



issa

INTERNATIONAL SOCIAL SECURITY ASSOCIATION

Social security in the BRICS



Social security in the BRICS

International Social Security Association, 2016

This publication is made available under a Creative Commons Attribution-NonCommercial-NoDerivatives 4.0 International (CC BY-NC-ND 4.0) License.

The information and scheme descriptions in this publication are taken primarily from the research publication *Social Security Programs Throughout the World* produced jointly by the ISSA and the U.S. Social Security Administration (SSA). The information is collected through surveys carried out by the ISSA in cooperation with the SSA. Data is also provided by numerous social security officials throughout the world. Information is updated region-by-region over a two-year cycle. Readers should refer to the scheme description section of the respective Social Security Country Profile on the ISSA website for the most recent survey reply.

While care has been taken in the preparation and reproduction of the data published herein, the ISSA declines liability for any inaccuracy, omission or other error in the data, and, in general, for any financial or other loss or damage in any way resulting from the use of this publication.

The designations employed herein, which are in conformity with United Nations practice, do not imply the expression of any opinion on the part of the ISSA concerning the legal status of any country, area or territory or of its authorities, or concerning the delimitation of its frontiers.

This publication is based upon work supported by the Federal government Social Security Administration under Award Number SSP14000001-01-00. This publication was prepared as an account of work sponsored by an agency of the United States Government. Neither the United States Government nor any agency thereof, nor any of their employees, makes any warranty, express or implied, or assumes any legal liability or responsibility for the accuracy, completeness, or usefulness of any information, apparatus, product, or process disclosed, or represents that its use would not infringe privately owned rights. Reference herein to any specific commercial product, process or service by trade name, trademark, manufacturer, or otherwise does not necessarily constitute or imply endorsement, recommendation or favoring by the United States Government or any agency thereof. The view and opinions of authors expressed herein do not necessarily state or reflect those of the United States Government or any agency thereof.

International Social Security Association

4 route des Morillons

Case postale 1

CH – 1211 Geneva 22

T: +41 22 799 66 17

F: +41 22 799 85 09

E: issacomm@ilo.org

www.issa.int

© International Social Security Association 2016

Contents

Foreword	1
The BRICS countries: Key facts and figures	2
Social security in Brazil	4
Social security in the Russian Federation	16
Social security in India	26
Social security in China	36
Social security in South Africa	48

Foreword

This publication has been prepared by the International Social Security Association (ISSA) on the occasion of the first Meeting of Ministers of Labour and Employment from the BRICS countries, held in Ufa, the Russian Federation, on 25 and 26 January 2016.

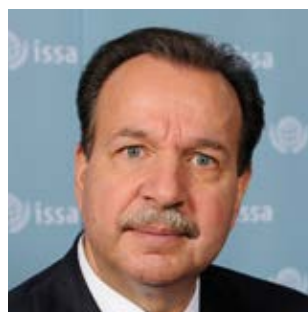
In 2011, the ISSA launched a project to document the many innovative approaches taken by the BRICS countries in social protection and to share their respective good practices and experiences. Despite diverse cultures, demographics, economic situations and societal institutions and structures, the development and rapid extension of social security coverage in the BRICS countries has been impressive.

As these successes have been achieved in often challenging environments, including large rural sectors, increasing population mobility, and fragmented administrative structures, the experiences from these five countries provide useful pointers for other countries aiming to extend or enhance social security coverage.

The progress of the BRICS countries in extending or improving social protection was internationally recognized at the World Social Security Forum, in Doha in 2013, which commended the countries for their common understanding of social security as a key driver of economic development and social justice.

As a further contribution to the ISSA's project, this publication is intended to provide a concise but comprehensive summary of the major features of social security programmes in the BRICS countries. We hope that it can give a useful insight into and understanding of the national social security programmes in these five countries.

Most of the information in this report was collated from the Social Security Programs Throughout the World publication, which is published by the ISSA in collaboration with the United States Social Security Administration (SSA). I would like to thank the SSA for kindly agreeing to the reproduction of relevant information for the purpose of this publication.



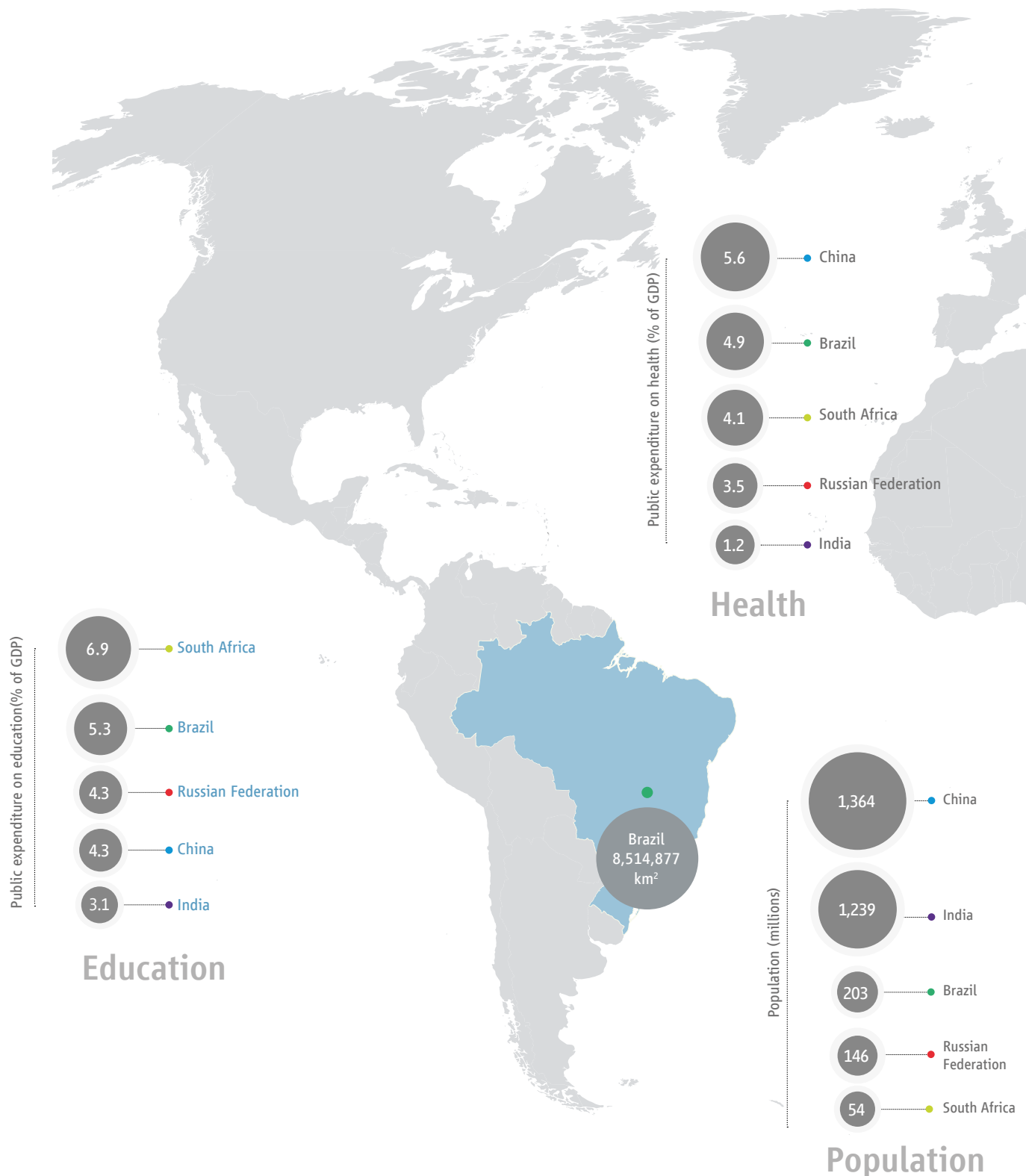
A handwritten signature in black ink, which appears to read 'Hans-Horst Konkolewsky'.

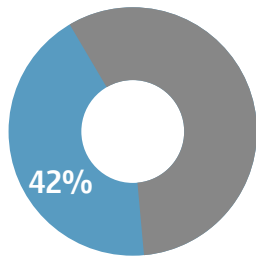
Hans-Horst Konkolewsky
Secretary General

The BRICS countries: Key facts and figures

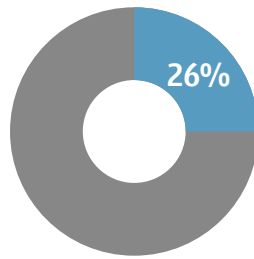
The BRICS countries – Brazil, the Russian Federation, India, China and South Africa – represent 42 per cent of the world's population and 26 per cent of its land mass. Together these countries account for around 27 per cent of global GDP.

The combined size and economic strength of these states are matched by their commitments to social protection and the extension of social security coverage. Despite major challenges, the achievements of the BRICS in social security are significant.

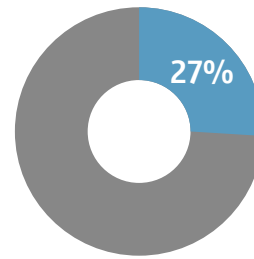




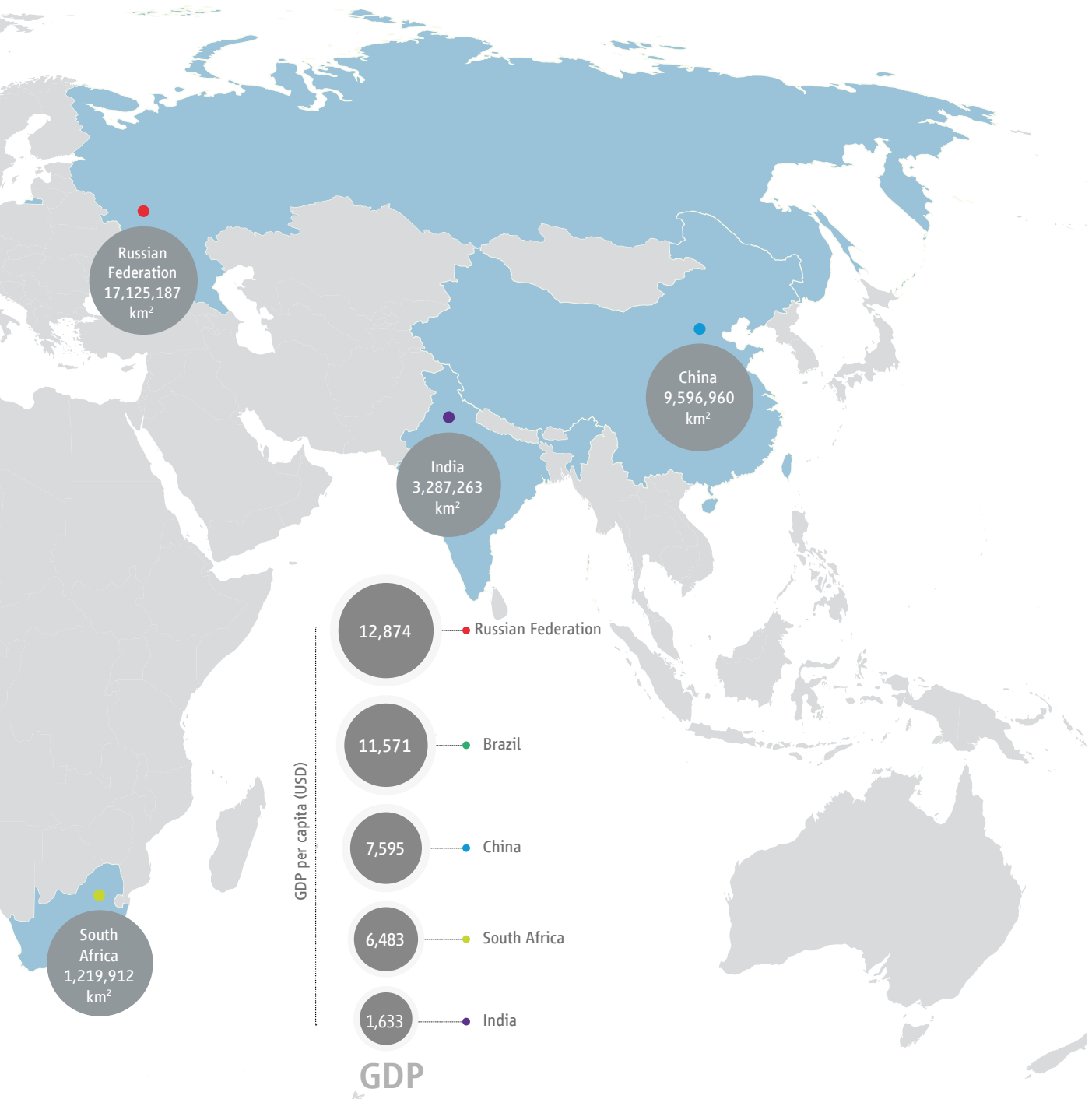
of the world population



of world territory



of world GDP

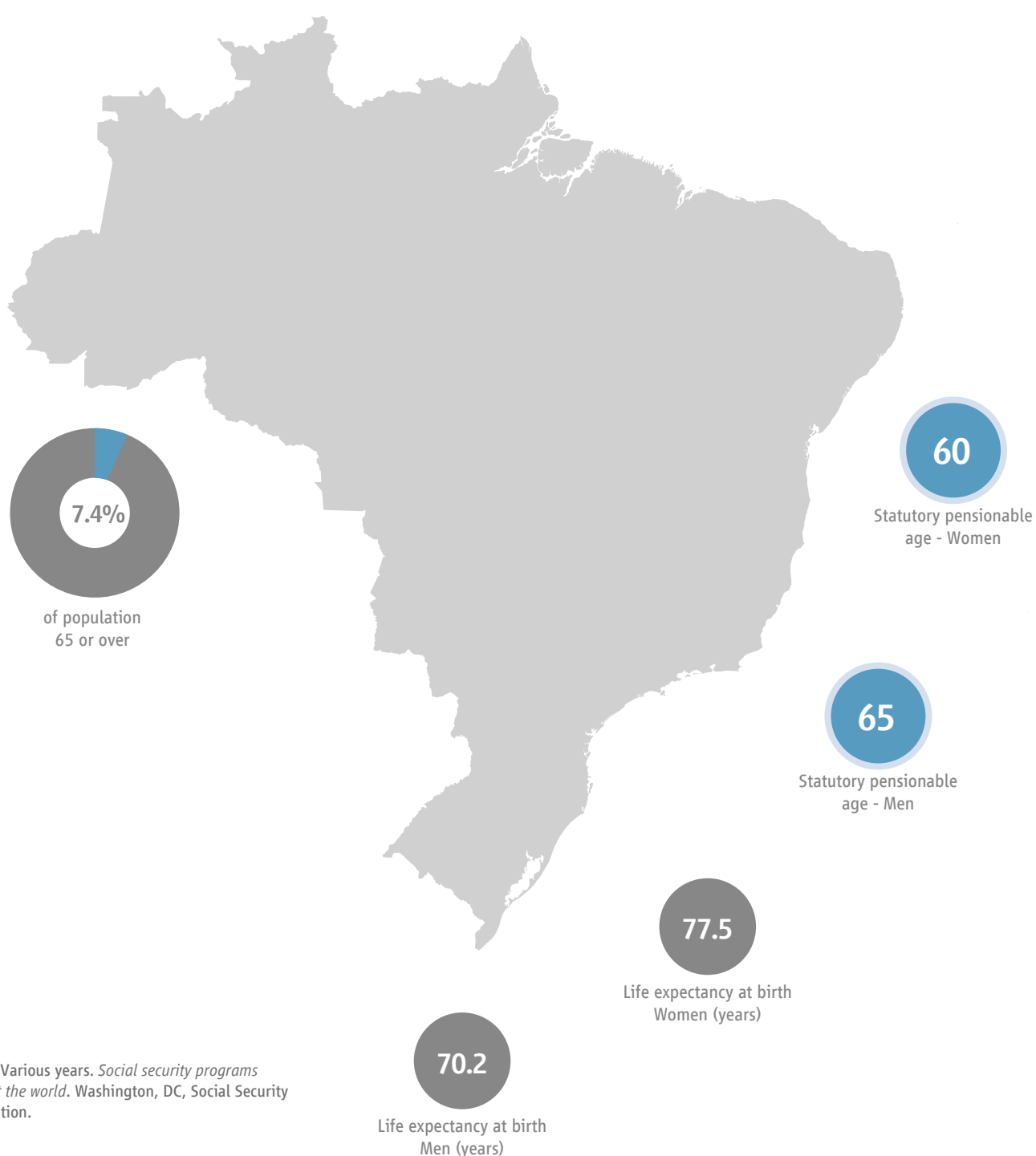


Source: Rosstat; Statistics of Russia. 2015. *BRICS Joint statistical publication 2015: Brazil, Russia, India, China, South Africa*. Moscow. Data is for 2013 or 2014.

Note: The designations in this infographic are in conformity with United Nations practice, and do not imply the expression of any opinion on the part of the ISSA concerning the legal status of any country, area or territory or of its authorities, or concerning the delimitation of its frontiers.

