

## Turkmenistan

Exchange rate: US\$1.00 equals 5,200 manat (TM).

### Old Age, Disability, and Survivors

#### Regulatory Framework

**First law:** 1956.

**Current laws:** 1998 (pensions) and 1998 (state allowances).

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

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

#### Coverage

**Social insurance:** All employed and self-employed persons.

**Social pension:** Persons not eligible for benefits under the 1998 pension law.

#### Source of Funds

**Insured person:** 1% of all earnings (plus a voluntary contribution of at least 4% of earnings made to a special personal bank account to supplement income in old age).

The insured's contributions also finance cash sickness, maternity, work injury benefits, and family allowances.

**Self-employed person:** 1% of all earnings (plus a voluntary contribution of at least 4% of earnings to a special personal bank account to supplement income in old age).

**Employer:** 30% of payroll for urban employers; 20% of payroll for agricultural employers. For certain employers, the contribution varies according to sector.

The employer's contributions also finance cash benefits for sickness, maternity, and work injury.

**Government:** Subsidies as needed and the total cost of social allowances.

The government also subsidizes cash benefits for sickness, maternity, and work injury.

#### Qualifying Conditions

**Old-age pension:** Age 62 with 25 years of covered employment (men) or age 57 with 20 years of covered employment (women); the qualifying conditions are reduced for mothers with three or more children or disabled children.

Age 58 (men) or age 55 (women) for military personnel; age 50 (men) or age 48 (women) for pilots and flight crew; age 52 (men) or age 47 (women) for contracted military personnel.

**Disability pension:** The allowance is awarded according to three groups of assessed disability: totally disabled, incapable

of any work, and requiring care provided by another person at all times (Group I); disabled persons with reduced working capacity and requiring care provided by another person sometimes (Group II); disabled persons with reduced working capacity (Group III).

Eligible persons include persons disabled while in military service, disabled children younger than age 16, or persons disabled since childhood.

A territorial or state medical commission under the Ministry of Social Security assesses the degree of disability.

**Survivor pension:** The allowance is payable to surviving dependent family members regardless of whether the deceased was insured.

**Social pension:** Age 67 or older (men) or age 62 or older (women); persons not eligible for the old-age pension or the disability pension.

#### Old-Age Benefits

**Old-age pension:** The monthly pension is calculated on the basis of a state-set percentage amount (2.5%) for each year of covered employment multiplied by monthly national average earnings in the last quarter before retirement multiplied by a personal pension coefficient multiplied by the number of years of covered employment.

The personal pension coefficient is the ratio of assessed earnings to gross national average earnings. Assessed earnings are equal to the insured's gross average earnings based on the best 5 consecutive years in all the years of covered employment. Gross national average earnings are calculated on the basis of the years of covered employment used to calculate assessed earnings.

The minimum pension is 40% of the national minimum wage.

**Benefit adjustment:** Periodic benefit adjustments according to changes in the national average wage.

**Social pension:** 100% of the minimum old-age pension a month.

#### Permanent Disability Benefits

**Disability pension:** For a Group I disability (totally disabled, incapable of any work, and requiring care provided by another person at all times), 60% of the personal coefficient multiplied by gross national average earnings; for a Group II disability (disabled with reduced working capacity and requiring care provided by another person sometimes), 50% of the personal coefficient multiplied by gross national average earnings; for a Group III disability (disabled with reduced working capacity), 40% of the personal coefficient multiplied by gross national average earnings. The pension is payable monthly.

The personal coefficient is the ratio of assessed earnings to gross national average earnings. Assessed earnings are equal to the insured's gross average earnings based on the best 5 consecutive years in all the years of covered employment.

Gross national average earnings are calculated on the basis of the years of covered employment used to calculate assessed earnings.

The minimum pension is 40% of the national minimum wage.

The maximum pension is 75% of the national minimum wage.

Eligibility for one benefit (sickness benefit, maternity benefit, child care allowance, survivor pension, or social pension) does not prevent eligibility for another benefit, but eligible persons must opt to receive one benefit only.

Constant-attendance allowance: 30% of the minimum old-age pension a month (Groups I and II); 50% for a disabled war veteran or blind person (Group I) or a single disabled person (Group II).

Dependent supplement (Groups I and II): 50% of the minimum old-age pension a month for each nonworking dependent.

Benefit adjustment: Periodic benefit adjustments according to changes in the national average wage.

