

## Kiribati

Exchange rate: US\$1.00 equals  
1.05 Australian dollars (A\$).

### Old Age, Disability, and Survivors

#### Regulatory Framework

**First and current law:** 1976 (provident fund), with 2001, 2004 and 2005 amendments.

**Type of program:** Provident fund system.

#### Coverage

Employed persons aged 14 or older earning at least A\$10 a month, including employees of the government, public enterprises, cooperatives, and the private sector.

Voluntary coverage for former employees and certain groups of self-employed persons (such as seafarers and copra cutters).

Exclusions: Household workers and Kiribati nationals employed under overseas service contracts.

#### Source of Funds

**Insured person:** 7.5% of gross wages.

Insured persons are allowed to increase their contribution rate and to make unlimited lump-sum contributions without affecting the employer contribution rate.

The special death benefit is financed by deducting A\$5 a year from all employee accounts from which no withdrawals have ever been made.

**Self-employed person:** Not applicable.

**Employer:** 7.5% of payroll.

**Government:** None; contributes as an employer.

#### Qualifying Conditions

**Old-age benefit:** Age 50 (men and women); at any age if emigrating permanently.

Early withdrawal: Age 45 if retired permanently from employment or if evidence of the intention to retire permanently is provided; partial withdrawals are permitted at age 45 while employed.

**Disability benefit:** Must be assessed with a physical or mental incapacity for work by two independent doctors or medical practitioners.

**Survivor benefit:** Paid if the deceased fund member had not withdrawn any part of the amount credited to his or her account.

**Special death benefit:** Paid for the death of a fund member.

#### Old-Age Benefits

**Old-age benefit:** A lump sum is paid equal to the total employee and employer contributions plus accumulated interest. Multiple partial withdrawals are permitted. If the fund member makes a partial withdrawal at age 45 while employed, the remaining amount cannot be withdrawn until age 50.

The interest rate is 7.5% a year.

Interest rate adjustment: The interest rate is reviewed annually by the National Provident Fund Board.

Loan scheme: Up to 70% of the member's account balance may be pledged against a loan from approved lending institutions. In the event of loan default, the outstanding sum is paid from the account if under court order.

#### Permanent Disability Benefits

**Disability benefit:** A lump sum is paid equal to total employee and employer contributions plus accumulated interest.

The interest rate is 7.5% a year.

Interest rate adjustment: The interest rate is reviewed annually by the National Provident Fund Board.

#### Survivor Benefits

**Survivor benefit:** A lump sum is paid equal to total employee and employer contributions plus accumulated interest. The lump sum is paid to a named survivor; if no survivor has been named, the accumulated capital is transferred to the High Court and distributed according to law.

The interest rate is 7.5% a year.

Interest rate adjustment: The interest rate is reviewed annually by the National Provident Fund Board.

**Special death benefit:** The benefit is equal to 50% of the amount credited to the deceased member's fund at the time of death.

The maximum special death benefit is A\$1,500.

#### Administrative Organization

The National Provident Fund Board administers the program and is organized on a tripartite basis consisting of two representatives each from government, employer organizations, and employee organizations.

## Work Injury

### Regulatory Framework

**First and current law:** 1949 (workmen's compensation), with amendments.

**Type of program:** Employer-liability system, involving compulsory insurance with a private carrier.

### Coverage

Employed persons earning A\$10,000 or less a year, including seamen employed on Kiribati ships.

Exclusions: Casual employees.

### Source of Funds

**Insured person:** None.

**Self-employed person:** Not applicable.

**Employer:** The total cost.

**Government:** None.

### Qualifying Conditions

**Work injury benefits:** There is no minimum qualifying period. For occupational diseases, the incapacity or death must have occurred during employment or within 12 months after employment ended.

### Temporary Disability Benefits

The benefit is equal to 100% of earnings for monthly earnings up to A\$40; 75% of earnings for monthly earnings greater than A\$40 up to A\$60; or 66.6% of earnings for monthly earnings greater than A\$60.

The benefit is paid after a 3-day waiting period.

The maximum benefit is A\$160 a month.

The total maximum benefit is equal to the lump sum payable for total or partial permanent disability.

### Permanent Disability Benefits

**Permanent disability grant:** A lump sum is paid equal to 48 months' earnings.

The minimum grant is A\$500.

The maximum grant is A\$25,000.

Constant-attendance supplement: Equal to 25% of the permanent disability grant.

Partial disability: A percentage of the permanent disability grant is paid according to the assessed degree of disability and the schedule in law. The total payment must not exceed the full benefit payable under permanent total disability.

### Workers' Medical Benefits

Medical and surgical care are provided.

### Survivor Benefits

**Survivor grant:** A lump sum is paid equal to 48 months of earnings.

The minimum grant is A\$400.

The maximum grant is A\$25,000.

**Funeral grant:** Burial expenses of up to A\$30 are paid if there are no eligible survivors.

### Administrative Organization

Ministry of Labor, Employment, and Cooperatives administers claims and calculates the benefits due.

Employers insure work injury liability with the Kiribati Insurance Corporation.