Social security in Brazil

In Brazil, a combination of strong economic performance and progressive (contributory and tax-financed) social security policies in the last decade led to the expansion of coverage, accompanied by a decrease in inequalities. Between 2004 and 2014, formal jobs increased from 37.6 million to 56.5 million; the number of small and micro-enterprises contributing to social security programmes grew from around 2 million to more than 10 million; coverage of domestic workers rose from 28 per cent to 40 per cent; and more than 1.3 million vulnerable households benefited from targeted social security coverage. Lower levels of economic growth and evolving demographic trends will require further adaptation of the social security system to ensure that the gains achieved to date are sustained and strengthened.



Country summary scheme description: Brazil

The country summary scheme description covers national social security programmes established by statute that insure individuals against interruption or loss of earnings resulting from old age, disability or survivorship; sickness and maternity; work injury or occupational disease; unemployment; and child raising.

The information is taken primarily from the research publication *Social Security Programs Throughout the World* produced jointly by the ISSA and the U.S. Social Security Administration (SSA). Information is updated region-by-region over a two-year cycle. Readers may refer to the scheme description section of the respective Social Security Country Profile on the ISSA website for the most recent survey reply and for additional data and information.

Old Age, Disability, and Survivors

Regulatory Framework

First laws: 1923 (railroads), 1934 (commerce), and 1936 (industry).

Current laws: 1991 (social security), 1991 (social insurance), 1993 (social assistance), 1999 (social insurance regulations), and 2013 (special disability pensions).

Type of program: Social insurance and social assistance system.

Coverage

Social insurance: Salaried workers in industry, commerce, and agriculture; rural workers; household workers; casual workers; elected civil servants; and self-employed persons.

Voluntary coverage for students, housewives, unemployed persons, and others persons without gainful employment.

Special systems for public-sector employees and military personnel.

Social assistance: Needy elderly or disabled persons.

Source of Funds

Insured person

Social insurance: 8% of covered earnings with monthly earnings up to 1,247.70 reais; 9% with earnings from 1,247.71 reais to 2,079.50 reais; or 11% with earnings from 2,079.51 reais to 4,159 reais. Voluntarily insured persons may contribute 20% of declared earnings or 11% of the legal monthly minimum wage (5% for small businesses with annual income up to 60,000 reais or for housewives) if they forego the right to the contributory pension.

The minimum monthly earnings used to calculate contributions are the legal monthly minimum wage.

The legal monthly minimum wage is 678 reais.

The maximum monthly earnings used to calculate contributions are 4,159 reais.

The insured person's contributions also finance sickness and maternity benefits and family allowances.

Social assistance: None.

Self-employed person

Social insurance: 20% of monthly declared covered earnings; 11% of the legal monthly minimum wage if they forego the right to the contributory pension.

The minimum monthly earnings used to calculate contributions are the legal monthly minimum wage.

The legal monthly minimum wage is 678 reais.

The maximum monthly earnings used to calculate contributions are 4,159 reais.

The self-employed person's contributions also finance sickness and maternity benefits.

Social assistance: None.

Employer

Social insurance: 20% of covered payroll.

The minimum monthly earnings used to calculate contributions are the legal monthly minimum wage.

The legal monthly minimum wage is 678 reais.

The maximum monthly earnings used to calculate contributions are 4,159 reais.

Small businesses with annual earnings greater than 60,000 reais but less than 3,600,000 reais contribute 2.75% to 7.83% of monthly declared earnings, depending on annual earnings declared in the last 12 months and the industry sector.

The employer's contributions also finance sickness and maternity benefits and family allowances.

Social assistance: None.

Government

Social insurance: Earmarked taxes finance administrative costs and any deficit.

Social assistance: The total cost.

Qualifying Conditions

Old-age pension

Age pension (social insurance): Age 65 (men) or age 60 (women) for salaried and self-employed urban workers; age 60 (men) or age 55 (women) for rural workers. Retirement is not necessary.

Urban workers who were first insured before July 25, 1991, must have 60 to 180 months of contributions, according to a schedule in law; urban workers first insured since July 25, 1991, must have at least 180 months of contributions. Rural workers who were first insured before July 25, 1991, must show proof of 60 to 180 months of work in the rural sector, according to a schedule in law; rural workers first insured since July 25, 1991, must show proof of 180 months of work in the rural sector.

Age pension for persons with disabilities (social insurance): Age 60 (men) or age 55 (women) and assessed with a long-term physical, mental, intellectual, or sensory disability.

Contributory pension (social insurance): At least 35 years of contributions (men) or 30 years of contributions (women); for workers exposed to hazardous substances, 15 to 25 years. Retirement is not necessary.

The contributory pension is payable abroad under bilateral or multilateral agreement.

Contributory pension for persons with disabilities (social insurance): Age 60 (men) or age 55 (women) with at least 15 years of contributions and assessed with a long-term physical, mental, intellectual, or sensory disability; with at least 25 years (men) or 20 years (women) of contributions if assessed with a severe disability; at least 29 years (men) or 24 years (women) of contributions if assessed with a moderate disability; or with at least 33 years (men) or 28 years (women) of contributions if assessed with a mild disability.

The National Social Security Institute assesses the degree of disability.

Old-age assistance (social assistance): Age 65, not gainfully employed, and with monthly household income of less than 25% of the legal monthly minimum wage (169.50 reais) per person. Eligibility is reviewed every two years.

The legal monthly minimum wage is 678 reais.

Disability pension

Disability pension (social insurance): Assessed with a permanent incapacity for work and has at least 12 months of contributions. The contribution period is waived if the disability is the result of an accident. Employment must cease.

The National Social Security Institute assesses the degree of disability.

The disability pension is payable abroad under bilateral or multilateral agreement.

Disability benefit (social assistance): Assessed with a disability and with monthly household income of less than 25% of the legal monthly minimum wage (169.50 reais) per person. Eligibility is reviewed every two years.

The legal monthly minimum wage is 678 reais.

Survivor pension (social insurance): The deceased received or was entitled to receive an old-age or disability pension at the time of death.

Eligible survivors include the widow(er) or partner and children younger than age 21 (no limit if disabled); if there is no eligible widow(er), partner, or child (in order of priority), parents and siblings younger than age 21 (no limit if disabled).

The survivor pension is payable abroad under bilateral or multilateral agreement.

Prisoner's survivor pension (social insurance): The insured is imprisoned and had monthly income up to 971.78 reais immediately prior to imprisonment.

Eligible survivors include the widow(er) or partner and children younger than age 21 (no limit if disabled); if there is no eligible widow(er), partner, or child (in order of priority), parents and siblings younger than age 21 (no limit if disabled).

Old-Age Benefits

Old-age pension

Age pension (social insurance): 70% of the insured's average earnings plus 1% of the insured's average earnings for each year of contributions, up to 100%, is paid.

For persons first insured on or before November 28, 1999, average earnings used to calculate benefits are based on the best 80% of monthly earnings since July 1994.

For persons first insured after November 28, 1999, average earnings used to calculate benefits are based on the best 80% of total monthly earnings.

Insured persons may opt for the pension to be calculated using the *Factor Previdenciário* method. The *Factor Previdenciário* is an actuarial coefficient based on the insured's contribution rate, contribution period, age, and life expectancy.

The minimum monthly earnings used to calculate benefits are the legal monthly minimum wage.

The maximum monthly earnings used to calculate benefits are 4,159 reais.

The minimum monthly age pension is the legal monthly minimum wage.

The legal monthly minimum wage is 678 reais.

The maximum monthly age pension is 4,159 reais.

Age pension for persons with disabilities (social insurance): Calculated in the same way as the age pension (social insurance).

Schedule of payments: Thirteen payments a year.

Benefit adjustment: Benefits are adjusted annually according to changes in the consumer price index.

Contributory pension (social insurance): 100% of the insured's average earnings is paid.

For persons first insured before November 29, 1999, average earnings used to calculate benefits are based on the best 80% of monthly earnings since July 1994, multiplied by the *Factor Previdenciario*.

For persons first insured after November 28, 1999, average earnings used to calculate benefits are based on the best 80% of total monthly earnings, multiplied by the *Factor Previdenciario*.

The *Factor Previdenciario* is not applied to work with exposure to hazardous substances with 15, 20, or 25 years of contributions.

The *Factor Previdenciario* is an actuarial coefficient based on the insured's contribution rate, contribution period, age, and life expectancy.

The minimum monthly earnings used to calculate benefits are the legal monthly minimum wage.

The maximum monthly earnings used to calculate benefits are 4,159 reais.

The minimum contributory pension is the legal monthly minimum wage.

The legal monthly minimum wage is 678 reais.

Contributory pension for persons with disabilities (social insurance): Calculated in the same way as the contributory pension (social insurance).

Schedule of payments: Thirteen payments a year.

Benefit adjustment: Benefits are adjusted annually according to changes in the consumer price index.

Old-age assistance (social assistance): The monthly benefit is the legal monthly minimum wage.

The legal monthly minimum wage is 678 reais.

Benefit adjustment: Benefits are adjusted annually according to changes in the minimum wage.

Permanent Disability Benefits

Disability pension

Disability pension (social insurance): 100% of the insured's average earnings is paid; 100% of the minimum wage for rural workers.

For persons first insured on or before November 28, 1999, average earnings used to calculate benefits are based on the best 80% of monthly earnings since July 1994.

For persons first insured after November 28, 1999, average earnings used to calculate benefits are based on the best 80% of total monthly earnings.

The minimum monthly earnings used to calculate benefits are the legal monthly minimum wage.

The maximum monthly earnings used to calculate benefits are 4,159 reais.

The minimum monthly pension is the legal monthly minimum wage.

The legal monthly minimum wage is 678 reais.

The maximum monthly pension is 4,159 reais.

Constant attendance supplement: If the insured requires the constant attendance of others to perform daily functions, 25% of the disability pension is paid.

Schedule of payments: Thirteen payments a year.

Benefit adjustment: Benefits are adjusted annually according to changes in the consumer price index.

Disability assistance (social assistance): The monthly benefit is the legal monthly minimum wage.

The legal monthly minimum wage is 678 reais.

Benefit adjustment: Benefits are adjusted annually according to changes in the minimum wage.

Survivor Benefits

Survivor pension (social insurance): 100% of the old-age or disability pension the deceased received or was entitled to receive (100% of the minimum wage for rural workers) is split equally among eligible survivors. If one survivor ceases to be eligible, the pensions for the remaining survivors are recalculated.

The minimum monthly pension is the legal monthly minimum wage.

The legal monthly minimum wage is 678 reais.

The maximum monthly pension is 4,159 reais.

Schedule of payments: Thirteen payments a year.

Benefit adjustment: Benefits are adjusted annually according to changes in the consumer price index or the minimum wage.

Prisoner's survivor pension (social insurance): 100% of the disability pension the insured would have been entitled to receive if disabled (100% of the minimum wage for rural workers) is split equally among eligible survivors. If one survivor ceases to be eligible, the pensions for the remaining survivors are recalculated.

The minimum monthly pension is legal monthly minimum wage.

The legal monthly minimum wage is 678 reais.

The maximum monthly pension is 971.78 reais.

Schedule of payments: Thirteen payments a year.

Benefit adjustment: Benefits are adjusted annually according to changes in the consumer price index or the minimum wage.

Administrative Organization

Ministry of Social Insurance (<http://www.previdencia.gov.br>) provides general supervision.

National Social Security Institute (<http://www.inss.gov.br>) administers benefits.

Sickness and Maternity

Regulatory Framework

First laws: 1923 (railroads), 1934 (commerce), and 1936 (industry).

Current laws: 1990 (health), 1991 (social security), and 1991 (social insurance).

Type of program: Social insurance system.

Coverage

Cash sickness and maternity benefits: Employed persons in industry, commerce, and agriculture; rural workers; household workers; some categories of casual workers; elected civil servants; and self-employed persons.

Voluntary coverage for students, housewives, unemployed persons, and other persons without gainful employment.

Special systems for public-sector employees and military personnel.

Medical benefits: Citizens of Brazil.

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: The cost of medical benefits.

Qualifying Conditions

Cash sickness benefits: The insured must have contributed in the last 12 months. There is no qualifying period for an accident or serious illness.

Cash maternity benefits: There is no minimum qualifying period for salaried workers, household workers, and casual workers; 10 months of contributions for self-employed persons. Rural workers in predominantly family based subsistence activities must show proof of 10 months of work in the rural sector.

Medical benefits: There is no minimum qualified period.

Sickness and Maternity Benefits

Sickness benefit: 91% of average earnings is paid; 100% of the minimum wage for rural workers. The benefit is paid after a 15-day waiting period (the employer pays 100% of earnings for the first 15 days); there is no waiting period for self-employed persons or voluntarily insured persons.

There is no limit to duration.

Average earnings used to calculate benefits are based on the best 80% of total monthly earnings.

The minimum monthly earnings used to calculate benefits are the legal monthly minimum wage.

The legal monthly minimum wage is 678 reais.

The maximum monthly earnings used to calculate benefits are 4,159 reais.

Schedule of payments: Thirteen payments a year.

Benefit adjustment: Benefits are adjusted annually according to changes in the consumer price index or the minimum wage.

Maternity benefit: 100% of the last wage is paid for employed women, household workers, and casual workers; 100% of average earnings

in the last 12 months for self-employed and voluntarily insured women; 100% of the minimum wage for rural workers in predominantly family-based subsistence activities. The benefit is paid for 120 days, from 28 days before to 91 days after the expected date of childbirth.

The benefit is paid for two weeks in the case of a miscarriage.

The benefit is also paid for 120 days to a woman who adopts a child younger than age 12.

The minimum monthly earnings used to calculate benefits are the legal monthly minimum wage.

The legal monthly minimum wage is 678 reais.

The maximum monthly earnings used to calculate benefits are 28,059.29 reais for employed women and casual workers; 4,159 reais for household workers, self-employed persons, and voluntarily insured women; and 678 reais for rural workers in predominantly family based subsistence activities.

Workers' Medical Benefits

The Unified Health System provides medical services directly to patients in rural and urban areas. Benefits include general, specialist, maternity, and dental care; hospitalization; medicine (some cost sharing is required); and necessary transportation. There is no limit to duration.

Dependents' Medical Benefits

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

Administrative Organization

Ministry of Social Insurance (<http://www.previdencia.gov.br>) provides general supervision of cash benefits.

National Social Security Institute (<http://www.inss.gov.br>) administers cash benefits.

Ministry of Health (<http://www.saude.gov.br>) provides general supervision of the Unified Health System.

Federal, state, and municipal institutions are part of the Unified Health System and administer medical benefits.

Work Injury

Regulatory Framework

First laws: 1919, 1944, and 1967.

Current laws: 1991 (social security) and 1991 (social insurance).

Type of program: Social insurance system.

Coverage

Employed persons, casual workers, household workers, and rural workers in predominantly family based subsistence activities.

Exclusions: Self-employed persons.

Source of Funds

Insured person: None.

Self-employed person: Not applicable.

Employer: 1% to 3% of gross payroll according to the assessed degree of risk; 0.1% of gross payroll for employers of rural workers in predominantly family based subsistence activities.

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

Government: None.

Qualifying Conditions

Work injury benefits: There is no minimum qualifying period. Accidents that occur while commuting to and from work are covered.

Temporary Disability Benefits

91% of average earnings is paid after a 15-day waiting period (the employer pays 100% of earnings for the first 15 days). There is no waiting period for casual workers, household workers, or rural workers in predominantly family based subsistence activities.

There is no limit to duration.

Average earnings used to calculate benefits are based on the best 80% of total monthly earnings. For rural workers, average earnings are 100% of the legal monthly minimum wage.

The minimum monthly earnings used to calculate benefits are the legal monthly minimum wage.

The legal monthly minimum wage is 678 reais.

The maximum monthly earnings used to calculate benefits are 4,159 reais.

Schedule of payments: Thirteen payments a year.

Benefit adjustment: Benefits are adjusted annually according to changes in the consumer price index.

Permanent Disability Benefits

Permanent disability pension: 100% of average earnings is paid if the insured is incapable of any work.

Average earnings used to calculate benefits are based on the best 80% of total monthly earnings.

The minimum monthly earnings used to calculate benefits are the legal monthly minimum wage.

The legal monthly minimum wage is 678 reais.

The maximum monthly earnings used to calculate benefits are 4,159 reais.

Constant-attendance supplement: If the insured requires the constant attendance of others to perform daily functions, 25% of the permanent disability pension is paid.

Schedule of payments: Thirteen payments a year.

The National Social Security Institute assesses the degree of disability every two years.

Accident benefit (partial disability): 50% of average earnings is paid to workers with disabilities who are capable of some work.

Average earnings used to calculate benefits are based on the best 80% of total monthly earnings.

Schedule of payments: Thirteen payments a year.

Benefit adjustment: Benefits are adjusted annually according to changes in the consumer price index.

Workers' Medical Benefits

The Unified Health System provides medical services directly to patients in urban and rural areas by the Unified Health System. Benefits include medical and dental care, hospitalization, medicine (some cost sharing is required), and transportation. There is no limit to duration.

Survivor Benefits

Survivor pension: 100% of the permanent disability pension the deceased received or was entitled to receive is paid; 100% of the minimum wage for rural workers in predominantly family based subsistence activities. The pension is split equally among eligible survivors. If one survivor ceases to be eligible, the pensions for the remaining survivors are recalculated.

