

Marshall Islands

Exchange rate: Currency is the U.S. dollar (U.S.\$).

Old Age, Disability, and Survivors

Regulatory Framework

First law: 1967.

Current law: 1990.

Type of program: Social insurance system.

Note: This information is more than 4 years old.

Coverage

Gainfully employed persons, including the self-employed.

Exclusions: Casual labor under certain circumstances.

Source of Funds

Insured person: 5% of earnings; the self-employed, 10% of 3/4 of gross revenue.

Employer: 5% of payroll; small businesses, 10% of twice the salary of the highest-paid employee.

Government: None, except for the contribution as an employer.

Maximum earnings for contribution and benefit purposes are U.S.\$5,000 a quarter.

Qualifying Conditions

Old-age pension: Age 55 with 80 quarters of coverage or age 60 with 1 quarter of coverage for each year after June 1968 up to age 60.

Disability pension: Incapacity for substantial gainful activity due to an impairment likely to last 1 year or result in death.

One quarter of coverage for each year after June 1968 (or since age 21, if later) with at least 12 quarters of coverage, or 6 quarters of coverage during the last 40 quarters.

Survivor pension: Insured had 1 quarter of coverage for each year after June 1968 (or since age 21, if later) or at least 6 quarters of coverage in the 40 quarters preceding death.

Income test: The pension is reduced by U.S.\$1 for each U.S.\$3 of earnings above U.S.\$1,500 a quarter for pensioners who are less than 62 years old.

Pensions are payable abroad to citizens if reciprocity exists.

Old-Age Benefits

Old-age pension: 2% of indexed covered earnings, plus 14.5% of the first U.S.\$11,000 of cumulative covered earnings, plus

0.7% of cumulative covered earnings in excess of U.S.\$11,000 but not in excess of U.S.\$44,000.

The minimum old-age pension is U.S.\$128.99 a month.

Permanent Disability Benefits

Disability pension: 2% of indexed covered earnings, plus 14.5% of the first U.S.\$11,000 of cumulative covered earnings, plus 0.7% of cumulative covered earnings in excess of U.S.\$11,000 but not in excess of U.S.\$44,000.

The minimum disability pension is U.S.\$128.99 a month.

Survivor Benefits

Survivor pension: 100% of the insured's pension, payable to a widow(er) at any age.

Orphan's pension: 25% of the insured's pension for each orphan under age 18 (age 22 if a student; no age limit if disabled before age 22).

The minimum survivor pension is U.S.\$128.99 a month.

The maximum survivor pension is 100% of the insured's pension.

Lump-sum benefits: If the insured did not meet the qualifying conditions in terms of covered quarters, a lump-sum benefit equal to 4% of cumulative covered earnings is payable to the survivor.

Administrative Organization

Social Security Administration administers the program.