

## Russia

Exchange rate: U.S.\$1.00 equals  
30.47 rubles (R).

### Old Age, Disability, and Survivors

#### Regulatory Framework

**First law:** 1922.

**Current laws:** 1995, 1996, and 2001 (state pension security; labor pensions; mandatory pension insurance).

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

#### Coverage

Employed citizens, self-employed persons, and independent farmers. There are special provisions for civil servants, military personnel, policemen and policewomen, war veterans, and other specified groups.

#### Source of Funds

**Insured person:** Employees make no contribution. Self-employed persons and independent farmers contribute a monthly fixed amount of R150.

**Employer:** 28% of payroll, 14% of which is part of the Single Social Tax (SST) that finances the basic part of the labor pension and 14% of which is transferred to the Pension Fund to finance the insurance and funded elements of the labor pension. Agricultural enterprises pay 20.6% of payroll. Organizations for the disabled and for pensioners are exempted from the SST but pay contributions for mandatory pension insurance.

The overall 35.6% of payroll SST finances pensions provided under the State Pension Security law as well as the basic part of the labor pension, sickness and maternity benefits, and medical care benefits. The employer's contribution noted above is included in this rate. The contribution rate is lowered on annual income exceeding R100,000. Employers can provide supplementary benefits out of their own budgets.

**Government:** Full cost of social pensions and of service pensions for state employees, military personnel, policemen and policewomen, and other specified groups. Republics and local authorities can provide supplementary benefits out of their own budgets.

#### Qualifying Conditions

##### Old-age pensions

**Old-age labor pension:** Age 60 (men) or age 55 (women) and a minimum of 5 years of insurance coverage. Full qualifying conditions are reduced for persons who have worked in the far-north region or in hazardous or dangerous work, and to mothers who have five or more children or disabled children.

**State service pension:** A supplement to the old-age labor pension to state employees, military personnel, and policemen and policewomen with 15 years of service.

**State social pension:** Disabled citizens, or those meeting the age requirement (65 for men and 60 for women).

**Early old-age pension:** Age 50 with 10 years of work (men) and age 45 with 7.5 years of work (women) in an unhealthy working environment or a physically demanding natural environment.

##### Disability pensions

**Disability labor pension:** Previously employed. Depends on degree of disability, according to three groups. Group one, 100% incapable of work and requiring constant attendance. Group two, 100% incapable of work but not in need of constant attendance. Group three, 50% incapable of work but not in need of constant attendance.

**State disability pension:** Previously employed. Persons under age 20 disabled due to a general illness or a severe work injury, occupational disease, or military service.

##### Survivor pensions

**Survivor labor pension:** Insured's length of service and insurance coverage are not considered.

Eligible survivors are widows who are over age 55 (widowers over age 60) or unemployed and caring for children less than age 14; children up to age 18 (age 23 for students); brothers and sisters up to age 18; and grandfathers over age 60 (grandmothers, age 55).

**Social survivor pension:** The pension is provided if the deceased did not have insurance coverage.

#### Old-Age Benefits

**Old-age labor pension:** Benefit is calculated as the sum of three components: a basic part fixed at a set rate for different categories of beneficiaries; an insurance part based on the money equivalent of acquired pension rights; and an accumulated part based on the value of individual contributions and investment income. Payment of the accumulated component will begin in 2013.

**Minimum pension:** There is no officially stated minimum pension.

**Maximum pension:** There is no upper limit on entitlement.

**State service pension:** The benefit for this additional pension is calculated in relation to the length of state service and the value of wages earned.

**State social pension:** The amount of the social pension is a percentage of the basic part of the labor pension.

#### Permanent Disability Benefits

**Disability labor pension:** Benefit is awarded according to three assessed groups of disability. Benefit is calculated as the sum of three components: a basic part fixed at a set rate for different categories of beneficiaries; an insurance part based

on the money equivalent of acquired pension rights; and an accumulated part based on the value of individual contributions and investment income. Payment of the accumulated component will begin in 2013.

**State disability pension:** Benefits are set by the government according to categories.

### **Survivor Benefits**

**Survivor labor pension:** Benefit is calculated as the sum of two components: a basic part fixed at a set rate for different categories of beneficiaries; and an insurance part based on the money equivalent of the acquired pension rights of the deceased insured and on the number of eligible survivors.

**Social survivor pension:** Benefits are set by the government according to categories.

### **Administrative Organization**

Pension Fund of the Russian Federation and its regional bodies administer benefit awards and payments.

Ministry of Labor and Social Development of the Russian Federation is responsible for policy development.