Eligible survivors include the widow(er) or partner and children younger than age 21 (no limit if disabled); if there is no widow(er), partner, or child, other eligible survivors include (in order of priority) parents and brothers and sisters younger than age 21 (no limit if disabled).

The minimum monthly pension is the legal monthly minimum wage.

The legal monthly minimum wage is 678 reais.

The maximum monthly pension is 4,159 reais.

Schedule of payments: Thirteen payments a year.

Benefit adjustment: Benefits are adjusted annually according to changes in the consumer price index or the minimum wage.

Administrative Organization

Ministry of Social Insurance (<http://www.previdencia.gov.br>) provides general supervision of cash benefits.

National Social Security Institute (<http://www.inss.gov.br>) administers cash benefits.

Ministry of Health (<http://www.saude.gov.br>) provides general supervision of the Unified Health System.

Federal, state, and municipal institutions are part of the Unified Health System and administer medical benefits.

Unemployment

Regulatory Framework

First laws: 1965 (severance pay fund) and 1986 (unemployment insurance).

Current law: 1990 (unemployment insurance) and 1991 (traditional fishermen).

Type of program: Social assistance system.

Note: Employers contribute 8% of earnings to an employee's individual account in the Guarantee Fund for Severance Pay (FGTS). The insured may withdraw funds from an individual account in the event of unemployment, marriage, retirement, and other contingencies.

Coverage

Persons employed in the formal private sector and other categories of workers, such as household workers and fishermen (during closed season periods).

Exclusions: Self-employed persons.

Source of Funds

Insured person: None.

Self-employed person: Not applicable.

Employer: None.

Government: The total cost is financed by earmarked taxes.

Qualifying Conditions

Unemployment benefits: The insured must have worked at least six of the last 36 months. Unemployment must not be due to misconduct or resignation. Must have no other means of support and must not receive other social insurance benefits.

Unemployment Benefits

Unemployment benefit (means tested): The monthly benefit varies according to the insured's average earnings in the last three months of employment: 80% of average earnings is paid with average earnings up to 1,090.43 reais; 50% of average earnings plus a lump sum of 872.35 reais with average earnings of 1090.44 reais to 1,817.56 reais; a lump sum of 1,235.91 with average earnings greater than 1,817.56 reais.

The minimum monthly benefit is the legal monthly minimum wage.

The legal monthly minimum wage is 678 reais.

The maximum monthly benefit is 1,235.91 reais.

The benefit is paid for three to five months, depending on the insured's duration of coverage. With six to 11 months of coverage, the benefit is paid for three months; with 12 to 23 months of coverage, four months; and with 24 months or more of coverage, five months. Under special conditions, the benefit may be extended for an additional two months.

Benefit adjustment: Benefits are adjusted annually according to changes in the minimum wage.

Administrative Organization

Ministry of Labor and Employment (<http://www.trabalho.gov.br>) provides general supervision.

Worker Assistance Fund Advisory Council administers the program.

Family Allowances

Regulatory Framework

First law: 1941 (large families).

Current laws: 1991 (social insurance), 1998 (family allowances), and 2004 (*Bolsa Familia*).

Type of program: Employment-related and social assistance system.

Coverage

Employment-related scheme: Low-income employees with one or more children.

Exclusions: Household, casual, and rural workers; elected civil servants; and self-employed persons.

Social assistance: Brazilian citizens living in poor or extremely poor households.

Source of Funds

Insured person

Employment-related scheme: See source of funds under Old Age, Disability, and Survivors.

Social assistance: None.

Self-employed person

Employment-related scheme: Not applicable.

Social assistance: None.

Employer

Employment-related scheme: See source of funds under Old Age, Disability, and Survivors.

Social assistance: None.

Government

Employment-related scheme: See source of funds under Old Age, Disability, and Survivors.

Social assistance: The total cost.

Qualifying Conditions

Family allowances (employment related and income tested): Employees with monthly income up to 971.78 reais. The child must be younger than age 14. The parents are required to present annual proof of vaccinations for children up to age 6 and proof of school attendance each semester from age 7. The parent must be currently in insured employment or receiving a sickness benefit. The allowance is paid to both parents if both are insured.

Bolsa Familia cash grant (social assistance): Children aged 6 to 15 must maintain an 85% school attendance rate; 75% for children aged 16 to 17. Children younger than age 15 at risk of child labor must attend scheduled educational activities. Families must meet basic vaccination requirements for children younger than age 7, and

women aged 14 to 44 must attend medical check-ups, including prenatal exams for pregnant women.

Family Allowance Benefits

Family allowances (employment related and income tested): 33.16 reais is paid monthly for each child if the insured's earnings do not exceed 646.55 reais; 23.36 reais a month if earnings are between 646.55 reais and 971.78 reais.

Employers pay allowances and the total cost is reimbursed by the National Social Security Institute.

Benefit adjustment: Benefits are adjusted annually according to changes in the consumer price index.

Bolsa Familia cash grant (social assistance): With monthly household income of up to 70 reais per person, a basic benefit of 70 reais a month is paid. An additional variable monthly benefit of 32 reais a month is paid for each child younger than age 16, for pregnant women for up to nine months of pregnancy, and for breastfeeding mothers for up to six months, up to five payments per household; and 38 reais a month for each child aged 16 to 17, up to two payments per household. If monthly household income per person including the basic and variable benefit is less than 70 reais a month, the difference between the monthly household income per person and 70 reais is paid.

Administrative Organization

Employment-related scheme

Ministry of Social Insurance (<http://www.previdencia.gov.br>) provides general supervision.

National Social Security Institute (<http://www.inss.gov.br>) administers benefits.

Employers pay benefits to employees.

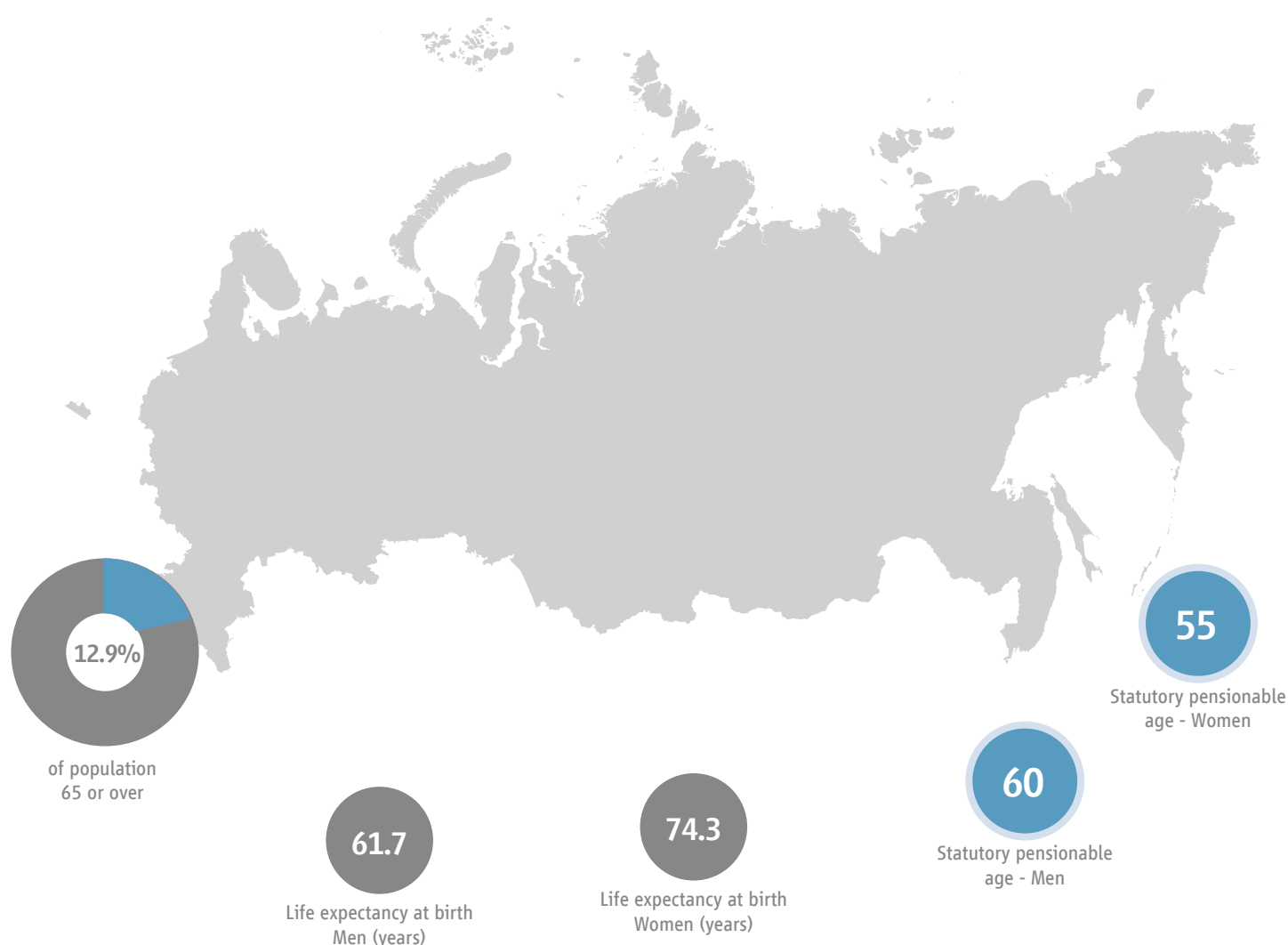
Social Assistance (*Bolsa Familia*)

Ministry of Social Development and Fight Against Hunger (<http://www.mds.gov.br>) provides general supervision.

Interministerial Administrating Council for the *Bolsa Familia* Program coordinates the program's administration.

Social security in the Russian Federation

The Russian Federation inherited a universal social security system from Soviet times. In the last 20 years, the country experienced a period of transition and has been subject to a number of significant social, economic and demographic challenges which placed strains on existing schemes, generating risks for universal coverage. To meet new challenges and growing inequalities, not least between rural and urban areas, a wide array of comprehensive targeted reforms and efficient policy measures, including various mandatory and voluntary programmes, have been introduced in key areas of social security.



Sources:
SSA; ISSA. Various years. *Social security programs throughout the world*. Washington, DC, Social Security Administration.

Country summary scheme description: Russia

The country summary scheme description covers national social security programmes established by statute that insure individuals against interruption or loss of earnings resulting from old age, disability or survivorship; sickness and maternity; work injury or occupational disease; unemployment; and child raising.

The information is taken primarily from the research publication *Social Security Programs Throughout the World* produced jointly by the ISSA and the U.S. Social Security Administration (SSA). Information is updated region-by-region over a two-year cycle. Readers may refer to the scheme description section of the respective Social Security Country Profile on the ISSA website for the most recent survey reply and for additional data and information.

Old Age, Disability, and Survivors

Regulatory Framework

First law: 1922

Current laws: 1995 (disability); 1996 (mandatory pension insurance); 1998 (nonstate pension funds); 2001 (public pensions); 2001 (labor pensions); 2001 (mandatory pension insurance); 2002 (early labor pension); 2002 (insurance period); 2002 (investments); 2004 (tax code), implemented in 2005; 2009 (social insurance contributions), implemented in 2010; 2011 (funded pensions); and 2013 (mandatory pension insurance), implemented in 2015.

Type of program: Social insurance, notional defined contribution (NDC), individual account, and social assistance system.

Coverage

Employed citizens, self-employed persons, and independent farmers.

Special systems for civil servants, military and police personnel, and war veterans.

The individual account covers persons born in 1967 or later.

Source of Funds

Insured person: None.

Self-employed person: In general, for those with annual income less than 300,000 rubles, an annual contribution of 17,328.48 rubles.

Different contribution rates apply for certain categories of self-employed person.

Employer: 22% of payroll.

The maximum annual earnings used to calculate contributions are 624,000 rubles plus 10% of payroll exceeding this ceiling for general categories of employers. Reduced contribution rates apply for certain groups of employers.

Government: The total cost of social pensions. Regional and local governments may finance supplementary benefits.

Qualifying Conditions

Old-age pension

Old-age labor pension: Age 60 (men) or age 55 (women) with at least five years of coverage.

The qualifying conditions are reduced for persons who have worked in the far-north region or in hazardous or dangerous work, for mothers who have five or more children or children with disabilities, and for some specified professional categories.

Deferred pension: The pension may be deferred.

Retirement is not necessary. There is no income test for a working pensioner.

The old-age labor pension is payable abroad in accordance with national legislation and reciprocal agreements.

State social pension: Age 65 (men) or age 60 (women).

The state social pension is not payable abroad.

Retirement is not necessary. There is no income test for a working pensioner.

Disability pension

Disability labor pension: Must be assessed with a Group I disability (100% loss of working capacity and requires constant attendance), a Group II disability (100% loss of working capacity and does not require constant attendance), or Group III disability (at least a 50% loss of working capacity and does not require constant attendance), and have at least one day of work (no minimum qualifying period for persons younger than age 20 whose disability is due to illness).

State disability pension: Paid to disabled persons who were injured in military service or a major industrial accident.

The state disability pension is payable abroad in accordance with national legislation and reciprocal agreements.

Social disability pension: Assessed with a Group I, II, or III disability with no work history, or disabled since childhood (or younger than age 18).

Survivor pension

Survivor labor pension: Paid irrespective of the deceased's length-of-service and coverage periods.

Eligible survivors include widows older than age 55 (widower(s) or parents older than age 60) or unemployed and caring for a child younger than age 14 or disabled; children up to age 18 (age 23 if a student, no limit if disabled before age 18); brothers and sisters up to age 18; and grandparents aged 60 (men) or aged 55 (women) or disabled.

The pension does not cease on the remarriage of a widow.

The survivor labor pension is payable abroad in accordance with national legislation and reciprocal agreements.

State survivor pension: Paid irrespective of the deceased's insurance coverage or military service.

Eligible survivors include parents, widow(er)s aged 60 (men) or aged 55 (women) or disabled; unemployed persons caring for children younger than age 14; siblings and grandchildren up to age 18 (age 23 if student). There are lower age requirements for specified cases.

The pension does not cease on the remarriage of a widow.

Social survivor pension: Paid if the deceased was ineligible for a contributory pension.

The social survivor pension is not payable abroad.

Old-Age Benefits

Old-age labor pension: The benefit is calculated as the sum of the social insurance benefit (a basic flat-rate element according to the category of beneficiary), the notional account, and a benefit based on the individual account balance. Calculations are based on insurance coverage and a projected life expectancy at retirement of 228 months.

The basic monthly flat-rate benefit for a pensioner up to age 80 with no dependents is 3,910.34 rubles, 5,213.80 rubles with one dependent, 6,517.25 rubles with two dependents, and 7,820.70 rubles with three or more dependents.

The basic monthly flat-rate amount for a pensioner aged 80 or older is 7,820.70 rubles with no dependents, 9,124.14 rubles with one dependent, 10,427.61 rubles with two dependents and 11,731.04 rubles with three or more dependents.

Deferred pension: Calculated in the same way as the old-age pension.

State length-of-service pension: The benefit is calculated according to the length of state service and the value of wages earned.

State social pension: The pension is a percentage of the basic flat-rate portion of the labor pension.

Benefit adjustment: Benefits are adjusted according to changes in the inflation rate and the average wage.

Permanent Disability Benefits

Disability labor pension: The benefit is calculated as the sum of a basic flat-rate element according to the category of beneficiary and a benefit based on the notional account. Calculations are based on a projected life expectancy at retirement of 228 months and a contribution period adjustment factor for younger insured persons.

For a pensioner with no dependents, the basic monthly flat-rate amount is 7,820.70 rubles (Group I), 3,910.34 rubles (Group II), or 1,955.17 rubles (Group III). For a pensioner with one dependent, 9,124.14 rubles (Group I), 5,213.80 rubles (Group II), or 3,258.63 rubles (Group III). For a pensioner with two dependents, 10,427.61 rubles (Group I), 6,517.25 rubles (Group II), or 4,462.07 rubles (Group III). For a pensioner with three or more dependents, 11,731.04 rubles (Group I), 7,820.70 rubles (Group II), or 5,865.75 rubles (Group III).

State disability pension: Benefits are set by the government according to categories of beneficiaries and increased according to the number of dependents.

Social disability pension: 10,376.86 rubles a month is paid if assessed with a Group I disability and disabled since childhood (or if younger than age 18); 8,647.51 rubles with a Group I disability and not disabled since childhood or with a Group II disability since childhood; 4,323.74 rubles with a Group II disability and not disabled since childhood; and 3,675.20 rubles with a Group III disability.

Benefit adjustment: Benefits are adjusted according to changes in the inflation rate and the average wage.

Survivor Benefits

Survivor labor pension: The benefit is calculated as the sum of a basic flat-rate element according to the category of beneficiary and a benefit based on the notional account. Calculations are based on a projected life expectancy of 228 months and the number of survivors.

The basic monthly flat-rate component for full orphans is 3,910.34 rubles for each child; for other dependent family members, 1,955.17 rubles.

The pension is split equally among all eligible survivors.

Double the value of accrued rights from the notional account is also paid to the children of a deceased single mother.

