.

Separate scheme for civil servants and the armed forces.

Source of Funds

Insured person: See Old Age, Disability, and Survivors, above.

Employer: See Old Age, Disability, and Survivors, above.

Government: See Old Age, Disability, and Survivors, above.

Qualifying Conditions

Medical benefits: At least 3 out of the last 12 months in covered employment. Entitlement extends until 6 months after the date of the last payment of contributions or after last receiving sickness benefit. Benefits may be extended until the end of a period of treatment for a life-threatening condition.

Sickness benefit: At least 3 out of the last 12 months in covered employment and no longer eligible for statutory sick pay.

Maternity benefit: At least 9 out of the last 12 months in covered employment.

Birth grant: At least 12 out of the last 18 months in covered employment.

Sickness and Maternity Benefits

Sickness benefit: 60% of covered earnings; for the partial resumption of work, the benefit is 60% of the difference between earnings from partial activity and previous earnings.

Benefit is payable for up to 12 months and may be extended for up to 18 months if the insured person is likely to return to work at the end of the period.

Maternity benefit: 100% of covered earnings for a period of 3 months.

Birth grant: 60% of the monthly minimum wage.

Workers' Medical Benefits

Preventive, curative, and rehabilitative services, including maternity care and treatment of employment injuries and diseases but excluding treatment resulting from motor vehicle accidents. Accredited providers deliver medical services and are paid on a per capita basis.

Dependents' Medical Benefits

Same as for the insured.

Eligible dependents: The spouse and children up to age 18 (age 25 if a full-time student; no limit if disabled).

Voluntary insurance for other family members.

Administrative Organization

Social Security Organization administers the program.

Work Injury

Regulatory Framework

First and current law: 1999, implemented in 2001.

Type of program: Social insurance system.

Coverage

Mandatory for all private-sector and state-owned enterprises with 10 or more employees, except for international organizations operating in Laos. Paid trainees and volunteers for rescue operations.

Separate scheme for civil servants and the armed forces.

Employers must provide similar benefits for noncovered employees.

Source of Funds

Insured person: None.

Employer: See Old Age, Disability, and Survivors, above.

Government: See Old Age, Disability, and Survivors, above.

Qualifying Conditions

There is no minimum qualifying period.

Temporary Disability Benefits

100% of insured's earnings during the first 6 months and 60% during the following 12 months. If the insured is partially reemployed, the benefit is calculated as the difference between earnings from partial activity and previous earnings.

Permanent Disability Benefits

Permanent disability benefit: The benefit is calculated as the percentage of permanent loss of earning capacity multiplied by 67.5% of average earnings during the last 12 months.

Carer's benefit: A need for frequent or constant attendance given by other persons in order to complete routine daily activities. The benefit is calculated according to the number of hours of care needed per month times the minimum wage.

Disability grant: A lump sum is awarded if the assessed degree of permanent disability is less than 25%.

Survivor Benefits

Survivor benefits: Payable to surviving parents, a spouse, and children after the last adaptation benefit has been paid.

The spouse or parents receive 50% of average earnings of the last 12 months; each child receives 15% of average earnings of the last 12 months. If there is no entitled surviving spouse or entitled surviving parents, the benefit awarded to a child is increased to 20% per child up to a maximum of 60%.

The total benefit for all surviving relatives can exceed the maximum amount of permanent disability benefit to which the deceased could have been entitled.

Funeral benefit: A lump sum equal to 6 months of insured earnings.

Administrative Organization

Social Security Organization administers the program.