

Armenia

Exchange rate: US\$1.00 equals 427 dram (dr.).

Old Age, Disability, and Survivors

Regulatory Framework

First laws: 1956 and 1964.

Current law: 2002 (state pensions), implemented in 2003, with 2005 amendment.

Type of program: Social insurance and social assistance system.

Coverage

Employed and self-employed persons.

Special systems for military personnel, the police, judges, public prosecutors, and their family members.

Source of Funds

Insured person: 3% of net monthly earnings.

The minimum monthly earnings for contribution purposes are 7,000 dr.

There are no maximum earnings for contribution purposes.

The insured's contributions also finance sickness and maternity, work injury, and unemployment benefits.

Self-employed person: 15% of annual income less than 1,200,000 dr. but not less than 60,000 dr. If annual income is greater than 1,200,000 dr., the contribution is a flat rate 180,000 dr., plus 5% of the amount greater than 1,200,000 dr. (Collective farmers are exempt from contributions.)

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

Employer: A flat-rate monthly contribution of 7,000 dr. is paid on behalf of employees with monthly income less than 20,000 dr.; if the employee's monthly income is between 20,000 dr. and 100,000 dr., a flat-rate monthly contribution of 7,000 dr., plus 15% of the amount greater than 20,000 dr.; if the employee's monthly income exceeds 100,000 dr., a flat-rate monthly contribution of 19,000 dr., plus 5% of the amount greater than 100,000 dr. (If collective farmers are employers, they contribute on behalf of employees.)

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

Government: The total cost of the social pension and subsidies as needed.

The government contributions also finance sickness and maternity, work injury, and unemployment benefits.

Qualifying Conditions

Old-age pension: Age 63 (men) or age 60.5 (women) with at least 25 years of covered employment. The retirement age for women is being raised gradually to age 63 by 2011.

Age 59 with at least 25 years of covered employment of which at least 20 years were in arduous or hazardous work; age 55 with at least 25 years of covered employment of which at least 15 years were in extremely arduous or hazardous work.

Covered employment includes years in university education, years of service in the armed forces, and periods receiving unemployment benefits.

Benefits are payable abroad under reciprocal agreement.

Social pension (old-age): Paid at age 65 (men and women) with less than 5 years of covered employment.

Benefits are payable abroad under reciprocal agreement.

Disability pension: Paid for a total or partial disability with at least 5 years of covered employment. The pension is paid according to three degrees of disability: total incapacity for work and requiring constant attendance (Group I); total incapacity for work but not requiring constant attendance (Group II); or partial incapacity for usual work (Group III).

Covered employment includes years in university education, years of service in the armed forces, and periods receiving unemployment benefits.

A specialized medical committee assesses the degree of disability.

Benefits are payable abroad under reciprocal agreement.

Social pension (disability): Must be assessed as disabled but with less than 5 years of covered employment.

Benefits are payable abroad under reciprocal agreement.

Survivor pension: The pension is paid to a surviving spouse; a person, not employed at the time of deceased's death and not receiving any pension, who cares for the deceased's children, brothers, sisters, or grandchildren younger than age 8; or full orphans younger than age 18 who are not receiving any other pension.

Covered employment includes years in university education, years of service in the armed forces, and periods receiving unemployment benefits.

Benefits are payable abroad under reciprocal agreement.

Old-Age Benefits

Old-age pension: The monthly pension is equal to 100% of the base pension, plus a bonus pension (180 dr. for each full calendar year of covered employment multiplied by a coefficient).

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There is no legal minimum pension, but the base pension is 4,250 dr.

There is no maximum pension.

Benefit adjustment: Benefits are adjusted on an ad hoc basis according to available resources.

Social pension: 4,250 dr. a month is paid.

Benefit adjustment: Benefits are adjusted on an ad hoc basis according to available resources.

Permanent Disability Benefits

Disability pension: If assessed as totally incapable for work and requiring constant attendance (Group I), the monthly pension is equal to 140% of the base pension, plus a bonus pension (180 dr. for each full calendar year of covered employment); if assessed as totally incapable for work but not requiring constant attendance (Group II), the monthly pension is equal to 120% of the base pension, plus a bonus pension (180 dr. for each full calendar year of covered employment multiplied by a coefficient).

Partial disability: If assessed with a partial incapacity for usual work (Group III), the monthly pension is equal to 100% of the base pension, plus a bonus pension (180 dr. for each full calendar year of covered employment).

The base pension is 4,250 dr. a month.

There is no maximum pension.

Benefit adjustment: Benefits are adjusted on an ad hoc basis according to available resources.