Social survivor pension: The pension is set by the government according to different categories of beneficiaries.

Benefit adjustment: Benefits are adjusted according to changes in the inflation rate and the average wage.

Administrative Organization

Pension Fund of the Russian Federation (<http://www.pfrf.ru>) and its regional bodies administer benefits and collect contributions.

Ministry of Labour and Social Protection of the Russian Federation (<http://www.rosmintrud.ru>) is responsible for policy development.

Sickness and Maternity

Regulatory Framework

First law: 1912.

Current laws: 1991 (medical insurance), 1995 (child benefits), 1999 (mandatory social insurance), 2001 (labor code), 2006 (sickness and maternity benefits), and 2011 (Social Insurance Fund budget).

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

Coverage

Cash benefits: Employed citizens.

Exclusions: Self-employed persons.

Medical benefits: All citizens and refugees.

Source of Funds

Insured person

Cash benefits: None.

Medical benefits: None. (The insured may contribute to voluntary supplementary medical and maternity insurance. The rates vary by plan.)

Self-employed person

Cash benefits: Not applicable.

Medical benefits: None. (The self-employed person may contribute to voluntary supplementary medical and maternity insurance. The rates vary by plan.)

Employer

Cash benefits: 2.9% of payroll.

Medical benefits: 5.1% of payroll.

Employer medical benefits contributions also finance family allowances.

Government

Federal and local governments provide partial funding for medical benefits.

Qualifying Conditions

Cash and medical benefits: There is no minimum qualifying period. For the childbirth grant, the claimant must register with a medical facility at the beginning of the pregnancy.

Sickness and Maternity Benefits

Sickness benefit: The benefit varies according to the length of the coverage period: 60% of current earnings is paid with less than five years of coverage; 80% with five to eight years; 100% with more than eight years (or if the insured has three or more dependent children).

For the care of a sick child younger than age 7, the benefit is provided for the period of sickness, up to 60 days a year; for a child aged 7 to 15, for 15 to 45 days a year; for an adult family member older than age 15 who is hospitalized, for seven to 30 days a year.

The minimum benefit is 100% of the legal minimum wage.

The legal minimum wage is 5,554 rubles.

The maximum benefit is 44,975 rubles.

Funeral grant: A lump sum of up to 5,002 rubles is paid, depending on local government financial resources.

Maternity benefit: 100% of the insured's gross earnings in the last 24 months is paid for 70 days before the expected date of childbirth and 70 days after childbirth; may be extended by an additional 14 to 40 days in certain cases.

The minimum benefit is 100% of the legal minimum wage.

The legal minimum wage is 5,554 rubles.

The maximum benefit is 44,913.84 rubles.

Childbirth grant: A lump sum of 13,741.99 rubles is paid. The local government pays an additional sum.

Pregnancy registration supplement: 515.33 rubles is paid when the pregnancy is registered in the first 12 weeks.

Adoption benefit: A lump sum of up to 105,000 rubles is paid.

Child care leave benefit (monthly): Paid to insured or unemployed parents until the child is aged 18 months. The benefit is 40% of the insured's average wage in the last 24 months and is at least 2,576 rubles for the first child and 5,153.22 rubles for the second and subsequent children.

The maximum monthly benefit is 17,965.54 rubles.

Parents of a child with a disability also receive benefits for four vacation days a month.

Workers' Medical Benefits

Compulsory medical insurance covers medical services provided directly to patients by public and private health providers. Benefits include general, preventive, and emergency care; hospitalization; laboratory services; dental care; maternity care; vaccinations; and transportation.

Cost sharing: Medicine prescribed during hospitalization is provided free or at reduced rates to persons with certain categories of illness, persons with disabilities, and war veterans.

Voluntary medical insurance covers specialized care, higher-cost medicine, and appliances.

Some categories of the population, including the elderly, persons with disabilities, and war veterans, may receive a cash reimbursement for some medicine.

Dependents' Medical Benefits

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

Administrative Organization

Cash benefits: Social Insurance Fund of the Russian Federation (<http://www.fss.ru>) and regional social insurance funds administer cash sickness and maternity benefits.

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

Medical benefits: Ministry of Health (<http://www.rosminzdrav.ru>) and regional health departments implement state health care policy and develop health care programs.

Federal Compulsory Medical Insurance Fund (<http://www.ffoms.ru>) implements health care policy within the state social insurance system and administers the financing of medical insurance programs.

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

Regional governments administer medical insurance.

Work Injury

Regulatory Framework

First law: 1903.

Current laws: 1998 (work injury and occupational diseases), implemented in 2000; 2001 (labor code); 2005 (risk classification); and 2013 (contributions).

Type of program: Social insurance system.

Coverage

Employed citizens.

Exclusions: Self-employed persons.

Source of Funds

Insured person: None.

Self-employed person: Not applicable.

Employer: From 0.2% to 8.5% of payroll according to 32 classes of professional risk related to 22 industry categories. Employers may finance supplementary benefits.

Government: None. Regional and local governments may finance supplementary benefits.

Qualifying Conditions

Work injury benefits: There is no minimum qualifying period.

Temporary Disability Benefits

100% of the insured's average gross earnings is paid from the first day of incapacity until the insured is fully rehabilitated.

Average gross earnings are based on earnings immediately before certification of the degree of disability.

The Medical and Social Assessment Office assesses the degree of disability at least once a year.

Lump-sum compensation: A lump sum of up to 80,534 rubles is paid to insured workers according to the loss of working capacity. The benefit is adjusted according to regional environmental conditions.

A monthly benefit is paid for a temporary, prolonged loss of working capacity based on

the average wage in the last 12 months and the assessed loss of working capacity.

Permanent Disability Benefits

Permanent disability pension: The pension depends on the assessed degree of disability.

Must have at least a 10% loss of work capacity.

The maximum benefit is 80,534 rubles a month and is set annually by the Social Insurance Fund.

The Medical and Social Assessment Office assesses the degree of disability at least once a year.

Constant-attendance allowance: 900 rubles a month is paid to those requiring special medical care; 225 rubles for daily attendance.

Workers' Medical Benefits

Compulsory medical insurance covers medical services provided directly to patients by public and private health care providers. Benefits include general, preventive, and emergency care; hospitalization; laboratory services; dental care; transportation; free appliances and medicine; and the cost of professional rehabilitation.

Specialized care may be provided under voluntary supplementary insurance offered by the employer.

Survivor Benefits

Survivor pension: Paid on the death of the insured as the result of a work injury or an occupational disease. The benefit is calculated as the sum of a basic flat-rate benefit according to different survivor categories, and a benefit based on the notional account and the number of eligible survivors.

Lump-sum compensation: In addition to the pension, a lump sum of 80,534 rubles is paid and split equally among all eligible survivors.

Death grant: A lump sum of up to 1,000 rubles is paid. (The employer may pay an additional benefit.)

Administrative Organization

Social Insurance Fund of the Russian Federation (<http://www.fss.ru>) and regional funds administer temporary disability benefits.

Enterprises and employers pay benefits to employees.

Pension Fund of the Russian Federation (<http://www.pfrf.ru>) administers permanent disability pensions.

Ministry of Health (<http://www.rosminzdrav.ru>) administers the provision of medical services through clinics, hospitals, maternity homes, and other medical facilities, including private health care providers.

Regional health departments implement and administer state health care policies and programs.

Regional employment services administer and finance the program.

Unemployment

Regulatory Framework

First law: 1921.

Current laws: 1991 (employment), 1997 (registration), 2001 (labor code), 2004 (cash compensation), and 2006 (benefits).

Type of program: Social insurance and social assistance system.

Coverage

Citizens of Russia.

Source of Funds

Insured person: None.

Self-employed person: None.

Employer: None.

Government: Financed from federal and local government budgets. Regional and local governments may finance supplementary benefits for unemployed persons and their dependents.

Qualifying Conditions

Unemployment benefits: Must be registered at an employment office, have 26 weeks of full-time employment in the last 12 months (or the 26-week equivalent for part-time employment), and be willing and able to work.

Benefits may be reduced, postponed, suspended, or terminated if the worker is dismissed because of misconduct, leaving employment without good cause, violating conditions for job placement or vocational training, or filing a fraudulent claim.

Unemployed persons who do not meet the coverage conditions or persons who have never worked may be eligible for reduced benefits.

Unemployment Benefits

Unemployment benefit: 75% of the previous average monthly wage is paid for the first three months, 60% for the next four months, 45% for the five months, and thereafter 30% of the local minimum subsistence level for a further 12 months.

The benefit is increased by 10% of the regional minimum subsistence level for victims of radiation and persons living in radiation-contaminated zones.

The minimum monthly benefit is 850 rubles.

The maximum monthly benefit is 4,900 rubles.

For unemployed persons who do not meet the coverage conditions or for persons who have never worked, the benefit is 30% of the regional minimum

subsistence level for the first six months and 20% of the regional minimum subsistence level for the next six months, but not less than 100 rubles a month.

Dependent's supplement: The benefit is increased by 10% of the regional minimum subsistence level for each dependent, up to 30%. If both parents are unemployed, both are entitled to claim a supplement for the same dependent.

Early pension: Paid to unemployed older workers aged 58 to 59 (men) or aged 53 to 54 (women). (The benefit is the same as the old-age labor pension under Old Age, Disability, and Survivors.)

Administrative Organization

Ministry of Labour and Social Protection of the Russian Federation (<http://www.rosmintrud.ru>) provides general supervision.

Regional employment services administer the program.

Local employment services pay benefits.

Family Allowances

Regulatory Framework

First law: 1944.

Current laws: 1995 (child benefits), 2004 (cash compensation), 2005 (social insurance fund), and 2006 (families with children).

Type of program: Social insurance and social assistance system.

Coverage

Children younger than age 18 (up to age 23 if a full-time student).

Source of Funds

Insured person: None.

Self-employed person: None.

Employer: See source of funds under Sickness and Maternity. Employers may finance supplementary benefits.

Government: Federal and local government budgets subsidize the cost of benefits. Regional and local governments may finance supplementary benefits.

Qualifying Conditions

Child allowances: Paid to families with income below the locally determined minimum subsistence level. The child must reside in the household.

Family (maternity capital) grant: Paid to women after the birth or adoption of the second, third or subsequent child after January 1, 2007. In special cases men are entitled to the grant after the adoption of two children.

Family Allowance Benefits

Child allowances: The allowance varies according to geographic region and is paid for each child from age 18 months to age 18 (age 23 if a full-time student).

Supplements are paid if a parent fails to pay alimony.

Single parents receive twice the child allowance.

A parent caring for a sick child receives 60% to 100% of wages for the first seven days of illness; thereafter, 30% of wages (50% for single mothers) until the child's full recovery.

Family (maternity capital) grant: 429,408 rubles is paid.

Administrative Organization

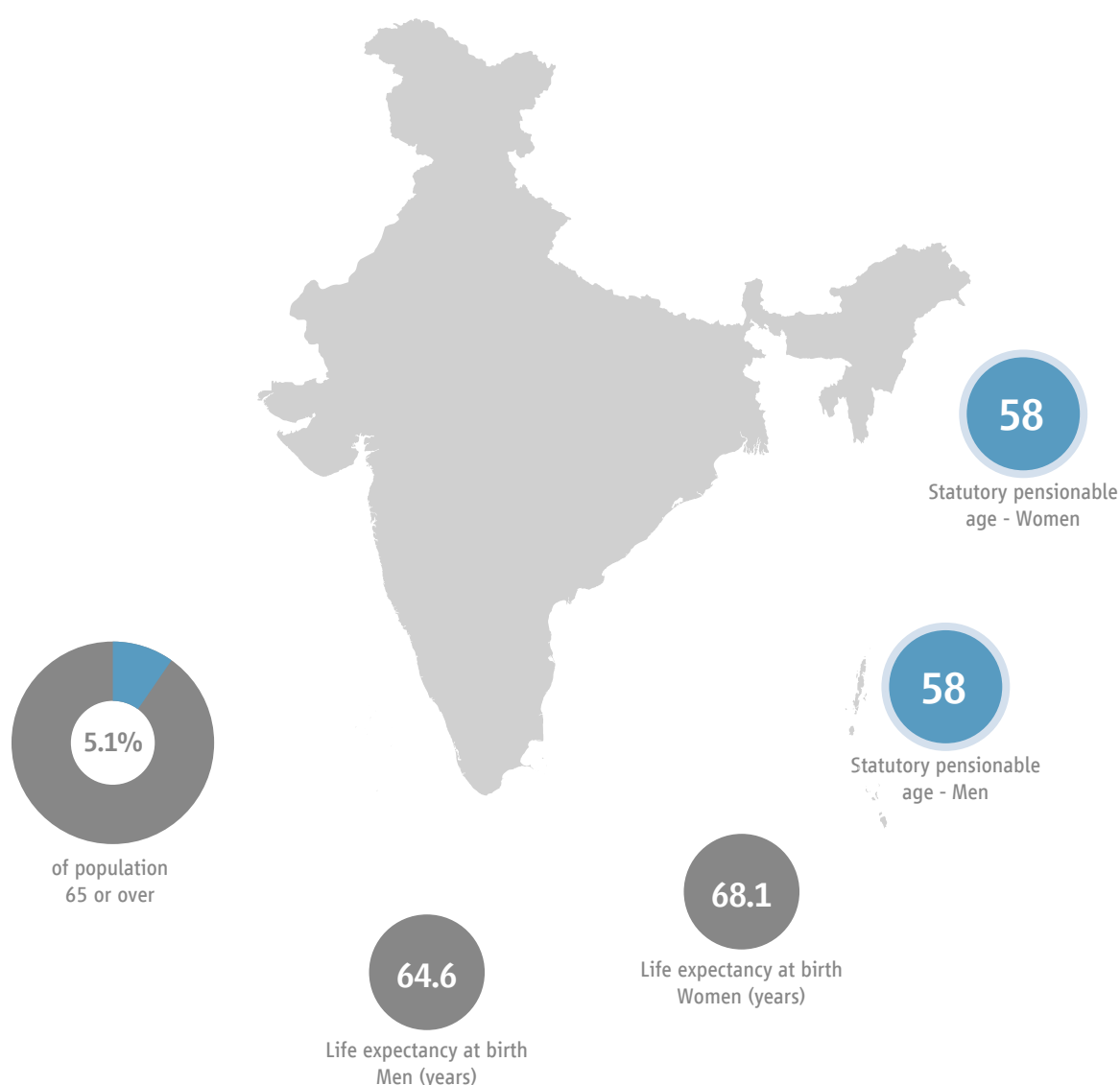
Ministry of Labour and Social Protection of the Russian Federation (<http://www.rosmintrud.ru>) provides general supervision.

Regional and local departments of social protection pay benefits.

Pension Fund of the Russian Federation (<http://www.pfrf.ru>) and its regional bodies administer family (maternity) grants.

Social security in India

While two decades of economic reform in India have brought noticeable changes to the way in which social security operates, the country's progress in term of social security coverage remains influenced by large informal and rural economies and high levels of poverty. Enabled by innovative use of ICT, new government programmes for food security, health care for the poor, and cash transfers have been introduced, and health care and occupational accident insurance coverage is being gradually extended across industrial centres. Community-based initiatives, including micro-insurance for health protection and micro-pension schemes partnered with private-sector actors, also provide access to social protection.



Sources:

SSA; ISSA. Various years. *Social security programs throughout the world*. Washington, DC, Social Security Administration.

Country summary scheme description: India

The country summary scheme description covers national social security programmes established by statute that insure individuals against interruption or loss of earnings resulting from old age, disability or survivorship; sickness and maternity; work injury or occupational disease; unemployment; and child raising.

The information is taken primarily from the research publication *Social Security Programs Throughout the World* produced jointly by the ISSA and the U.S. Social Security Administration (SSA). Information is updated region-by-region over a two-year cycle. Readers may refer to the scheme description section of the respective Social Security Country Profile on the ISSA website for the most recent survey reply and for additional data and information.

Old Age, Disability, and Survivors

Regulatory Framework

First and current laws: 1952 (employees' provident funds), 1972 (payment of gratuity), 1976 (employees' deposit-linked insurance), 1995 (employees' pension scheme), 1995 (national social assistance program), 2008 (unorganized workers' social security), and 2013 (pension fund regulatory and development authority).

Type of program: Provident fund, social insurance, employer-liability, and social assistance system.

Note: A funeral grant is paid under Sickness and Maternity.

Coverage

Provident fund and survivor (deposit-linked) insurance: Employees, including those engaged in casual, part-time, daily wage, and contract work, with monthly earnings of 15,000 rupees or less working in firms with at least 20 workers in one of 186 categories of covered industry (the firm remains covered even if the number of employees falls below 20); employees of other types of businesses specified by law, including cooperatives with more than 50 employees.

Employees covered by equivalent occupational private plans may opt out.

Voluntary coverage for employees of covered firms with monthly earnings of more than 15,000 rupees, with the employer's agreement. Voluntary coverage for employees of firms with fewer than 20 workers if the employer and a majority of employees agree to contribute.

Exclusions: Self-employed persons, agricultural workers, and members of cooperatives with fewer than 50 workers.

Pension scheme: Employees who became members of the provident fund on or after November 16, 1995.

Voluntary coverage is available.

