

## Moldova

Exchange rate: US\$1.00 = 11.68 new lei.

### Old Age, Disability, and Survivors

#### Regulatory Framework

**First laws:** 1956 (state pensions) and 1964 (pensions and allowances for collective farmers).

**Current laws:** 1998 (state social insurance pensions), 1999 (public social insurance), 2000 (social insurance), 2001 (pension calculations), and 2008 (civil servants).

**Type of program:** Social insurance system.

#### Coverage

Employed citizens, agricultural workers, and certain self-employed persons.

Special systems for military personnel and employees of the Ministry of Internal Affairs.

#### Source of Funds

**Insured person:** 6% of monthly salary and other earnings.

There are no minimum earnings used to calculate contributions.

The maximum earnings used to calculate contributions are five times the legal national average monthly wage.

The legal national average monthly wage is 2,950 lei.

The insured's contributions also finance cash sickness and maternity benefits.

**Self-employed person:** An annual flat-rate contribution of 4,707 lei. Agricultural landowners contribute 1,164 lei.

**Employer:** 23% of payroll (industrial sector); 22% of payroll (agricultural sector).

The contribution rate for employers who are not overdue in the payment of social insurance contributions may be reduced by 2%.

There are no minimum or maximum earnings used to calculate contributions.

The employer's contributions also finance cash sickness and maternity benefits, work injury benefits, unemployment benefits, family allowances, and the death grant.

**Government:** 50% of pensions for civil servants, and judges and prosecutors.

#### Qualifying Conditions

**Old-age pension (social insurance):** Age 62 with at least 30.5 years of coverage (men, rising gradually to 35 years by 2021) or age 57 with at least 30 years of coverage (women).

Age 54 with at least 30.5 years of coverage, including at least 10 years in hazardous or arduous conditions (men), or age 49 with at least 30 years of coverage, including at least 7.5 years in hazardous or arduous conditions (women).

Age 54 with at least 30 years of coverage for women who have given birth to and raised five or more children.

Civil servants who meet the coverage qualifying period (at least 30.5 years of coverage for men and 30 years for women, including at least 15 years as a civil servant) may receive a pension 4.5 years before the normal pensionable age.

Partial pension: Age 62 (men) or age 57 (women) with at least 15 years of coverage.

Deferred pension: The pension may be deferred with more than 35 years of coverage. There is no age limit.

Old-age pensions are payable abroad under bilateral agreement.

**Old-age pension (social pension):** Paid to citizens of pensionable age who are not eligible for the social insurance old-age pension.

The social pension is payable abroad.

**Disability pension (social insurance):** For a full pension, the insured must be assessed with a Group I disability (an incapacity for any work and requiring constant attendance), Group II disability (an incapacity for any work but not requiring constant attendance), or Group III disability (incapacity for usual work).

The required coverage period varies according to the insured's age when the disability began: at least one year if younger than age 23; two years if aged 23 to 25; three years if aged 26 to 31; or five years if older than age 31.

If the coverage period is less than a year, the insured may receive a social pension.

The degree of loss of working capacity is assessed by the Medical Fitness Examining Committee.

The disability pension is payable abroad.

For a work-related disability, work injury benefits supplement the disability pension provided under Old Age, Disability, and Survivors.

**Disability pension (social pension):** Paid to persons with a disability that began in childhood and to children younger than age 16 with disabilities (Groups I, II, or III) who are not eligible for a social insurance disability pension.

The social pension is not payable abroad.

**Survivor pension (social insurance):** The insured was a pensioner or met the requirements for the old-age (partial or full) pension or disability (Groups I, II, or III) pension.

Eligible survivors include widow(er)s and orphans. The surviving spouse must be of pensionable age (or within five years of retirement) or disabled (Group I or II) at the time of the insured's death; married to the deceased for at least 15 years; or caring for a child younger than age 3 and not employed. Children must be younger than age 18 (age 23 if a student, no limit if disabled).

The widow(er)'s pension ceases on remarriage.

The survivor pension is payable abroad under bilateral agreement.

**Survivor pension (social pension):** Paid to survivors who are not eligible for a social insurance survivor pension.

The social pension is not payable abroad.

**Death grant:** Paid for the death of an insured or noninsured person.

### **Old-Age Benefits**

**Old-age pension (social insurance):** The pension is based on the number of years of coverage, the effective date of retirement, and average monthly earnings plus 2% of wages for each year of coverage exceeding 30.5 years.