Social pension: 4,250 dr. a month is paid.

Benefit adjustment: Benefits are adjusted on an ad hoc basis according to available resources.

Survivor Benefits

Survivor pension: 100% of the base pension is paid, plus 50% of the bonus pension (180 dr. for each year the deceased was in covered employment multiplied by a coefficient) for one eligible survivor; 90% for two eligible survivors; 120% for three; or 150% for four or more.

The base pension is 4,250 dr. a month.

The survivor pension paid to a spouse ceases on remarriage.

Full orphan's pension: The pension is equal to 500% of the base pension, plus 50% of the bonus pension (180 dr. for each full calendar year of covered employment of both deceased parents) for one eligible full orphan; 90% for two; 120% for three; or 150% for four or more.

The base pension is 4,250 dr. a month.

There is no maximum survivor pension.

Benefit adjustment: Benefits are adjusted on an ad hoc basis according to available resources.

Administrative Organization

Ministry of Labor and Social Affairs (<http://www.mss.am>) is responsible for policy.

Council of the State Fund of Social Insurance provides general coordination and oversight.

Regional and provincial branches of the State Fund of Social Insurance (<http://www.sif.am>) administer the program.

Sickness and Maternity

Regulatory Framework

First law: 1912.

Current laws: 2005 (insurance benefit) and 2005 (social benefits).

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

Coverage

Cash sickness and maternity benefits: All employed and self-employed persons.

Medical benefits: All persons residing in Armenia.

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

Medical benefits: None.

Employer

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

Medical benefits: None. (The total cost of optional employer-operated health care facilities.)

Government

Cash benefits: Subsidies as needed from central and local governments and the total cost of child-care leave benefit.

Medical benefits: The total cost of medical benefits is paid by central and local government budgets.

Qualifying Conditions

Cash sickness benefits: There is no minimum qualifying period.

Cash maternity benefits: Must be in insured employment.

Childbirth or adoption lump sum: There is no minimum qualifying period.

Medical benefits: Must reside in Armenia.

Sickness and Maternity Benefits

Sickness benefit: If the insured has been in covered employment for at least 8 years, the benefit is equal to 100% of average earnings in the last 3 months before the incapacity began; if in covered employment for less than 8 years, 80% of earnings is paid.

The benefit is also paid to an insured parent to provide care for a sick child.

Maternity benefit: The benefit is equal to 100% of average earnings regardless of the number of years of covered employment, divided by 30.4 (average number of days in a month) and multiplied by the number of temporary disability days. The benefit is paid for 140 days (70 days before and 70 days after the expected date of childbirth); 155 days if there are complications resulting from childbirth; 180 days for multiple births.

Child-care leave benefit: 2,300 dr. a month is paid until the child is age 2.

Childbirth or adoption lump sum: 35,000 dr. per child is paid during the 6 months after childbirth or adoption.

Benefit adjustment: Benefits are adjusted on an ad hoc basis according to available resources.

Workers' Medical Benefits

Medical services are provided directly to patients by government health providers. Medical benefits include preventive care, general and specialist curative care, hospitalization, laboratory services, dental care, maternity care, and transportation. Care in sanatoria and rest homes is provided, with preference being given to insured workers who may pay part of the cost.

Cost sharing: Patients pay part of the cost of appliances. Medicines, if provided with hospitalization, are free. Medicines are free for pensioners receiving only the base pension.

Dependents' Medical Benefits

Medical services are provided directly to patients by government health providers. Medical benefits include preventive care, general and specialist curative care, hospitalization, laboratory services, dental care, maternity care, and transportation. Care in sanatoria and rest homes is provided, with preference being given to insured workers who may pay part of the cost.

Cost sharing: Patients pay part of the cost of appliances. Medicines, if provided with hospitalization, are free. Medi-

cines are free for disabled children younger than age 16, for all infants until age 1, and for pensioners receiving only the base pension.

Administrative Organization

Cash benefits: State Fund of Social Insurance (<http://www.sif.am>) provides general oversight of the program. The State Fund's regional and provincial departments within local governments administer benefits.

Medical benefits: Ministry of Health and health departments of local governments provide general supervision and coordination. Medical services are provided through clinics, hospitals, maternity homes, and other facilities administered by the Ministry of Health and local health departments.

Work Injury

Regulatory Framework

First laws: 1955 and 1974.

Current laws: 2002 (state pensions), implemented in 2003; 2005 (insurance benefit); and 2005 (social benefits).

Type of program: Social insurance system.

Coverage

All employed persons.