Exclusions: Self-employed persons, agricultural workers, and members of cooperatives with fewer than 50 workers.

Gratuity scheme (employer liability): Employees of factories, mines, oil fields, plantations, ports, railways, and businesses with at least 10 workers.

Exclusions: Self-employed persons, agricultural workers, and members of cooperatives with fewer than 50 workers. There is no coverage in the states of Jammu and Kashmir.

Special systems for coal miners, railway employees, and public-sector employees.

Social assistance: Needy older persons and poor households when the primary breadwinner dies.

Separate informal-sector schemes exist for certain artisans and the rural landless.

Source of Funds

Insured person

Provident fund: 12% of basic wages (10% in specified categories of industry; businesses covered prior to September 22, 1997, with fewer than 20 employees; and some other specific cases).

The maximum monthly earnings used to calculate contributions are 15,000 rupees.

Survivor (deposit-linked) insurance scheme: None.

Pension scheme: None.

Gratuity scheme (employer liability): None.

Social assistance: None.

Self-employed person

Provident fund: Not applicable.

Survivor (deposit-linked) insurance scheme: Not applicable.

Pension scheme: Not applicable.

Gratuity scheme (employer liability): Not applicable.

Social assistance: None.

Employer

Provident fund: 3.67% of monthly payroll plus 1.1% of monthly payroll for administrative costs.

Survivor (deposit-linked) insurance scheme: 0.5% of monthly payroll plus 0.01% of monthly payroll for administrative costs.

The maximum monthly earnings used to calculate contributions are 15,000 rupees.

Pension scheme: 8.33% of monthly payroll.

The maximum monthly earnings used to calculate contributions are 15,000 rupees.

Gratuity scheme (employer liability): An average of 4% of monthly payroll.

Social assistance: None.

Government

Provident fund: None.

Survivor (deposit-linked) insurance scheme: None.

Pension scheme: 1.17% of the insured's basic wages.

The maximum monthly earnings used to calculate contributions are 15,000 rupees.

Gratuity scheme (employer liability): None.

Social assistance: The total cost.

Qualifying Conditions

Old-age benefits

Old-age benefit (provident fund): Age 55 and retired from covered employment; at any age if permanently emigrating, if covered employment ends involuntarily, on the termination of service under a voluntary retirement scheme, on changing employment from an establishment covered by the scheme to one that is not, or after two months of unemployment.

Drawdown payment: Partial drawdown is permitted before retirement for special purposes, including paying for life insurance, purchasing or building a home, loan repayment, a child's education or marriage, care costs for a serious illness, damage from a natural disaster, or costs relating to the onset of a disability.

Under certain circumstances, the full amount can be drawn down before age 55.

Old-age pension (pension scheme): Age 58 with at least 10 years of coverage.

Partial pension: Age 58 with less than 10 years of coverage.

Early pension: Age 50 with at least 10 years of coverage.

Employment must cease.

Old-age benefit (gratuity scheme): Must have at least five years of continuous employment.

Old-age pension (social assistance): Age 65 and needy.

Disability benefits

Disability benefit (provident fund): Assessed with a permanent and total incapacity for normal work.

Disability pension (pension scheme): Assessed with a permanent and total disability as the result of an occupational injury and has at least one month of contributions.

Disability benefit (gratuity scheme): Assessed with a disability caused by a disease or an accident.

Disability pension (social assistance): Aged 16 to 64, needy, and assessed with a severe or multiple disabilities.

Survivor benefits

Survivor benefit (provident fund): Paid if the provident fund member dies before retirement.

Survivor (deposit-linked) insurance scheme: Paid if the provident fund member dies before retirement.

Survivor pension (pension scheme): Paid to a widow(er) and up to two children younger than age 25 (no limit with a total and permanent disability) if the deceased had at least one month of contributions, regardless of whether the deceased was employed or retired at the time of death.

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

If there is no surviving widow(er) or orphan, the pension is paid to a named survivor or a dependent parent.

Survivor benefit (gratuity scheme): Paid if the insured dies as the result of an illness or an accident.

Survivor grant (social assistance): Paid to needy households (under the National Family Benefit Scheme) when the primary breadwinner aged 18 to 64 dies.

Old-Age Benefits

Old-age benefits

Old-age benefit (provident fund): A lump sum of total employee and employer contributions plus accrued interest is paid.

Drawdown payment: According to circumstances, the value of the minimum payment varies from one month of wages to total employee and employer contributions plus accrued interest.

Old-age pension (pension scheme): A monthly pension is paid based on a member's pensionable service and earnings.

The minimum pension is 1,000 rupees a month.

Partial pension: A lump sum of total employee and employer contributions plus accrued interest is paid.

Early pension: The basic pension is reduced by 3% for each year that retirement is taken before age 58.

Benefit adjustment: The pension is adjusted annually by the central government according to an actuarial evaluation.

Old-age benefit (gratuity scheme): Based on the insured's final salary, a lump sum of 15 days of wages for each year of continuous service is paid (a reduced amount is paid for partial years exceeding six months).

The maximum benefit is 350,000 rupees.

For seasonal employees, employers pay at the rate of seven days of wages for each season worked.

Old-age pension (social assistance): A basic pension of 200 rupees a month is paid. Additional amounts vary by state.

Permanent Disability Benefits

Disability benefits

Disability benefit (provident fund): A lump sum of total employee and employer contributions plus accrued interest is paid.

Disability pension (pension scheme): A monthly pension is paid based on the member's pensionable earnings or a lump sum of total employee and employer contributions plus accrued interest.

The minimum earnings used to calculate pensions is 250 rupees.

The minimum pension is 1,000 rupees a month.

Pension adjustment: The pension is adjusted annually by the central government according to an actuarial evaluation.

Disability benefit (gratuity scheme): A lump sum of 15 days of the insured's last wage is paid for each year of continuous service before the disability began (a reduced amount is paid for partial years exceeding six months).

The maximum benefit is 350,000 rupees.

For seasonal employees, employers pay the gratuity at the rate of seven days of wages for each season worked.

Disability pension (social assistance): A basic pension of 200 rupees a month is paid. Amounts in addition to the basic pension vary by state.

Survivor Benefits

Survivor benefits

Survivor benefit (provident fund): A lump sum of total employee and employer contributions plus accrued interest is paid to a named survivor or split equally among all eligible family members.

Death grant: Up to 2,000 rupees is paid.

Survivor (deposit-linked) insurance scheme: A lump sum is paid of the average balance of the deceased's provident fund account during the 12 months before death or during the period of membership, whichever is less.

The maximum benefit is 130,000 rupees. The benefit is paid in addition to the provident fund survivor benefit.

Spouse's pension (pension scheme): 50% of the old-age or disability pension the deceased received or was entitled to receive is paid.

The minimum spouse's pension is 450 rupees a month.

Orphan's pension (pension scheme): 25% of the spouse's pension is paid; 75% for full orphans.

The minimum orphan's pension is 150 rupees a month (250 a month for full orphans).

Other eligible survivors (pension scheme): Up to 75% of the old-age or disability pension the deceased received or was entitled to receive is paid.

Benefit adjustment: The pension is adjusted annually by the central government according to an actuarial evaluation.

Survivor benefit (gratuity scheme): A lump sum of 15 days of the deceased's last wage is paid for each year of continuous service (a reduced amount is paid for partial years exceeding six months).

The maximum benefit is 350,000 rupees.

When seasonal employees die, employers pay the gratuity at the rate of seven days of wages for each season worked.

Survivor grant (social assistance): A lump sum of 10,000 rupees is paid.

Administrative Organization

Ministry of Labour and Employment (<http://www.labour.nic.in>) provides general supervision for most schemes.

Employees' Provident Fund Organisation (<http://www.epfindia.com>) administers the provident fund program through regional, subregional, inspectorate, and subaccount offices.

Central Board of Trustees of the Employees' Provident Fund, through a tripartite body comprising representatives of government, employers, and employees, administers the funds.

Central and state authorities administer the gratuity scheme.

Ministry of Rural Development (<http://rural.nic.in>) provides general supervision for social assistance schemes.

National Social Assistance Programme administers social assistance old-age pension and disability schemes.

National Family Benefit Scheme administers survivor grants.

Sickness and Maternity

Regulatory Framework

First and current laws: 1948 (employees' state insurance), 1995 (social assistance), and 2008 (unorganized workers' social security).

Type of program: Social insurance and social assistance system.

Note: Under a 1961 law (Maternity Benefit Act), implemented in 1963, employers provide maternity benefits to employees in factories and establishments not covered by the Employees' State Insurance Act of 1948.

Coverage

Social insurance: Employees earning from 100 rupees a day to 15,000 rupees a month (up to 25,000 rupees a month if disabled) and working in a factory or firm with at least 10 workers.

Employees working for government run firms covered by equivalent private plans may opt out.

Coverage is being extended gradually, with 851 industrial centers currently covered. (The scheme has not been implemented in the states of Manipur, Sikkim, Arunachal Pradesh, or Mizoram.)

Exclusions: Self-employed persons, seasonal workers (less than seven months a year), agricultural workers, and workers in certain other sectors.

Voluntary coverage for medical benefits is available to previously insured retired persons.

Social assistance: Needy pregnant women.

A national health insurance scheme covers qualified hospitalization and transport costs for needy individuals in most states.

Separate informal-sector schemes exist for certain artisans.

Source of Funds

Insured person

Social insurance: 1.75% of earnings.

The insured person's contributions also finance work injury benefits and the unemployment allowance.

Voluntarily insured persons pay a flat-rate of 10 rupees a month (medical benefits).

Social assistance: None.

Self-employed person

Social insurance: Not applicable.

Social assistance: None.

Employer

Social insurance: 4.75% of payroll.

The employer's contributions also finance work injury benefits and the unemployment allowance.

Social assistance: None.

Government

Social insurance: State governments pay 12.5% of the cost of medical benefits.

State government contributions also finance work injury medical benefits and the cost of necessary medical care for unemployment allowance beneficiaries and their dependents.

Social assistance: The total cost.

Qualifying Conditions

Cash sickness benefits (social insurance): Must have been in insured employment for at least 78 days during a six-month period before the incapacity began.

Extended sickness benefit: Younger than age 60, diagnosed with any of 34 malignant and long-term diseases, and has exhausted normal cash sickness benefits. Must have been in insured employment for at least 156 days during the last two years, including at least 78 days of contributions during a six-month period before the incapacity began.

Cash maternity benefits (social insurance): Must have been in insured employment for at least 70 days during two designated and consecutive six-month periods. Paid to an insured woman or to the wife of an insured man.

Confinement grant: Paid to an insured woman or to the wife of an insured man who gives birth in a health facility not registered with the Employees' State Insurance Corporation.

Janani Suraksha Yojana maternity grant (social assistance): Paid to needy women aged 19 or older who give birth in a government health facility.

Medical benefits (social insurance): Must be currently in insured employment or qualify for cash sickness benefits.

Funeral grant (social insurance): Paid when the insured dies.

Sickness and Maternity Benefits

Sickness benefit (social insurance): 70% of the insured's average daily wage is paid after a two-day waiting period for up to 91 days in any two consecutive designated six-month periods.

Family planning (sterilization): Cash sickness benefit is paid at a double rate for seven days (men) or 14 days (women); may be extended if there are complications.

Extended sickness benefit: 80% of the insured's average daily wage is paid for 124 days; may be extended to 309 days under certain circumstances and up to two years with a recommendation from the medical board.

Maternity benefit (social insurance): 100% of the insured's average earnings, according to wage class, is paid for up to 12 weeks (including up to six weeks before the expected date of childbirth); six weeks in the case of a miscarriage. The benefit may be extended by four weeks for medical reasons.

The minimum daily benefit is 25 rupees.

Confinement grant: A lump sum of 5,000 rupees is paid.

Janani Suraksha Yojana cash maternity grant (social assistance): A lump sum of 600 rupees to 1,400 rupees is paid, depending on the geographic area. The grant is limited to two live births in states designated as high performing.

Funeral grant (social insurance): A lump sum of up to 10,000 rupees for the cost of the funeral is paid to the dependents or to the person who performs the last rites.

Workers' Medical Benefits

Medical care is provided in different states through social insurance dispensaries and hospitals, state government services, or private doctors under

contract. Benefits include outpatient treatment, specialist consultations, hospitalization, surgery and obstetric care, imaging and laboratory services, and transportation. Drugs, dressings, artificial limbs, aids, and appliances are provided free-of-charge.

Benefits are provided for three months to one year, according to the insured's contribution record.

Dependents' Medical Benefits

Medical benefits for dependents: Medical benefits for dependents are the same as those for the insured. Eligible dependents include the spouse, children up to age 18 (age 21 if a student, no limit if disabled or an unmarried daughter), a widowed mother, and dependent parents.

Administrative Organization

Ministry of Labour and Employment (<http://www.labour.nic.in>) provides general supervision.

Employees' State Insurance Corporation (<http://www.esic.nic.in>), managed by a tripartite board and a Director General, administers the social insurance program through regional and local offices.

State governments oversee the provision of medical benefits through agreement with and reimbursement by the Employees' State Insurance Corporation, except in the National Capital Territory of Delhi and model hospitals where the Corporation provides medical benefits directly.

Employees' State Insurance Corporation oversees the provision of medical benefits in some cases.

The Ministry of Health and Family Welfare (<http://www.mohfw.nic.in>), administers the social assistance scheme.

Work Injury

Regulatory Framework

First law: 1923 (workmen's compensation).

Current law: 1948 (employees' state insurance).

Type of program: Social insurance system.

Coverage

Employees earning from 100 rupees a day to 15,000 rupees a month (up to 25,000 rupees a month if disabled) and working in a factory or firm with at least 10 workers.

Employees working for government-run firms covered by equivalent private plans may opt out.

Coverage is being extended gradually, with 790 industrial centers currently covered. (The scheme has not been implemented in the states of Manipur, Sikkim, Arunachal Pradesh, or Mizoram.)

Exclusions: Self-employed persons, seasonal workers (less than seven months a year), agricultural workers, and workers in certain other sectors.

Source of Funds

Insured person: See source of funds under Sickness and Maternity.

Self-employed person: Not applicable.

Employer: See source of funds under Sickness and Maternity.

Government: See source of funds under Sickness and Maternity.

Qualifying Conditions

Work injury benefits: There is no minimum qualifying period.

Temporary Disability Benefits

90% of the insured's average daily wage is paid for the duration of the disability (must last at least three days).

Permanent Disability Benefits

Permanent disability pension: A pension is paid according to the assessed loss of earning capacity.

The maximum daily rate is the temporary disability benefit rate each day (90% of the insured's average daily wage).

If the daily value of the pension is 10 rupees or less and the total value of the benefit does not exceed 60,000 rupees, the benefit may be paid as a lump sum.

Separate medical boards assess the loss of earning capacity resulting from a work injury or an occupational disease.

Partial disability: A percentage of the full pension is paid according to the assessed loss of earning capacity.

Benefit adjustment: The Employees' State Insurance Corporation periodically reviews benefits and adjusts them for inflation.

Workers' Medical Benefits

Services are provided in different states through social insurance dispensaries and hospitals, state government services, or private doctors under contract. Benefits include outpatient treatment; specialist consultations; hospitalization; surgery; obstetric care; imaging and laboratory services; transportation; and free medicine, dressings, artificial limbs, aids, and appliances.

Survivor Benefits

Spouse's pension: 60% of the total disability pension the deceased received or was entitled to receive (the average pension is 90% of the deceased's earnings) is paid to the widow(er). If there is more than one widow, the benefit is split equally.

Orphan's pension: 40% of the total disability pension the deceased received or was entitled to receive (the average pension is 90% of the deceased's earnings) is paid for an orphan younger than age 25 (no limit if disabled or an unmarried daughter).

All survivor benefits combined must not exceed 100% of the pension the deceased received or was entitled to receive.

Other eligible survivors: If there is no widow(er) or orphan, up to 40% of the total disability pension the deceased received or was entitled to receive is paid to other eligible survivors including the deceased's parents, grandparents, widowed mother, and other dependents younger than age 18 (no limit if an unmarried female).

The minimum monthly benefit is 1,200 rupees for each family.

Funeral grant: A lump sum of up to 10,000 rupees for the cost of the funeral is paid to the oldest member of the family or to the person who pays for the funeral.

Administrative Organization

Ministry of Labour and Employment (<http://www.labour.nic.in>) provides general supervision.

Employees' State Insurance Corporation (<http://www.esic.nic.in>), managed by a tripartite board and a Director General, administers the program through regional and local offices.

State governments oversee the provision of medical benefits through agreement with and reimbursement by the Employees' State Insurance Corporation.

Employees' State Insurance Corporation oversees the provision of medical benefits in some cases.

Unemployment

Regulatory Framework

First and current laws: 1948 (state insurance) and 2005 (rural employment guarantee).

Type of program: Social insurance and social assistance system.

Coverage

Social insurance: Employees earning from 100 rupees a day to 15,000 rupees a month (up to 25,000 rupees a month if disabled) and working in a factory or firm with at least 10 workers.

Exclusions: Self-employed persons.

Social assistance: Households in qualified rural areas.

Source of Funds

Insured person: See source of funds under Sickness and Maternity.

Self-employed person: Not applicable.