The maximum earnings used to calculate benefits are five times the legal national average monthly wage.

The legal national average monthly wage is 2,950 lei.

The minimum monthly pension is 641 lei (April 2011); 570.66 lei for agricultural workers (April 2011).

There is no maximum monthly pension.

Partial pension: The pension is reduced in proportion to the number of years of coverage less than 30.5 years.

Deferred pension: The pension is increased by 2% of wages for each year of deferral.

**Old-age allowance (social pension):** 96.35 lei a month is paid (April 2011).

Benefit adjustment: Benefits are adjusted in April according to increases in consumer prices and average earnings in the previous year.

### **Permanent Disability Benefits**

**Disability pension (social insurance):** The pension is based on monthly average covered earnings, the number of years of coverage, and a coefficient related to the assessed disability.

The coefficient is 0.42 for a Group I disability; 0.35 for Group II; 0.2 for Group III.

The minimum monthly pension is 456.02 lei for Group I; 440.36 lei for Group II; 310.08 lei for Group III (April 2011).

There is no maximum monthly pension.

The maximum earnings used to calculate benefits are five times the legal national average monthly wage.

The legal national average monthly wage is 2,950 lei.

**Disability pension (social pension):** 125.14 lei a month is paid for a Group I disability; 107.75 lei for Group II; 63.52 lei for Group III. A person with a Group I disability that began in childhood or who is younger than age 18 years receives 306.78 lei monthly; 260.49 lei for Group II; 249.67 lei for Group III.

Persons who provide care for a child younger than age 16 with a Group I disability, for a person whose Group I disability began in childhood, or for a blind person with a Group I disability receive 300 lei a month.

Benefit adjustment: Benefits are adjusted periodically according to changes in the cost of living.

### **Survivor Benefits**

**Survivor pension (social insurance):** 50% of the deceased's pension is paid for one survivor, 75% for two, or 100% for three or more.

Partial pension: The pension is reduced in proportion to the number of years of coverage less than 30.5 years.

**Full orphan's pension (social insurance):** Calculated in the same way as for the survivor pension.

The minimum paid for each child is 50% of the minimum old-age pension.

Partial pension: The pension is reduced in proportion to the number of years of coverage less than 30.5 years.

There is no maximum survivor pension.

**Survivor pension (social pension):** 87.91 lei is paid for one orphan. The pension is doubled for full orphans.

**Death grant:** A lump sum of 1,000 lei is paid for the death of an insured person; 800 lei for a noninsured person.

Benefit adjustment: Benefits are adjusted periodically according to changes in the cost of living.

### **Administrative Organization**

Ministry of Labor, Social Protection and Family (<http://mmpsf.gov.md>) is responsible for social security policy.

National Office of Social Insurance (<http://www.cnas.md>) administers the program.

### **Sickness and Maternity**

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#### **Regulatory Framework**

**First law:** 1993.

**Current laws:** 1995 (health), 1997 (prenatal care), 1999 (family planning), and 1999 (social insurance system).

**Type of program:** Social insurance system.

### Coverage

**Cash sickness and maternity benefits:** Salaried citizens; agricultural workers; self-employed persons; elected or appointed officials in government, parliament, and the judicial system; persons with disabilities; and unemployed persons.

**Medical benefits:** All persons residing in Moldova.

### Source of Funds

**Insured person:** See source of funds under Old Age, Disability, and Survivors.

**Self-employed person:** See source of funds under Old Age, Disability, and Survivors.

**Employer:** See source of funds under Old Age, Disability, and Survivors.

**Government:** For cash sickness and maternity benefits, see source of funds under Old Age, Disability, and Survivors. The total cost of medical benefits.

### Qualifying Conditions

**Cash sickness and maternity benefits:** Insured persons residing in Moldova.

**Child care allowance (medical leave):** Paid to provide care for a sick child younger than age 7 (younger than age 16 for a disabled child with a short-term incapacity that is not the result of, or related to, the assessed disability).

**Medical benefits:** All persons residing in Moldova.

### Sickness and Maternity Benefits

**Sickness benefit:** 60% of the insured's average earnings is paid with less than five years of coverage; 80% with five to eight years; 90% with more than eight years. The benefit is paid from the first day of sickness for up to 180 days; may be extended up to 30 days in certain cases.

Average earnings are based on the insured's earnings in the last six months before the incapacity began; for less than six months, average earnings are based on the full calendar months worked within the period, the total hours worked, or a reference wage established for each particular job.