### **Sickness and Maternity**

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#### **Regulatory Framework**

**First law:** 1912.

**Current laws:** 1984, 1993, 1995, 1999 (mandatory social insurance), 2001; 1991, 1992, and 1993 (medical care).

**Type of program:** Dual social insurance (cash benefits) and universal (medical care) systems. The implementation of medical insurance is the responsibility of regional governments. Voluntary supplementary private medical insurance.

#### **Coverage**

**Cash benefits:** Employed citizens.

**Medical care:** All citizens and refugees.

#### **Source of Funds**

**Insured person:** None for cash benefits or compulsory medical insurance. The insured may contribute to voluntary supplementary medical insurance. The contribution rates for voluntary supplementary medical insurance vary by plan.

#### **Employer**

**Cash benefits:** 4% of payroll, included in SST (see Old Age, Disability, and Survivors, above).

**Medical insurance:** 3.6% of payroll, included in SST (see Old Age, Disability, and Survivors, above). Rates for voluntary supplementary medical insurance by plan.

**Government:** Federal government and local governments provide partial funding for medical care.

### **Qualifying Conditions**

**Cash and medical benefits:** There is no minimum qualifying period.

### **Sickness and Maternity Benefits**

**Sickness benefit:** 60% of current earnings if the insured has less than 5 years of coverage; 80% if 5 years to 8 years of coverage; 100% if over 8 years of coverage (or if the insured has three or more dependent children).

The minimum benefit is 90% of the minimum wage as applied to sickness benefit (the minimum wage for sickness benefit is R300 as of January 1, 2002).

Note: The value of the minimum wage used for the calculation of cash benefit varies according to the benefit type.

**Maternity benefit:** 100% of earnings payable between 10 weeks and 12 weeks before the expected date of childbirth and between 10 weeks and 16 weeks after childbirth.

Parental leave: Monthly benefits equal to 200% of the minimum wage (the minimum wage for maternity benefits is R100) are paid to employees on parental leave to care for children under 18 months old.

Childbirth grant: A lump sum equal to 15 times the minimum wage for maternity benefit (R100).

### **Workers' Medical Benefits**

Compulsory medical insurance covers medical services provided directly to patients by public and private health providers. Services provided include general, preventive, and emergency care; hospitalization; laboratory services; dental care; maternity care; vaccination; and transportation. Medicines prescribed during hospitalization are provided free, or at reduced prices, to persons with certain categories of illness, to the disabled, and to war veterans.

Voluntary medical insurance covers specialized care, expensive medicines, and appliances.

### **Dependents' Medical Benefits**

Compulsory medical insurance covers medical services provided directly to patients by public and private health providers. Services provided include general, preventive, and emergency care; hospitalization; laboratory services; dental care; maternity care; vaccination; and transportation. Medicines prescribed during hospitalization are provided free, or at reduced prices, to persons with certain categories of illness, to the disabled, and to war veterans.

Voluntary medical insurance covers specialized care, expensive medicines, and appliances.

## **Administrative Organization**

**Cash benefits:** Social Insurance Fund of the Russian Federation and regional social insurance funds administer sickness and maternity cash benefits.

Regional departments of social protection administer maternity benefits for the unemployed and other nonworking citizens.

Enterprises and employers administer and pay benefits to own employees.

**Medical care:** Ministry of Health of the Russian Federation and regional health departments implement state health care policy and develop health care programs.

Medical services are provided through clinics, hospitals, maternity homes, and other medical facilities, including private health providers.

## **Work Injury**

### **Regulatory Framework**

**First law:** 1903.

**Current laws:** 1998, implemented January 1, 2000 (work injury and occupational disease) and 1999 (mandatory social insurance).

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

### **Coverage**

Employed citizens, employed convicted persons, persons employed on the basis of a civil/legal agreement if under such an agreement the employer is obliged to pay contributions to the Social Insurance Fund of the Russian Federation for mandatory social insurance against work injury and occupational disease.

Medical care is available to all citizens.

### **Source of Funds**

**Insured person:** None.

**Employer:** Varying contributions (between 0.2% and 8.5% of payroll) according to 22 classes of professional risk and the assessed degree of risk. Employers can provide supplementary benefits out of their own budgets.

**Government:** None. Republics and local authorities can provide supplementary benefits out of their own budgets.

### **Qualifying Conditions**

**Work injury benefits:** There is no minimum qualifying period. The minimum level of incapacity is 15%.

## **Temporary Disability Benefits**

100% of earnings prior to certification of disability. Benefit is payable from the first day of incapacity until fully rehabilitated.

A lump-sum award equal to 60 times the minimum wage, prorated according to the percentage of lost work capacity.

In the case of a sustained loss in work capacity, a monthly benefit equal to the average wage for the last 12-month period is paid, prorated according to the percentage of lost work capacity.