Employer: See source of funds under Sickness and Maternity.

Government: See source of funds under Sickness and Maternity. State governments fund the rural employment guarantee (social assistance).

Qualifying Conditions

Unemployment allowance (social insurance): Must have at least three years of contributions, including three years of continuous employment before unemployment began. Unemployment must be due to the closure of the factory or firm, retrenchment, or an assessed nonwork-related disability of at least 40%.

National Rural Employment Guarantee scheme (social assistance): A member of the household must volunteer to do unskilled manual work in qualified rural areas.

Unemployment Benefits

Unemployment allowance (social insurance): 50% of the insured's average earnings is paid for up to one year.

Free medical care is also provided to beneficiaries and their dependents.

National Rural Employment Guarantee scheme (social assistance): At least 100 days of unskilled manual work at minimum wage are guaranteed.

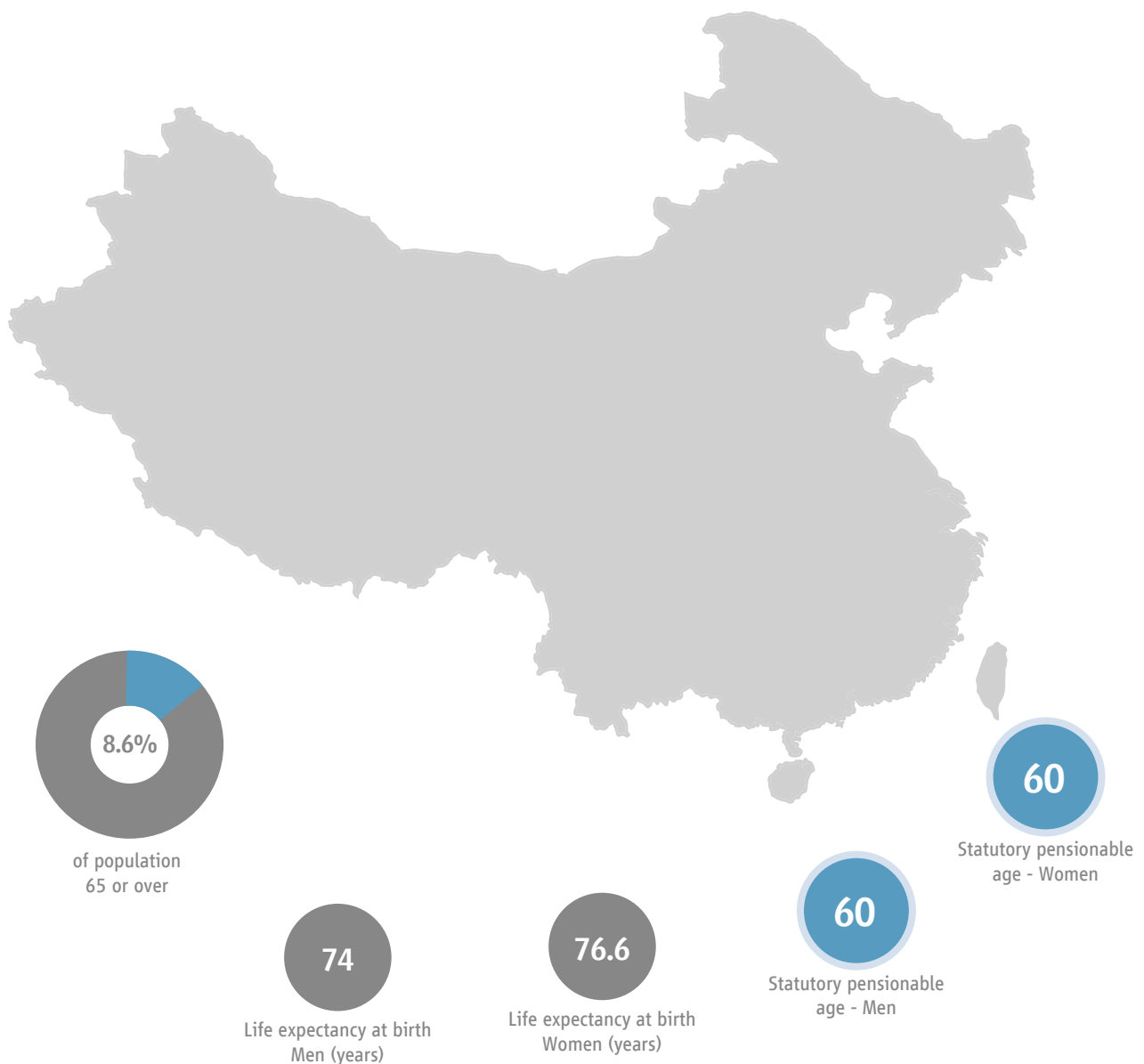
Administrative Organization

Employees' State Insurance Corporation (<http://www.esic.nic.in>), managed by a tripartite board and a Director General, administers the program through regional and local offices.

Ministry of Rural Development administers the National Rural Employment Guarantee (<http://www.nrega.nic.in>).

Social security in China

The past two decades in China have witnessed a significant and rapid extension of coverage under both contributory and non-contributory schemes, supported by management and administrative transformation and the innovative use of ICT. China has established a near-universal social security system based on social insurance (pensions, medical care, unemployment, work injury and maternity) and social assistance, centred on the basic pensions, basic health care and a tax-financed minimum subsistence guarantee implemented in all cities and rural areas.



Sources:

SSA; ISSA. Various years. *Social security programs throughout the world*. Washington, DC, Social Security Administration.

Country summary scheme description: China

The country summary scheme description covers national social security programmes established by statute that insure individuals against interruption or loss of earnings resulting from old age, disability or survivorship; sickness and maternity; work injury or occupational disease; unemployment; and child raising.

The information is taken primarily from the research publication *Social Security Programs Throughout the World* produced jointly by the ISSA and the U.S. Social Security Administration (SSA). Information is updated region-by-region over a two-year cycle. Readers may refer to the scheme description section of the respective Social Security Country Profile on the ISSA website for the most recent survey reply and for additional data and information.

Old Age, Disability, and Survivors

Regulatory Framework

First law: 1951.

Current laws: 1953 (regulations); 1978, 1995, 1997, 1999, and 2005 (directives); 2009 (guideline on rural pensions); 2010 (social insurance); 2011 (social insurance); and 2014 (pension portability and guideline on unified pension for rural and nonsalaried urban residents).

Type of program: Social insurance, mandatory individual account, and social assistance system.

Note: Since July 2011, existing regional and local social security schemes, including pooling arrangements, are gradually being unified under the country's first national law on social insurance. In early 2014, the government issued provisional measures on portability among different types of pension programs and guidelines for implementing a unified pension program covering both rural and nonsalaried urban residents throughout mainland China by the end of 2015.

Coverage

Basic pension insurance and mandatory individual account: Employees (including legally employed foreigners and migrants) in urban enterprises and urban institutions managed as

enterprises; self-employed persons and small business owners with no employees; part-time employees in urban areas; and casual workers.

Pension schemes for rural and nonsalaried urban residents: Rural and nonsalaried urban residents.

Exclusions: Persons covered under the basic pension insurance scheme.

Special government-funded, employer-administered systems for civil servants, including employees of government and communist party organizations, and government-funded cultural, educational, and scientific institutions.

Source of Funds

Insured person

Basic pension insurance: None, or as determined by local government regulations.

Mandatory individual account: 8% of gross insured earnings.

The minimum earnings used to calculate contributions are 60% of the local average wage for the previous year.

The maximum earnings used to calculate contributions are 300% of the local average wage for the previous year.

Pension schemes for rural and nonsalaried urban residents:

Noncontributory pension: None.

Individual account: A choice of 100 yuan to 2,000 yuan a year according to 12 scales. Local governments may increase the number of scales.

Self-employed person

Basic pension insurance: 12% of the local average wage.

Mandatory individual account: 8% of the local average wage.

Pension schemes for rural and nonsalaried urban residents:

Noncontributory pension: None.

Individual account: A choice of 100 yuan to 2,000 yuan a year according to 12 scales. Local governments may increase the number of scales.

Employer

Basic pension insurance: Up to 20% of payroll, depending on local government regulations. Contribution rates vary among provinces.

Mandatory individual account: None.

Pension schemes for rural and nonsalaried urban residents: None.

Government

Basic pension insurance: Central and local governments provide subsidies as needed.

Mandatory individual account: Central and local governments provide subsidies as needed.

Pension schemes for rural and nonsalaried urban residents:

Noncontributory pension: The central government provides the total cost (at least 55 yuan a month per insured person) in the central and western regions and 50% of the cost in the eastern

region. Local governments may make additional contributions.

Individual account: Local governments provide a minimum annual subsidy of 30 yuan to the individual account of each insured person (at least 60 yuan for those who contribute at least 500 yuan).

Qualifying Conditions

Old-age pension

Basic pension insurance (central government guidelines): Age 60 (men); age 60 (professional women), age 55 (nonprofessional salaried women), or age 50 (other categories of women) with at least 15 years of coverage.

Age 55 (men) or age 45 (women) with at least 15 years of coverage if employed in arduous or unhealthy work.

The minimum pension is paid with at least 15 years of coverage.

Early pension: Age 50 (men) or age 45 (women) with at least 10 years of coverage and assessed with a total disability; age 55 (men) or age 45 (women) with eight to 10 years of continuous coverage if employed in arduous or unhealthy work.

Insured persons who reach retirement age with less than 15 years of contributions may continue making contributions until they reach 15 years or transfer their pension entitlements to the schemes for rural and nonsalaried urban residents. Those who joined the basic pension insurance scheme before 2011 and at their retirement age have at least 10 but less than 15 years of contributions may make a lump-sum contribution to become eligible for the basic pension.

Mandatory individual account (central government guidelines): Age 60 (men and professional women), age 55 (nonprofessional salaried women), or age 50 (other categories of women), with at least 15 years of coverage.

Age 55 (men) or age 45 (women) with at least 15 years of coverage if employed in arduous or unhealthy work.

Those who joined the basic pension insurance scheme before 2011 and at the retirement age have at least 10 but less than 15 years of contributions may make a lump-sum contribution to become eligible for the basic pension. A lump sum is paid if the insured has less than 15 years of contributions but chooses to stop making contributions or, if applicable, to transfer the pension entitlement to the schemes for rural and nonsalaried urban residents.

Pension schemes for rural residents and nonsalaried urban residents: Age 60 and not entitled to the basic pension (noncontributory benefit); age 60 with at least 15 years of contributions and not entitled to the basic pension (individual account).

Insured persons who reach age 60 with less than 15 years of contributions can continue making contributions to the individual account until they become eligible or make a lump-sum contribution to become eligible for the rural or nonsalaried urban resident's old-age pension.

In some areas, such as Beijing and Shanghai, a government-financed, residence-based monthly welfare pension is granted to both urban and rural residents who have reached retirement age but are not covered under any pension program.

Disability pension

Basic pension insurance (central government guidelines): Assessed with a total incapacity for work and ineligible for an early old-age pension.

Medical experts of the Labor Ability Appraisal Committee assess the degree of disability.

Survivor pension

Basic pension insurance (central government guidelines): The deceased was a pensioner or in covered employment at the time of death.

Eligible survivors include the widow(er), children, and parents.

Funeral grant: Paid when the insured or an immediate family member who was dependent on the insured dies.

Mandatory individual account (central government guidelines): The deceased was in covered employment at the time of death.

An eligible survivor is the deceased's legal heir.

Pension schemes for rural residents and nonsalaried urban residents: The deceased received or was entitled to receive an old-age pension for rural or nonsalaried urban residents.

Individual account: Eligible survivors include the deceased's legal heirs.

Old-Age Benefits

Old-age pension

Basic pension insurance (central government guidelines): The pension is the average local wage in the previous year plus the average individual monthly wage used to calculate contributions, divided by two. The result is multiplied by 1% for each year of contributions.

The average individual monthly wage used to calculate contributions is the insured's average monthly wage indexed to the average local wage.

Early pension: The pension is based on the average local wage in the previous year, the average individual monthly wage used to calculate contributions, and the number of years of contributions.

The minimum pension (the combined basic pension and the pension based on the individual account) is normally 40% to 60% of the average local monthly wage during the previous year, depending on the region.

Mandatory individual account (central government guidelines): The monthly benefit is the account balance divided by the actuarial month.

The actuarial month is 139 and is determined by the insured's retirement age, the average life expectancy for the urban population, and the interest rate. Local governments provide transitional arrangements for workers who began employment before the introduction of mandatory individual accounts in 1997 and who retired on or after January 1, 2006.

After the monthly benefits from the mandatory individual account are exhausted, benefits are paid from a local pooling fund.

The minimum pension (the combined basic pension and the pension based on the individual account) is normally 40% to 60% of the average local monthly wage during the previous year, depending on the region.

Lump-sum settlement (mandatory individual account): A lump sum of the account balance.

Pension schemes for rural residents and nonsalaried urban residents:

Noncontributory pension: At least 55 yuan a month is paid. The amount of the pension increases with age in some areas.

Individual account: The insured's contributions plus accrued interest, divided by the actuarial month, is paid.

The actuarial month is 139.

Permanent Disability Benefits

Disability pension

Basic pension insurance (central government guidelines): 40% of the insured's monthly wage is paid.

The minimum pension is set by provincial and local governments according to the local standard of living.

Mandatory individual account (central government guidelines): No cash benefit is provided.

Survivor Benefits

Survivor pension

Basic pension insurance (central government guidelines): A lump sum of six to 12 months of the deceased's last monthly wage is paid, according to the number of surviving dependents.

Funeral grant: A lump sum of two months of the average local wage in the previous year is paid to the widow(er), children, parents, and grandparents. When an immediate family member who was dependent on the insured dies, 33% to 50% of the monthly average local or enterprise wage in the previous year is paid, depending on the age of the deceased.

Mandatory individual account (central government guidelines): A lump sum of the balance of the deceased's contributions plus accrued interest is paid to the deceased's legal heir. If the insured died before the normal retirement age, the balance of any employer contributions made to the deceased's individual account before January 1, 2006, is transferred to a local pooling fund.

Pensions for rural residents and nonsalaried urban residents (individual account): The balance of the deceased's contributions plus accrued interest is paid to the deceased's legal heir.

Administrative Organization

Department of Pensions and Department of Rural Social Insurance, under the Ministry of Human Resources and Social Security, provide general supervision.

Provincial or local social insurance agencies administer their respective retirement pension pools and individual accounts. Provincial and local social insurance pools are gradually being consolidated into national pools by 2015.

Mandatory individual account funds are deposited in state-owned banks or used to purchase state bonds.

Provincial labor and social security authorities are responsible for regulatory funds (special reserve funds) to which local pooling funds in the jurisdiction must pay a percentage of their revenue.

Provincial or local social insurance agencies also administer the pension schemes for rural and nonsalaried urban residents.

Sickness and Maternity

Regulatory Framework

First law: 1951.

Current laws: 1953; 1978 (permanent employees); 1986 (contract workers); 1988 and 1994 (female employees); 1998, 1999, 2000, and 2002 (medical insurance and pilot rural cooperative medicare); 2007 (pilot nonsalaried urban resident medical insurance); 2009 (directive on health care reforms); 2010 (social insurance); 2011 (social insurance); and 2012 (special protection for female employees).

Type of program: Social insurance (cash sickness and maternity benefits and medical benefits for rural and nonsalaried urban residents) and social insurance and mandatory individual account (basic medical insurance benefits) system.

Note: Since July 2011, existing regional and local social security schemes, including pooling arrangements, are being gradually unified under the country's first national law on social insurance.

Coverage

Sickness and maternity insurance programs: All employees in urban enterprises. (Urban enterprises comprise all state-owned enterprises, regardless of their location.) Voluntary coverage for self-employed persons in most provinces.

Basic medical insurance program: All employees in urban areas working in government organizations, enterprises, social groups, and nonprofit organizations. Voluntary coverage for self-employed persons.

Medical insurance for rural and nonsalaried urban residents: Rural and nonsalaried urban residents of China. Voluntary coverage for self-employed persons.

Source of Funds

Insured person

Sickness and maternity insurance (social insurance): None.

Basic medical insurance (social insurance and individual medical savings account): None to the pooling fund; about 2% of gross wages to the individual account (contribution rates may vary by local government).

The minimum earnings used to calculate contributions are 60% of the local average wage in the previous year.

The maximum earnings used to calculate contributions are 300% of the local average wage in the previous year.

Medical insurance for rural and nonsalaried urban residents (social insurance): An average annual flat-rate contribution of 90 yuan.

Self-employed person

Sickness and maternity insurance (social insurance): The total cost (actual rates vary according to region).

Basic medical insurance (individual medical savings account): About 10% of gross earnings (local government may adjust contribution rates according to local conditions).

The self-employed person's contributions are split between the pooling fund and the individual account in varying proportions according to local conditions. Self-employed persons may also pay a lower rate to the pooling fund (without establishing an individual account) or join the nonsalaried urban resident medical insurance program.

Medical insurance for rural and nonsalaried urban residents (social insurance): An average annual flat-rate contribution of 90 yuan.

Employer

Sickness and maternity insurance (social insurance): The total cost (sickness benefits); up to 1% of total payroll (maternity benefits).