**Sick childcare allowance (medical leave):** The allowance is calculated in the same way as the sickness benefit, above.

**Maternity benefit:** 100% of the insured's average earnings is paid from the 30th week of pregnancy for 126 days.

For the adoption of a child, the benefit is paid for 56 days after the date of adoption.

Average earnings are based on the insured's earnings in the last six months before the incapacity began; for less than six months of earnings, average earnings are based on the

full calendar months worked within the period, the total hours worked, or a reference wage established for each particular job.

### Workers' Medical Benefits

Medical care is provided by the state. Free hospital treatment is provided for a limited number of days.

Cost sharing: The insured pays a small percentage of the cost of some medical care.

There is no limit to duration.

### Dependents' Medical Benefits

Medical benefits for dependents are the same as those for the insured.

### Administrative Organization

Ministry of Health (<http://www.ms.gov.md>), with local authorities and the trade unions, supervises the provision of medical care.

Ministry of Health, National Agency of Health Insurance (<http://www.atchisinau.com.md>), and local health departments administer medical services provided through clinics, hospitals, and other facilities.

### Work Injury

#### Regulatory Framework

**First law:** 1991 (labor protection).

**Current laws:** 1993 (occupational diseases), 1997 (work injury), 1999 (work injury and occupational diseases insurance), 2001 (work injury allowances), and 2005 (disability assessment).

**Type of program:** Social insurance (cash benefits) and universal (medical benefits) system.

Local authorities and employers may provide supplementary pension benefits out of their own budgets.

Note: For a work-related disability, work injury benefits supplement the disability pension provided under Old Age, Disability, and Survivors.

#### Coverage

**Cash and medical benefits:** Employed persons, members of cooperatives, students, and persons undergoing professional training.

Voluntary coverage for self-employed persons.

#### Source of Funds

**Insured person:** None.

**Self-employed person:** See source of funds under Old Age, Disability, and Survivors.

**Employer:** See source of funds under Old Age, Disability, and Survivors.

**Government:** None.

### **Qualifying Conditions**

**Work injury benefits:** The assessed disability must be work related. Work-related activities include vocational training; participation in social, cultural, or sporting events organized by the employer; or travel between different places of work (including abroad) if related to work.

The insured must be assessed with a Group I disability (incapacity for any work and requiring constant attendance), Group II disability (incapacity for any work but not requiring constant attendance), or Group III disability (incapacity for usual work).

The degree of loss of working capacity is assessed by the Medical Fitness Examining Committee.

### **Temporary Disability Benefits**

The benefit for a Group I or Group II disability is based on the difference between the level of disability benefit provided under Old Age, Disability, and Survivors, and 66.7% of the insured's average earnings in the six months before the disability began. For a Group III disability, the benefit is a percentage of the Group II amount corresponding to the degree of loss of working capacity.

The benefit is paid from the first day of the incapacity up to 180 days or until recovery or the award of a permanent disability pension.

**Employment transfer reimbursement:** Paid if the insured is no longer capable of working in the usual job and is transferred by the employer to another job that results in a loss of earnings. The difference between the insured's average monthly wage in the last six months and the insured's average wage received in the new position of employment is paid for 90 days.

### **Permanent Disability Benefits**

**Permanent disability pension:** The pension is paid according to the insured's income before 1999 and three groups of assessed disability (see Qualifying Conditions, above.).

The Medical Fitness Examining Committee assesses the degree of loss of working capacity.

**Death grant:** A lump sum is paid depending on the category and number of dependents up to 24 times the legal national average monthly wage.

The legal national average monthly wage is 2,950 lei.

### **Workers' Medical Benefits**

Medical services are provided directly to patients by government health providers and include general and specialist

care, hospitalization, laboratory services, transportation, appliances, and medicine.

### **Survivor Benefits**

**Survivor pension:** At least 50% of the deceased's pension is paid for one survivor, 75% for two, and 100% for three or more.

The maximum pension is 24 times the legal national average monthly wage.

The legal national average monthly wage is 2,950 lei.

The survivor pension ceases on remarriage.

**Full orphan's pension:** Calculated in the same way as for the survivor pension.

The minimum paid for each child is 50% of the minimum old-age pension.

The maximum pension is 24 times the legal national average monthly wage.

The legal national average monthly wage is 2,950 lei.

### **Administrative Organization**

Enterprises and employers pay temporary disability benefits for their employees.