## **Permanent Disability Benefits**

**Permanent disability pension:** See disability pension (Old Age, Disability, and Survivors, above).

**Additional benefits:** Insured persons are covered for medical costs and the cost of professional rehabilitation.

## **Workers' Medical Benefits**

Same as compulsory medical insurance, plus free appliances and medicines; specialized care under the terms of voluntary supplementary insurance coverage offered by employer.

## **Survivor Benefits**

**Survivor pension:** In the case of the death of an insured person as the result of a work injury or an occupational disease, the survivor is entitled to receive a lump-sum award and monthly benefit payments. Monthly benefit is calculated as the sum of two components: a basic part fixed at a set rate for different categories of beneficiaries; and an insurance part based on the money equivalent of the acquired pension rights of the deceased insured and on the number of eligible survivors.

## **Administrative Organization**

Temporary disability benefits are administered by the Social Insurance Fund of the Russian Federation and regional funds. Enterprises and employers pay benefits to employees.

Pension Fund of the Russian Federation is responsible for the administration of permanent disability pensions.

Ministry of Health of the Russian Federation is responsible for the provision of medical services through clinics, hospitals, maternity homes, and other medical facilities, including private health care providers.

State health care policies and programs are implemented and administered by the Ministry of Health of the Russian Federation and regional health departments.

## Unemployment

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### Regulatory Framework

**First law:** 1921.

**Current laws:** 1993, 1996, 1997, and 2001.

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

### Coverage

Citizens between ages 16 and 59 (men) or 16 and 54 (women).

### Source of Funds

**Employee:** None.

**Employer:** None.

**Government:** Financed from federal and local budgets. Republic and local governments may provide supplementary benefits for unemployed persons and their dependents out of their own budgets.

### Qualifying Conditions

**Unemployment benefit:** Registered at the employment office, 26 weeks full-time employment in the last 12 months (or the 26-week equivalent for part-time employment), and able and willing to work. Benefits may be reduced, postponed, suspended, or terminated if worker is discharged for violating work discipline, leaving employment without good cause, violating conditions for job placement or vocational training, or filing fraudulent claims.

### Unemployment Benefits

Severance pay, equal to the average monthly wage, is paid for a 2-month period by the employer.

Unemployment benefits are paid by the local state employment service for 12 months as a percentage of previous average wages. Benefits decrease over time with payment in the first 3 months equal to 75% of the previous average monthly wage, then at 60% for the next 4 months and at 45% for the last 5 months.

For unemployed persons who do not meet the prior work conditions or for persons who have never worked, benefit is paid at 100% of the minimum wage (R300 as of January 1, 2002).

**Dependent supplement:** Payable at 50% of the minimum wage for each dependent. Entitlement should not exceed 150% of the minimum wage in total.

**Early pension:** Payable to unemployed older workers (between ages 58 and 59 (men) and 53 and 54 (women)). Benefit is the same as the old-age labor pension.

**Maximum benefit:** The benefit must not exceed 100% of average wage in the given region.

**Minimum benefit:** The benefit must not be lower than 100% of the minimum wage.

### Administrative Organization

Ministry of Labor and Social Development of the Russian Federation provides general supervision, control, and partial financing.

Regional employment services administer and finance the program.

### Family Allowances

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#### Regulatory Framework

**First law:** 1944.

**Current law:** 1995.

**Type of program:** Universal system.

#### Coverage

Children under age 16 (or until completion of general education up to age 18).

#### Source of Funds

**Insured person:** None.

**Employer:** Contributions included in SST contribution (see Old Age, Disability, and Survivors, above). Employers can provide supplementary benefits out of their own budgets.

**Government:** Federal and local budgets pay for remainder of benefits. Republics and local authorities can provide supplementary benefits out of their own budgets.

#### Qualifying Conditions

**Family allowances:** Child care allowances are granted only to families with income below the locally determined minimum subsistence level.

#### Family Allowance Benefits

**Family allowances:** An allowance of 70% of the minimum wage (the minimum wage for family allowances is R100 as of January 1, 2002) for each child from 18 months to 16 years of age (or until the completion of general education).

**Single parents:** An allowance of two times the minimum wage (R100 as of January 1, 2002).

**Childbirth grant:** A lump sum equal to 15 times the minimum wage (set according to the minimum wage for maternity benefit, R100).

**Funeral grant:** A lump sum equal to five times the minimum wage (the minimum wage for the funeral grant is R300).

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***Administrative Organization***

Ministry of Labor and Social Development of the Russian Federation provides general oversight of the program.

Regional and local departments of social protection award benefits and make payments to nonworking parents.