Basic medical insurance (social insurance and individual medical savings account): About 6% of total payroll (local government may adjust contribution rates according to local conditions).

70% of the employer's contribution is directed to the pooling fund; 30% to the insured's individual account.

Nonparticipating enterprises pay benefits directly to the insured.

Medical insurance for rural and nonsalaried urban residents (social insurance): Not applicable.

Government

Sickness and maternity insurance (social insurance): None; subsidizes administrative costs.

Basic medical insurance (social insurance and individual medical savings account): Central and

local governments provide tax concessions and subsidies for administrative costs and finance complementary medical insurance systems for civil servants.

Medical insurance for rural and nonsalaried urban residents (social insurance): An annual matching contribution (combined central and local governments) of 320 yuan for each person (rising to 360 yuan in 2015). The actual amount of the matching contribution varies by province. (Central and local governments finance an average of over 80% of the insured's contributions to the rural program (less in more developed provinces) and an average of 60% of the nonsalaried urban resident program.)

Qualifying Conditions

Sickness, maternity, and medical benefits: There is no minimum qualifying period.

Sickness and Maternity Benefits

Sickness benefit (central government guidelines for permanent workers): 60% to 100% (according to length of service) of the insured's last monthly wage is paid for up to six months each year; thereafter, 40% to 60% until the employee recovers or is assessed with a permanent disability.

Contract workers receive the same benefits as permanent workers.

Maternity benefit (central government guidelines for permanent workers): 100% of the enterprise's average monthly wage for the previous year is paid for up to 98 days for the birth of a child, including 15 days before the birth (an additional 15 days for complicated deliveries), 42 days for an abortion or miscarriage that takes place after at least four months of pregnancy, and 15 days for an abortion or miscarriage that takes place after less than four months of pregnancy.

Workers' Medical Benefits

Medical benefits

Basic medical insurance benefits (central government guidelines): Insured workers receive medical benefits at an accredited hospital or clinic on a fee-for-service basis.

Cost sharing: The individual account finances medical benefits only, up to 10% of the local average annual wage. The pooling fund reimburses the cost of medical benefits above 10% and up to 600% of the local average annual wage, according to a schedule. Reimbursement for payments beyond 600% of the local average annual wage must be covered by private insurance or public supplementary systems.

Medical insurance benefits for rural and nonsalaried urban residents: Insured persons are reimbursed annually for medical costs up to 600% of the local average annual income.

Dependents' Medical Benefits

Medical benefits for dependents

Basic medical insurance benefits (central government guidelines): No benefits are provided. The individual account must not be used to pay for dependents' medical benefits.

Medical insurance benefits for rural and nonsalaried urban residents: No benefits are provided.

Administrative Organization

Department of Medical Insurance, under the Ministry of Human Resources and Social Security, provides general guidance to local governments' medical insurance programs and ensures that local regulations follow central government guidelines.

Department of Medical Insurance, under the Ministry of Human Resources and Social Security, supervises

the provision of benefits by nonparticipating enterprises.

Local government social insurance agencies and participating enterprises administer medical benefits insurance with the social insurance funds.

Local government social insurance agencies contract with accredited clinics and hospitals to provide medical benefits.

Ministry of Public Health provides general guidance to medical care providers.

Individual state-run enterprises administer cash benefit programs.

Local government social insurance agencies manage individual medical savings accounts and the medical insurance program for nonsalaried urban residents. Most county-level public health authorities administer the medical insurance program for rural residents.

Work Injury

Regulatory Framework

First law: 1951.

Current laws: 1953, 1978 (permanent employees), 1986 (contract workers), 1996, 2003 (work injury), 2004 (rural migrants), and 2010 (work injury insurance regulations).

Type of program: Local government-administered social insurance system. (Employer-liability system for nonparticipating enterprises.)

Coverage

Employees in enterprises, institutions, civil associations, private nonenterprise units, foundations, law firms, and accounting firms.

Special government-funded, employer-administered systems for civil servants, including employees of government and communist party organizations, and cultural, educational, and scientific institutions.

Source of Funds

Insured person: None.

Self-employed person: Contributes as an employer for employees.

Employer

Social insurance: An average of 1% of total payroll, according to three categories of industry and the assessed degree of risk.

Employer-liability: The total cost for employers not participating in the social insurance program.

Government: Subsidies as needed.

Qualifying Conditions

Work injury benefits: There is no minimum qualifying period.

Temporary Disability Benefits

100% of the insured's wage is paid for up to 12 months; may be extended for 12 months.

Medical experts of the municipal Labor Ability Appraisal Committee assess the degree of disability. The benefit is suspended if the insured's disability is assessed as permanent.

Permanent Disability Benefits

Permanent disability benefits: The benefit is awarded according to 10 degrees of assessed disability.

For a total disability (degrees 1-4), a lump sum of 27 months of the insured's previous wage plus a monthly pension of 90% of the insured's previous wage is paid (1st degree); a lump sum

of 25 months of wages plus a pension of 85% of the insured's previous wage (2nd degree); a lump sum of 23 months of wages plus a pension of 80% of the insured's previous wage (3rd degree); or a lump sum of 21 months of wages plus a pension of 75% of the insured's previous wage (4th degree).

The insured's previous wage is the insured's average monthly income in the last 12 months before the disability began. The previous wage used to calculate benefits must be 60% to 300% of the average monthly wage in the pooling area.

The benefit ceases when the insured becomes entitled to an old-age pension. If the old-age pension is less than the permanent disability benefit, the work injury fund pays the difference.

To receive a benefit for an assessed total disability, the insured and the former employer must contribute to the basic medical insurance system.

For a moderate permanent disability (degrees 5-6), a lump sum of 18 months of wages (5th degree) or 16 months of wages (6th degree) is paid. If the employer cannot offer the insured an appropriate job, a monthly benefit of 70% (5th degree) or 60% (6th degree) of the insured's wage before the disability began is paid.

Employers pay social insurance contributions for pensioners assessed with a 5th or 6th degree disability. If the permanent disability benefit is less than the local minimum wage, the employer pays the difference. If the insured voluntarily ceases the employment relationship with the employer, a lump-sum work injury medical treatment subsidy and a disability employment subsidy are paid. Provincial governments set the subsidy rates.

For a minor permanent disability (degrees 7-10), a lump sum of 13 months of wages (7th degree), 11 months of wages (8th degree), nine months of wages (9th degree), or seven months of wages (10th degree) is paid. If the labor contract expires or the insured voluntarily ceases the employment

relationship with the employer, a lump-sum work injury medical treatment subsidy and a disability employment subsidy are paid. Provincial governments set the subsidy rates.

For injured workers employed illegally and assessed with any degree of disability, employers must pay a lump-sum benefit that is at least equal to the work injury benefit paid to legally employed workers.

The minimum benefit is the local minimum wage.

Medical experts of the municipal Labor Ability Appraisal Committee assess the degree of disability.

Workers' Medical Benefits

Accredited hospitals and clinics provide benefits. Benefits include treatment, surgery, nursing, medicine, appliances, rehabilitation, transportation, and hospitalization, according to a list of approved diagnoses and treatments.

Survivor Benefits

Survivor pension: 40% of the deceased's last monthly wage is paid to the widow(er); 30% to each additional dependent.

Widow(er)'s and orphan's supplements: 10% of the deceased's last monthly wage is paid.

Other eligible survivors include parents, grandparents, grandchildren, brothers, and sisters.

All survivor pensions combined must not exceed 100% of the deceased's last monthly wage.

Death allowance: A lump sum of 20 times the national urban per capita disposable income of the previous year is paid.

The national urban per capita disposable income is 26,955 yuan (2013).

Funeral grant: A lump sum of six months of the local average wage is paid.

Administrative Organization

Department of Medical Insurance, under the Ministry of Human Resources and Social Security, provides general guidance and ensures that local regulations follow central government guidelines.

Local government social insurance agencies and participating enterprises administer the programs.

Unemployment

Regulatory Framework

First and current laws: 1986, 1993, 1999, 2010 (social insurance), and 2011 (medical insurance for unemployment benefit claimants).

Type of program: Local government-administered social insurance programs.

Coverage

All employees of urban enterprises and institutions.

Exclusions: Self-employed persons.

Source of Funds

Insured person: 1% of gross earnings.

Self-employed person: Not applicable.

Employer: 2% of payroll.

Government: Provincial regulatory fund and local governments provide subsidies to unemployment funds as required.

Qualifying Conditions

Unemployment benefit: Must have at least one year of covered employment; be involuntarily unemployed; not be receiving old-age benefits; be registered at,

and regularly reporting to, a local employment-service agency; and be actively seeking employment. The claim for the unemployment benefit must be made within 60 days after the labor contract expires or is terminated. The benefit may cease or be suspended for refusing a suitable job offer.

Unemployment Benefits

Local governments set benefit amounts at a level higher than the local public assistance benefit but lower than the local minimum wage. The benefit is paid for up to one year with less than five years of coverage, for up to 1.5 years with at least five but less than 10 years of coverage, or for up to two years with 10 or more years of coverage. The unemployment insurance fund pays medical insurance contributions for the insured during the benefit period.

Administrative Organization

Department of Unemployment Insurance, under the Ministry of Human Resources and Social Security, provides general guidance and ensures

that local regulations follow central government guidelines.

Local government social insurance agencies pay benefits.

Local government social insurance agencies and the tax authorities collect contributions.

Family Allowances

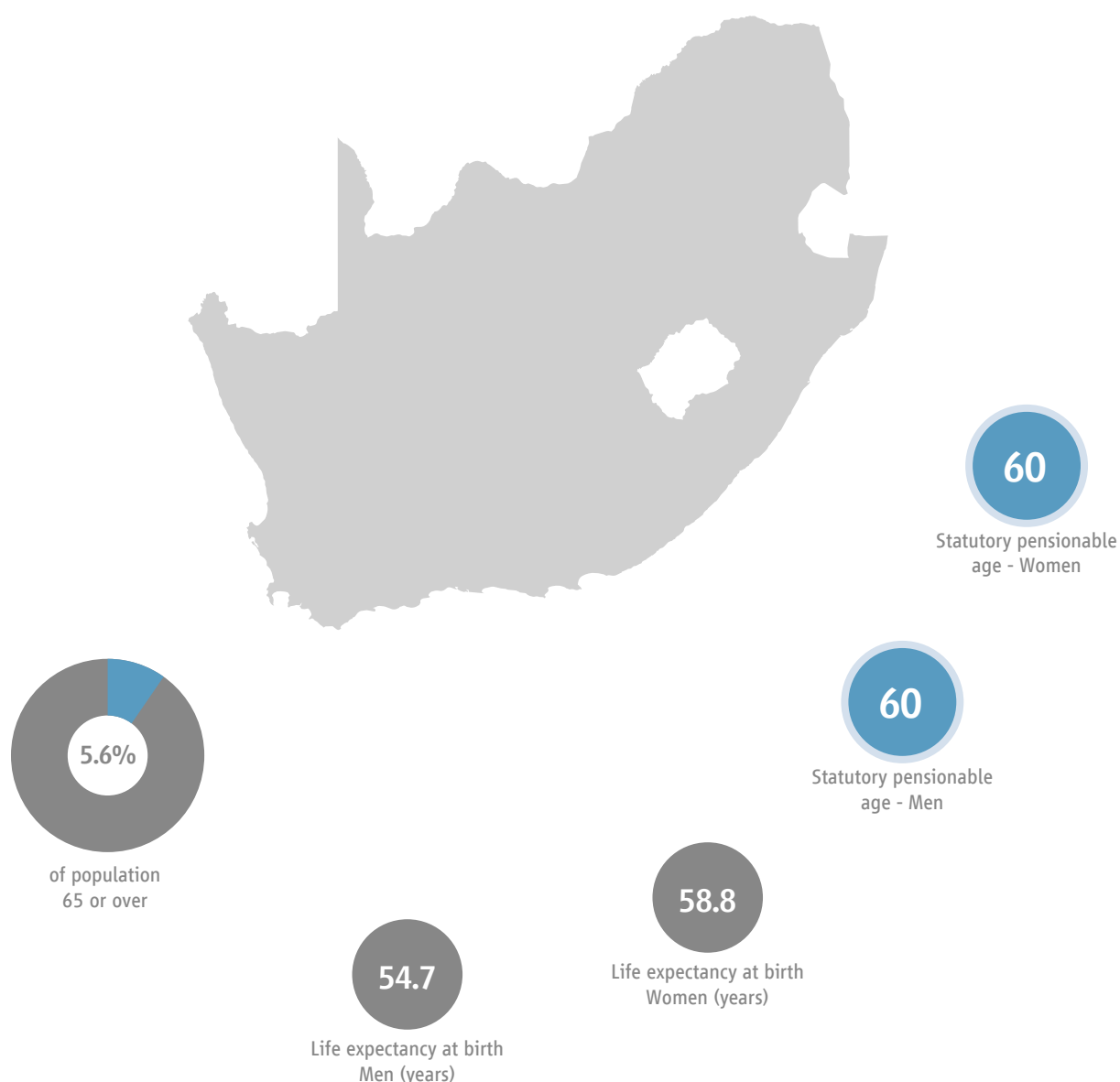
Regulatory Framework

Tax-financed, means-tested minimum subsistence guarantee and medical assistance programs, both administered by the local Bureau of Civil Affairs, provide benefits to urban and rural families whose income is below a minimum level.

Local governments offer various financial incentives (lump-sum, periodic, or in-kind benefits) to families who comply with family planning policies.

Social security in South Africa

Access to social security is a constitutional right in South Africa. Benefit coverage is widespread and all traditional risks are covered through the provision of tax-financed grants (old age, disability and survivors; family allowances), and contributory programmes for insured workers (sickness and maternity; occupational injuries and diseases; unemployment). These measures are complemented by other social support, such as access to health care, education and social services. South Africa has an important track record in improving access to benefits that is facilitated by the use of new technologies.

**Sources:**

SSA; ISSA. Various years. *Social security programs throughout the world*. Washington, DC, Social Security Administration.

Country summary scheme description: South Africa

The country summary scheme description covers national social security programmes established by statute that insure individuals against interruption or loss of earnings resulting from old age, disability or survivorship; sickness and maternity; work injury or occupational disease; unemployment; and child raising.

The information is taken primarily from the research publication *Social Security Programs Throughout the World* produced jointly by the ISSA and the U.S. Social Security Administration (SSA). Information is updated region-by-region over a two-year cycle. Readers may refer to the scheme description section of the respective Social Security Country Profile on the ISSA website for the most recent survey reply and for additional data and information.

Old Age, Disability, and Survivors

Regulatory Framework

First laws: 1928 (old age), 1936 (blindness), and 1946 (disability).

Current laws: 2001 (unemployment insurance) and 2004 (social assistance).

Type of program: Social insurance (survivors) and social assistance (old age and disability).

Coverage

Social insurance: Employees working for more than 24 hours a month, including household and seasonal workers.

Exclusions: Civil servants, trainees, foreigners working under a contract and persons receiving work injury and occupational disease benefit from the compensation fund.

Social assistance: Persons with limited means who are citizens of South Africa, permanent residents, or refugees residing in South Africa.

Exclusions: Persons confined to or cared for in state facilities.

Special system for public-sector employees.

Source of Funds

Insured person

Social insurance: See source of funds under Unemployment.

Social assistance: None.

Self-employed person

Social insurance: See source of funds under Unemployment.

Social assistance: None.

Employer

Social insurance: See source of funds under Unemployment.

Social assistance: None.

Government

Social insurance: See source of funds under Unemployment.

Social assistance: The total cost.

Qualifying Conditions

Old-age grant (social assistance, means tested): Age 60.

Means test: Annual income must be less than 64,680 rand for a single person or 129,360 rand for a couple, and assets must be no more than 930,600 rand for a single person or 1,861,200 rand for a couple.

Constant-attendance allowance (Grant-in-aid): Paid if the person receiving the old-age grant requires the constant attendance of others to perform daily functions.

Beneficiaries may only receive one social grant at a time.

War veteran's grant (social assistance, means tested): Age 60 or disabled. Must be a veteran of World War II or the Korean War.

Means test: Annual income must be less than 64,680 rand for a single person or 129,360 rand for a couple, and assets must be no more than 930,600 rand for a single person or 1,861,200 rand for a couple.

Constant-attendance allowance: Paid if the person receiving the war veteran grant requires the constant attendance of others to perform daily functions.

Beneficiaries may only receive one social grant at a time.

Disability grant (social assistance, means tested): Aged 18 to 59 and assessed as temporarily disabled for more than six months.

A disability is considered permanent if it lasts for more than 12 months.

The disability must be confirmed by a medical assessment.

Means test: Annual income must be less than 64,680 rand for a single person or 129 360 rand for a couple, and assets must be no more than 930,600 rand for a single person or 1,861,200 rand for a couple.

Constant-attendance allowance (Grant-in-Aid): Paid if the person receiving the disability grant requires the constant attendance of others to perform daily functions.

Beneficiaries may only receive one social grant at a time.

Survivor benefit (social insurance): Paid to an eligible surviving spouse or partner who applies for the benefit within six months of the insured's death. If there is no eligible surviving spouse or partner, or if the spouse or partner does not apply for the benefit within the required timeframe, the benefit is paid to a dependent child younger than age 21 (age 25 if a student).