**Social pension:** 150% of the minimum old-age pension a month if the onset of disability was after childhood (Groups I and II) or for disabled children younger than age 16; 120% of the minimum benefit a month if the disabled person (Groups I and II) does not satisfy the conditions for covered employment; 100% of the minimum benefit a month for a person with a Group III disability.

### Survivor Benefits

**Survivor pension:** 100% of the minimum pension for one dependent; if more than one dependent survivor, 30% of the deceased's personal coefficient (40% for military personnel) multiplied by gross national average earnings each receives.

The minimum pension is 40% of the national minimum wage.

The personal coefficient is the ratio of assessed earnings to gross national average earnings. Assessed earnings are equal to the deceased's gross average earnings based on the best 5 consecutive years in all the years of covered employment.

Gross national average earnings are calculated on the basis of the years of covered employment used to calculate assessed earnings.

The maximum pension is 100% of the national minimum wage.

Benefit adjustment: Periodic benefit adjustments according to changes in the national average wage.

### Administrative Organization

Ministry of Social Security provides general coordination and supervision.

Regional and local departments of social security administer the program.

## Sickness and Maternity

### Regulatory Framework

**First law:** 1955.

**Current laws:** 1994 and 1998 (state allowances).

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

### Coverage

**Cash benefits:** Employed and nonworking citizens.

**Medical benefits:** All residents.

### Source of Funds

#### Insured person

**Cash benefits:** See source of funds under Old Age, Disability, and Survivors, above.

**Medical benefits:** Voluntary supplementary contributions for medical benefits.

#### Self-employed person

**Cash benefits:** See source of funds under Old Age, Disability, and Survivors, above.

**Medical benefits:** Voluntary supplementary contributions for medical benefits.

#### Employer

**Cash benefits:** See source of funds under Old Age, Disability, and Survivors, above.

**Medical benefits:** None.

#### Government

**Cash benefits:** Total cost for nonworking citizens.

**Medical benefits:** Total cost.

### Qualifying Conditions

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

### Sickness and Maternity Benefits

**Sickness benefit:** With less than 5 years of uninterrupted work, 60% of earnings; with between 5 and 8 years, 80%; or if more than 8 years (or if with three or more children younger than age 16; age 18 if a student), 100%.

Insured persons have 5 days of paid leave to care for a sick family member; 7 days in exceptional cases or 14 days if caring for a child younger than age 14 (or for the duration if the sick child is hospitalized).

Fourteen days of unpaid leave is provided to women caring for children younger than age 3, to a woman or a single parent raising two or more children younger than age 14, or for a man

whose wife is on maternity leave. Disabled workers are entitled to 30 days of unpaid leave.

**Maternity benefit:** 100% of earnings are payable for 56 days before and 56 days after the expected date of childbirth (72 days after for a difficult childbirth; 96 days after for multiple births).

**Child care allowance:** 100% of the minimum old-age pension (40% of the national average wage) for nonurban areas or 125% of the minimum old-age pension for urban areas is payable for a child younger than age 3 whose parents are disabled. A relevant birth certificate must be provided. The allowance is paid monthly, beginning the month following the last day of maternity benefit.

**Benefit adjustment:** Periodic benefit adjustments according to changes in the national average wage.

### **Workers' Medical Benefits**

Medical services are provided directly to patients by public health providers. Benefits include general and specialized care, hospitalization, laboratory services, dental care, maternity care, vaccination, and transportation. Medicines are free if provided with hospitalization.

### **Dependents' Medical Benefits**

Same as for the household head.

### **Administrative Organization**

**Cash benefits:** Ministry of Social Security and regional social security departments administer the program. Regional and local departments of social security administer maternity benefits for the unemployed and other nonworking citizens.

Enterprises and employers pay benefits to their own employees using funds from the Social Insurance Fund.

**Medical benefits:** Ministry of Health and Medical Industry and regional health departments are responsible for the implementation of state health care policy and the development of health care programs. Ministry of Health and Medical Industry and regional health departments are responsible for the provision of medical services through clinics, hospitals, maternity homes, and other medical facilities, including private health providers.

### **Work Injury**

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#### **Regulatory Framework**

**First law:** 1955.

**Current law:** 1998 (state allowances).

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

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

### **Coverage**

Employed persons. (Medical care is available to all citizens of Turkmenistan.)