Ministry of Labor, Social Protection, and Family of the Republic of Moldova (<http://mmps.gov.md>) and National Office of Social Insurance of the Republic of Moldova (<http://www.cnas.md>) coordinate and supervise the Work Injury Fund.

Local government health departments of the Ministry of Health (<http://www.ms.md>) administer medical services provided through clinics, hospitals, and other facilities.

### **Unemployment**

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#### **Regulatory Framework**

**First and current laws:** 1992 and 2003.

**Type of program:** Social insurance system.

#### **Coverage**

Citizens with a permanent address in Moldova, including self-employed persons.

#### **Source of Funds**

**Insured person:** None.

**Self-employed person:** See source of funds under Old Age, Disability, and Survivors.

**Employer:** See source of funds under Old Age, Disability, and Survivors.

**Government:** Subsidies as required.



## Qualifying Conditions

**Unemployment benefit:** The insured must be registered at an employment office, have at least six months of previous covered employment in the last 24 months before the date of registration, be willing and able to work, and have no taxable income.

Benefits may be reduced, postponed, suspended, or terminated if the insured is discharged for violating work discipline rules, leaving employment without good cause, violating conditions for a job placement or vocational training, or filing fraudulent claims.

## Unemployment Benefits

**Unemployment benefit:** 30% of the insured's average wage in the best nine months in the last 24 months is paid for workers laid off under an agreement between the employer and employee, who are actively seeking work; 40% for workers who were laid off because their contract is over; 50% for workers who were laid off because of the closure of the work place.

The legal national average monthly wage is 2,950 lei.

With up to five years of employment, the benefit is paid for up to six months; with five to 10 years, the benefit is paid for up to nine months; with more than 10 years of employment, the benefit is paid for up to 12 months.

**Benefit adjustment:** Benefits are adjusted every January according to changes in the legal national average wage of the previous year.

## Administrative Organization

Ministry of Labor, Social Protection and Family (<http://mmpsf.gov.md>) and National Employment Agency administer the program.

## Family Allowances

### Regulatory Framework

**First law:** 1977.

**Current laws:** 1992 (children); 1993 (children and family protection); 1999 (social insurance benefits); 2002 (family allowances); and 2004 (temporary disability allowances), implemented in 2005.

**Type of program:** Social insurance and social assistance system.

### Coverage

Families with children residing in Moldova.

### Source of Funds

**Insured person:** None.

**Self-employed person:** See source of funds under Old Age, Disability, and Survivors.

**Employer:** See source of funds under Old Age, Disability, and Survivors.

**Government:** None.

## Qualifying Conditions

**Family allowance (social insurance):** Paid for children younger than age 16 (age 18 if a student). Other qualifying conditions vary according to the type of benefit. For children older than 18 months, the benefit is means tested. The average monthly income for each family member, including children, is 18 lei; for families with at least three children, 27 lei; for single mothers, 54 lei.

**Disabled child allowance:** Paid for a child younger than age 16 assessed with a disability by the Medical Fitness Examining Committee.

**Single mother allowance:** Paid to a single mother.

**Birth grant:** Paid for each live birth, regardless of family income.

**Child-raising allowance:** Paid for a child up to age 3 to an insured person who is on child-raising leave or to another eligible person (a parent, grandparent, or other relative or guardian, regardless of family income); paid for a child up to age 1 year and 6 months to a noninsured person.

**Children under guardianship (social assistance):** Means-tested assistance is paid for children aged 3 to 16.

## Family Allowance Benefits

### Family allowances (social insurance)

The amount of social insurance benefits paid depends on the insured's monthly average earnings in the last six months.

**Disabled child allowance:** 250 lei a month is paid for a child with a severe disability (including disabilities from birth) until age 16.

**Single mother allowance:** 50 lei a month is paid if average per capita family monthly income is 54 lei or less.

**Birth grant:** 2,000 lei for the first child; 2,300 lei for each additional child.

**Child-raising allowance:** For an insured person's child up to age 3, the allowance is 30% of the insured's average income but not less than 300 lei; for a noninsured person's child up to age 1 year and 6 months, 150 lei is paid.

**Children under guardianship (social assistance):** Up to 200 lei a month is paid, depending on family income. The average per capita family income in the previous six months must be 54 lei or less.

***Administrative Organization***

Ministry of Labor, Social Protection and Family (<http://mmps.gov.md>) coordinates and supervises the program.

Local departments of social security administer benefits to non-working parents.

Enterprises and employers award benefits and provide payments to their own employees.