The deceased must have been contributing to the Unemployment Insurance Fund and have accumulated credits at the time of death. One credit (one day of paid leave) is earned for every six completed days of employment. The insured can accumulate up to 238 days of paid leave in the four years before the insured applied for the benefit. The accumulated credits may be used for sickness, adoption, unemployment, and survivor benefits.

A benefit is not paid if the deceased received unemployment or work injury benefits or was suspended from claiming because of fraud.

Old-Age Benefits

Old-age pension (social assistance, means tested): Up to 1,410 rand a month is paid for a pensioner aged 60 to 74; 1,430 rand if aged 75 or older. The pension is reduced to 25% of the maximum amount if the pensioner resides in a care facility under contract with the state for more than three months.

Constant-attendance allowance: 330 rand a month is paid.

War veteran's grant (social assistance, means tested): Up to 1,430 rand a month is paid.

Constant-attendance allowance: 330 rand a month is paid.

Permanent Disability Benefits

Disability grant (social assistance, means tested): Up to 1,410 rand a month is paid.

Constant-attendance allowance: 330 rand a month is paid.

Survivor Benefits

Survivor benefits (social insurance): 38% to 60% of the deceased's daily earnings, depending on the level of earnings, is paid for up to 238 days, minus any credits used for sickness, adoption, and unemployment. Lower-income insured persons receive a higher percentage of their earnings and higher-income receive a lower percentage.

Daily earnings are calculated by multiplying the deceased's monthly earnings by 12, and then dividing by 365. If the earnings fluctuate significantly, the calculation must be based on the deceased's average earnings during the six months before the date of death.

The maximum monthly earnings used to calculate benefits are 14,872 rand.

The maximum daily benefit is 185.80 rand.

Administrative Organization

South African Social Security Agency (<http://www.sassa.gov.za>) administers the program.

Sickness and Maternity

Regulatory Framework

First laws: 1966 (unemployment) and 1995 (labour relations).

Current laws: 1997 (conditions of employment), 2001 (unemployment insurance), 2002 (contributions), and 2003 (health), implemented in 2004.

Type of program: Social insurance (cash sickness and maternity benefits), employer-liability (cash sickness benefits), and universal and social assistance (medical benefits) system.

Coverage

Cash sickness, maternity, and adoption benefits (social insurance): Employees working for more than 24 hours a month, including household and seasonal workers.

Exclusions: Civil servants, trainees, foreigners working under a contract and persons receiving work injury, or occupational disease benefit from the compensation fund.

Cash sickness and family responsibility leave benefits (employer liability): Employees working more than 24 hours a month for an employer, including civil servants, trainees, household and seasonal workers, and foreigners working under a contract.

Exclusions: Members of the National Defence Force, the National Intelligence Agency and the South African Secret Service and unpaid volunteers.

Medical benefits: All South African citizens.

Source of Funds

Insured person

Social insurance: See source of funds under Unemployment.

Employer liability: None.

Universal and social assistance: None.

Self-employed person

Social insurance: See source of funds under Unemployment.

Employer liability: None.

Universal and social assistance: None.

Employer

Social insurance: See source of funds under Unemployment.

Employer liability: The total cost.

Universal and social assistance: None.

Government

Social insurance: See source of funds under Unemployment.

Employer liability: None.

Universal and social assistance: Most of the cost of medical benefits (funded from general taxation).

Qualifying Conditions

Cash sickness benefits (employer liability): Must have worked for the same employer for at least 26 days.

Cash family responsibility leave (employer liability): Paid for the birth or sickness of a child or the death of a spouse, partner, parent or adoptive parent, grandparent, child, adopted child, grandchild or sibling. The insured must have been employed by the same employer for at least four months.

Cash sickness benefits (social insurance): Must be unable to work for at least 14 days and must be receiving less than normal wages. Must be contributing to the Unemployment Insurance Fund and have accumulated credits before the illness occurs. One credit (one day of paid leave) is earned for every six completed days of employment. The insured can accumulate up to 238 days of paid leave in the four years before applying for the benefit.

The accumulated credits may be used for sickness, adoption, unemployment, and survivor benefits.

Absence from work must be a result of the illness for which the worker is receiving medical treatment.

Cash maternity benefits (social insurance): Must be contributing to the Unemployment Insurance Fund and have accumulated credits before the expected date of childbirth. The insured earns one credit (one day of paid leave) for every six completed days of employment.

Must apply for the benefit within six months of the child's birth.

Adoption benefits (social insurance): The adopted child must be younger than age 2. The insured must leave work to look after that child and must be receiving less than normal wages. The insured must be contributing to the Unemployment Insurance Fund and have outstanding credits before the expected date of adoption. One credit (one day of paid leave) is earned for every six completed days of employment. The insured can accumulate up to 238 days of paid leave in the four years before applying for the benefit. The accumulated credits may be used for sickness, adoption, unemployment, and survivor benefits.

The application must be made within six months after the date of the order for adoption.

Medical benefits (universal (primary care)): There is no minimum qualifying period.

Medical benefits (social assistance (hospitalization)): Eligible persons include unemployment and social assistance beneficiaries (including old-age grant, child support grant, war veteran's grant, care dependency grant, disability grant, foster child grant and social relief of distress) and persons with mental disorders discharged from hospitals for the mentally ill and still in need of care.

Annual income for an individual must be lower than 72,000 rand; for households, lower than 100,000 rand.

Sickness and Maternity Benefits

Sickness benefit (employer liability): 100% of the insured's daily earnings is paid. In the first six months of employment with an employer, the employee accrues one day of paid sick leave for each 26 days of paid work. Thereafter, during one leave cycle (36 months with the same employer), an employee can accrue up to 30 days of paid leave.

Family responsibility leave (employer liability): 100% of the insured's daily earnings is paid for three days each year.

Sickness benefit (social insurance): 38% to 60% of the insured's daily earnings, depending on the insured's level of earnings, is paid from the 14th day of leave, for up to 238 days, less any credits used for adoption, unemployment, and survivor benefits. Lower-income insured persons receive a higher percentage of their earnings and higher-income receive a lower percentage.

Daily earnings are calculated by multiplying the insured's monthly earnings by 12, and then dividing by 365. If the earnings fluctuate significantly, the calculation must be based on the insured's average earnings during the previous six months.

The maximum monthly earnings used to calculate benefits are 14,872 rand.

The maximum daily benefit is 185.80 rand.

Maternity benefit (social insurance): 38% to 60% of the insured's daily earnings, depending on the insured's level of earnings, is paid for a total of 17.32 weeks (six weeks in the event of a miscarriage during the third trimester or a stillborn child). Lower-income insured persons receive a higher percentage of their earnings and higher-income receive a lower percentage.

The benefit may be paid from four weeks before the expected date of childbirth or earlier if advised by a health professional. Workers may not go back to work within six weeks after the birth unless cleared by a health professional.

Daily earnings are calculated by multiplying the insured's monthly earnings by 12, and then dividing by 365. If the earnings fluctuate significantly, the calculation must be based on the insured's average earnings during the previous six months.

The maximum monthly earnings used to calculate benefits are 14,872 rand.

The maximum daily benefit is 185.80 rand.

Adoption benefit (social insurance): 38% to 60% of insured's earnings, depending on the insured's level of earnings, is paid for up to 238 days, less any credits used for adoption, unemployment, and survivor benefits. Lower-income insured persons receive a higher percentage of their earnings and higher-income receive a lower percentage.

Daily earnings are calculated by multiplying the insured's monthly earnings by 12, and then dividing by 365. If the earnings fluctuate significantly, the calculation must be based on the insured's average earnings during the previous six months.

The application must be made within six months after the date of the order for adoption.

The maximum monthly earnings used to calculate benefits are 14,872 rand.

The maximum daily benefit is 185.80 rand.

Workers' Medical Benefits

Medical benefits (universal (primary care)):

The Government pays directly for medical services provided by primary health care facilities.

Medical benefits (social assistance

(hospitalization)): All social assistance and unemployment beneficiaries receive fully subsidized medical care at provincial hospitals. Benefits include hospitalization and medicine.

Partial subsidies for persons with an annual income lower than 72,000 rand and households' income lower than 100,000 rand.

Dependents' Medical Benefits

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

Administrative Organization

Department of Labour (<http://www.labour.gov.za>) provides general supervision.

Unemployment Insurance Fund, managed by a bipartite board, local unemployment benefit committees, and claims officers, administers cash benefits.

Department of Health (<http://www.doh.gov.za>) administers provincial hospitals.

Work Injury

Regulatory Framework

First law: 1914.

Current law: 1993 (work injury and occupational disease).

Type of program: Employer-liability system through a public carrier (compensation fund).

Coverage

Employed persons, including contract workers, casual employees, and certain military personnel.

Exclusions: Household workers, self-employed persons, volunteers, and certain military personnel.

Source of Funds

Insured person: None.

Self-employed person: Not applicable.

Employer: The total cost (pays insurance premiums which vary, depending on the industry and reported accident rate).

Government: None; contributes as an employer for government employees.

Qualifying Conditions

Work injury benefits: There is no minimum qualifying period. The insured must report the accident within 12 months.

Occupational disease benefits: Paid if the insured is diagnosed with an occupational disease as defined by law.

Temporary Disability Benefits

If the insured is assessed with a total (100%) disability, 75% of the insured's earnings is paid for up to 12 months; may be extended for up to 24 months (longer in special cases) after further assessment of the disability. The benefit is paid after a three-day waiting period.

The minimum benefit is 2,430.75 rand a month.

The maximum benefit is 4,134.76 rand a week or 17,366.25 rand a month.

Partial disability: A percentage of the insured's earnings as determined by the Compensation Commissioner's Office is paid for up to 12 months; may be extended for up to 24 months after further assessment of the disability.

The partial disability benefit may be paid periodically or as a lump sum of up to 107,007 rand.

Permanent Disability Benefits

Permanent disability pension: If the insured is assessed with a total (100%) disability, up to 75% of the insured's earnings is paid.

The maximum earnings used to calculate benefits are 4,134.76 rand a week or 17,366.25 rand a month.

The minimum monthly benefit (based on a total disability) is 3,241 rand.

If the insured's monthly earnings are less than 3,241 rand, the benefit is calculated using monthly earnings of 3,241 rand.

Partial disability: If the assessed degree of disability is 31% to 99%, a percentage of the full pension is paid according to the assessed degree of disability.

For an assessed degree of disability of up to 30%, a lump sum of 15 times the insured's monthly earnings is paid.

If the insured's monthly earnings are less than 3,241 rand, the benefit is calculated using monthly earnings of 3,241 rand.

The maximum earnings used to calculate benefits are 17,366.25 rand a month.

The minimum lump-sum partial disability benefit (based on a 30% disability) is 48,615 rand.

The maximum lump-sum partial disability benefit (based on a 30% disability) is 194,535 rand.

Workers' Medical Benefits

Benefits include medical, surgical, and hospital care, rehabilitation, and appliances. Benefits are provided for up to two years; may be extended in special cases.

The compensation fund reimburses the cost of transporting an injured employee to a hospital, a doctor's office, or to his or her residence.

Survivor Benefits

Spouse's pension: 40% of the permanent total disability pension the deceased received or was entitled to receive is paid to a widow(er) with a permanent disability. A lump sum of two months of

the permanent total disability pension the deceased received or was entitled to receive is also paid.

The pension continues on remarriage.

The maximum survivor pension is 6,946.50 rand a month.

Orphan's pension: 20% of the permanent total disability pension the deceased received or was entitled to receive is paid for each unmarried orphan younger than age 18 (extended for students; no age limit if disabled).

The maximum orphan's pension is 3,473 rand a month.

All survivor benefits combined must not exceed the permanent total disability pension the deceased received or was entitled to receive.

Funeral grant: Up to 13,050 rand is paid.

Administrative Organization

Department of Labour (<http://www.labour.gov.za>) provides general supervision.

Compensation Commissioner administers the program, including claims decisions and the management of funds from which benefits are paid.

Employers must normally insure against liability with a public compensation fund but in certain instances may insure with an employer's mutual association licensed by the Minister of Labour.

Unemployment

Regulatory Framework

First law: 1966 (unemployment).

Current laws: 2001 (unemployment insurance), and 2002 (contributions).

Type of program: Social insurance system.

Coverage

All employees working for more than 24 hours a month, including household and seasonal workers.

Exclusions: Trainees, foreigners working on a contract and persons receiving work injury and occupational disease benefit from the compensation fund.

Special system for civil servants.

Source of Funds

Insured person: 1% of covered earnings.

The maximum earnings used to calculate contributions are 14,872 rand a month or 178,464 rand a year.

The insured person's contributions also finance survivors, cash sickness, adoption, and maternity benefits.

Self-employed person: Not applicable.

Employer: 1% of the insured's covered earnings

The maximum earnings used to calculate contributions are 14,872 rand a month or 178,464 rand a year.

The employer's contributions also finance survivors, cash sickness, adoption, and maternity benefits.

Government: None.

Qualifying Conditions

Unemployment benefit: Must be contributing to the Unemployment Insurance Fund and have accumulated credits before becoming unemployed. One credit (one day of paid leave) is earned for every six completed days of employment. The insured can accumulate up to 238 days of paid leave in the four years before applying for the benefit. The accumulated credits may be used for sickness, adoption, unemployment, and survivor benefits.

Must be capable of and available for work and must register with and report to the public employment exchange, unless unemployment is the result of illness or pregnancy. Unemployment must be the result of termination of the insured's contract, the ending of a fixed term contract, the dismissal of the insured (except if disciplinary), insolvency of the employer or the death of the employer for a household worker. Must be unable to find work within 14 days of becoming unemployed. Must apply for benefits within six months of first becoming unemployed; the Commissioner may accept an application if the 6-month time limit has expired, if just cause is shown.

Unemployment Benefits

Unemployment benefit: 38% to 60% of insured's daily earnings, depending on the insured's level of earnings, is paid from the 14th day of unemployment for up to 238 days minus any credits used for sickness, adoption, and survivor benefits. Lower-income insured persons receive a higher percentage of their earnings, and higher-income persons receive a lower percentage.

Daily earnings are calculated by multiplying the insured's monthly earnings by 12, and then dividing by 365. If the earnings fluctuate significantly, the calculation must be based on the insured's average earnings during the previous six months.

The maximum monthly earnings used to calculate benefits are 14,872 rand.

The maximum daily benefit is 185.80 rand.

Administrative Organization

Department of Labour (<http://www.labour.gov.za>) provides general supervision.

Unemployment Insurance Fund, managed by a bipartite board, local unemployment benefit committees, and claims officers, administers the program.

Family Allowances

Regulatory Framework

Current law: 2004 (social assistance).

Type of program: Social assistance system.

Coverage

Low-income persons caring for children younger than age 18.

Exclusions: Persons confined to or cared for in state facilities.

Source of Funds

Insured person: None.

Self-employed person: None.

Employer: None.

Government: The total cost.

Qualifying Conditions

Foster child grant: Paid to a foster parent who is a citizen, permanent resident, or refugee residing in South Africa at the time of the application. There must be a court order indicating the foster care status of the child. The child must be aged 18 or younger (age 21 if a student) and remain in the care of the foster parent.

Beneficiaries may only receive one social grant at a time.

Child support grant (means tested): Paid to the primary caregiver of a child aged 18 or younger. The primary caregiver must be aged 16 or older and a citizen, permanent resident, or refugee residing in South Africa at the time of the application. The grant is paid for up to six children if they are not biologically related; otherwise, there is no limit.

Means test: Annual income must be less than 39,600 rand for a single person; 79,200 rand for a couple.

Beneficiaries may only receive one social grant at a time.

Care dependency grant (means tested): Paid to a South African citizen, permanent resident or a refugee who is the parent, foster parent, or primary caregiver of a child aged 18 or younger who requires permanent care or support services as the result of a severe mental or physical disability. The child must be cared for at home and the disability confirmed by a medical assessment. The applicant and the child must reside in South Africa at the time of the application.

Means test: Annual income must be less than 169,200 rand for a single person; 338,400 rand for a couple.

Beneficiaries may only receive one social grant at a time; a foster parent may receive more than one social grant at a time.

Social relief of distress (means tested):

Temporary assistance is paid to certain vulnerable individuals or households.

Victims of a disaster may receive more than one social grant at a time.

Family Allowance Benefits

Foster child grant: 860 rand a month is paid.

Child support grant (means tested): 330 rand a month is paid for each eligible child.

Care dependency grant (means tested): 1,410 rand a month is paid.

Social relief of distress: Paid monthly for up to three months; may be extended for three months.

Administrative Organization

South African Social Security Agency (<http://www.sassa.gov.za>) administers the program.

Promoting excellence in social security
Promouvoir l'excellence dans la sécurité sociale
Promoviendo la excelencia en la seguridad social
Förderung von Exzellenz in der sozialen Sicherheit
За повышение стандартов в социальном обеспечении

促进卓越的社会保障
دعم التميّز في الضمان الاجتماعي

ISSA General Secretariat

4 route des Morillons
Case postale 1
CH-1211 Geneva 22

T: +41 22 799 66 17
F: +41 22 799 85 09
E: issa@ilo.org

www.issa.int