### **Source of Funds**

#### **Insured person**

**Cash benefits:** See source of funds under Old Age, Disability, and Survivors, above.

**Medical benefits:** None.

#### **Self-employed person**

**Cash benefits:** Not applicable.

**Medical benefits:** None.

#### **Employer**

**Cash benefits:** See source of funds under Old Age, Disability, and Survivors, above.

**Medical benefits:** None.

#### **Government**

**Cash benefits:** See source of funds under Old Age, Disability, and Survivors, above.

**Medical benefits:** Total cost.

### **Qualifying Conditions**

**Work injury benefits:** There is no minimum qualifying period.

### **Temporary Disability Benefits**

100% of earnings. The benefit is payable from the first day of disability until recovery or the award of a permanent disability pension. On the award of a permanent disability pension, the employer pays compensation to the insured.

Work injuries must be assessed by the competent authority.

### **Permanent Disability Benefits**

**Permanent disability pension:** For a Group I disability (totally disabled, incapable of any work, and requiring care provided by another person at all times), 60% of the personal coefficient multiplied by gross national average earnings; for a Group II disability (disabled with reduced working capacity and requiring care provided by another person sometimes), 50% of the personal coefficient multiplied by gross national average earnings; for a Group III disability (disabled with reduced working capacity), 40% of the personal coefficient multiplied by gross national average earnings. The pension is payable monthly.

The personal coefficient is the ratio of assessed earnings to gross national average earnings. Assessed earnings are equal to the insured's gross average earnings based on the best 5 consecutive years in all the years of covered employment. Gross national average earnings are calculated on the basis of

the years of covered employment used to calculate assessed earnings.

The minimum pension is 40% of the national minimum wage.

The maximum pension is 75% of the national minimum wage.

Eligibility for one benefit (sickness benefit, maternity benefit, child care allowance, survivor pension, or social pension) does not prevent eligibility for another benefit, but eligible persons must opt to receive one benefit only.

Constant-attendance allowance: 30% of the minimum benefit a month (Groups I and II); 50% for a disabled war veteran or blind person (Group I) or a single disabled person (Group II).

Dependent supplement (Groups I and II): 50% of the minimum benefit a month for each nonworking dependent.

Work injuries must be assessed by the competent authority.

Benefit adjustment: Periodic benefit adjustments according to changes in the national average wage.

### **Workers' Medical Benefits**

Medical services are provided directly to patients by government health providers. Benefits include general and specialist care, hospitalization, laboratory services, transportation, and the full cost of appliances and medicines.

### **Survivor Benefits**

**Survivor pension:** 100% of the minimum pension for one dependent; if more than one dependent survivor, each receives 30% of the deceased's personal coefficient (40% for military personnel) multiplied by gross national average earnings.

The personal coefficient is the ratio of assessed earnings to gross national average earnings. Assessed earnings are equal to the deceased's gross average earnings based on the best 5 consecutive years in all the years of covered employment. Gross national average earnings are calculated on the basis of the years of covered employment used to calculate assessed earnings.

The minimum pension is 40% of the national minimum wage.

The maximum pension is 100% of the national minimum wage.

Benefit adjustment: Periodic benefit adjustments according to changes in the national average wage.

### **Administrative Organization**

**Temporary disability benefits:** Enterprises and employers pay benefits to their own employees using funds from the Social Insurance Fund.

**Pensions:** Ministry of Social Security provides general coordination and supervision.

Regional and local departments of social security administer pensions.

**Medical benefits:** Ministry of Health and Medical Industry and health departments of local governments provide general

supervision and policy coordination. Ministry of Health and health departments of local governments administer the provision of medical services through clinics, hospitals, and other facilities.

## **Unemployment**

### **Regulatory Framework**

**First and current law:** 1991 (employment).

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

### **Coverage**

Permanent residents of working age.

### **Source of Funds**

**Insured person:** None.

**Self-employed person:** None.

**Employer:** 2% of payroll.

**Government:** Subsidies as needed from central and local governments.

### **Qualifying Conditions**

**Unemployment benefits:** Registered at an employment office, able and willing to work, and receiving no income from employment. The benefit may be reduced, suspended, or terminated if the insured is discharged for violating work discipline, leaving employment without good cause, violating the conditions for job placement or vocational training, or filing fraudulent claims.

### **Unemployment Benefits**

The total benefit is equal to three times the worker's gross monthly average earnings.

Benefit adjustment: Periodic benefit adjustments according to changes in the national average wage.

### **Administrative Organization**

State Employment Service and local employment offices regulate and administer the program.

Employers pay cash benefits.

## **Family Allowances**

### **Regulatory Framework**

A child care allowance is provided under Sickness and Maternity.