Exclusions: Self-employed persons.

Source of Funds

Insured person

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

Medical benefits: None.

Self-employed person: Not applicable.

Employer

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

Medical benefits: None. (The total cost of optional employer-operated health care facilities.)

Government

Cash benefits: Subsidies are provided by central and local governments as required.

Medical benefits: The total cost is paid by central and local governments.

Qualifying Conditions

Work injury benefits: There is no minimum qualifying period.

Temporary Disability Benefits

The daily benefit is calculated on the basis of 100% of the insured's average monthly earnings in the last 3 months.

The benefit is payable from the first day of incapacity until recovery or the award of a permanent disability pension.

A specialized medical committee assesses the degree of disability.

Benefit adjustment: Benefits are adjusted on an ad hoc basis according to available resources.

Permanent Disability Benefits

Permanent disability pension: If assessed with a total incapacity for any work (Group I), the monthly pension is equal to 140% of the base pension, plus a bonus pension (180 dr. for each full calendar year of covered employment); if assessed with a total incapacity for usual work (Group II), the monthly pension is equal to 120% of the base pension, plus a bonus pension (180 dr. for each full calendar year of covered employment multiplied by a coefficient).

Partial disability (Group III): The monthly pension is equal to 100% of the base pension, plus a bonus pension (180 dr. for each year of covered employment).

A specialized medical committee assesses the degree of disability.

The base pension is 4,250 dr. a month.

There is no maximum pension.

Benefit adjustment: Benefits are adjusted on an ad hoc basis according to available resources.

Survivor Benefits

Survivor pension (orphan's pension): 100% of the base pension is paid, plus 50% of the bonus pension (180 dr. for each year the deceased was in covered employment multiplied by a coefficient) for one eligible survivor; 90% for two eligible survivors; 120% for three; or 150% for four or more.

The base pension is 4,250 dr. a month.

Full orphan's pension: The pension is equal to 500% of the base pension, plus 50% of the bonus pension (180 dr. for each full calendar year of covered employment of both deceased parents), for one eligible full orphan; 90% for two; 120% for three; or 150% for four or more.

The base pension is 4,250 dr. a month.

Benefit adjustment: Benefits are adjusted on an ad hoc basis according to available resources.

Administrative Organization

Temporary disability benefits: State Fund of Social Insurance (<http://www.sif.am>) provides general supervision.

Enterprises and employers pay benefits to their employees.

Permanent disability and survivor pensions: Ministry of Labor and Social Affairs (<http://www.mss.am>) is responsible for policy.

Council of the State Fund of Social Insurance provides general coordination and oversight.

Regional and provincial branches of the State Fund of Social Insurance (<http://www.sif.am>) administer the program.

Medical benefits: Ministry of Health and health departments of local governments provide general supervision and coordination. The Ministry of Health and local health departments administer the provision of medical services through clinics, hospitals, maternity homes, and other facilities.

Unemployment

Regulatory Framework

First law: 1921.

Current laws: 1991 (employment), implemented in 1992; and 2005 (social protection), implemented in 2006.

Type of program: Social insurance system.

Coverage

All employed and self-employed persons.

Source of Funds

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

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

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

Government: Subsidies from central and local governments as needed.

Qualifying Conditions

Unemployment benefits: Must be unemployed as a result of enterprise reorganization, staff reduction, or the cancellation of a collective agreement; a partial benefit is paid if dismissed for a breach of discipline or for voluntary unemployment.

The insured must have a minimum of 12 months of covered employment before unemployment began; a minimum of 12 months of covered employment between two episodes of unemployment; be seeking to rejoin the labor force after a lengthy period of unemployment; or seeking a first job. The insured must be registered at an employment office and be able and willing to work.

Unemployment Benefits

If involuntarily unemployed, the monthly benefit is equal to 100% of the base benefit; if voluntarily unemployed, 80% of the base benefit; if dismissed for a breach of discipline, 60% of the base benefit.

The base benefit is equal to 60% of the national minimum wage (9,000 dr. a month).

The national monthly minimum wage is 15,000 dr.

The benefit is paid for up to 12 months.

Benefit adjustment: Benefits are adjusted on an ad hoc basis according to available resources.

Administrative Organization

State Fund of Social Insurance (<http://www.sif.am>) and the Ministry of Labor and Social Affairs (<http://www.mss.am>) provide general oversight.

Employment Service and regional Departments of Labor and Employment administer the program.

Family Allowances

Regulatory Framework

First law: 1944.

Current law: 2005 (social benefits).

Type of program: Universal and social assistance system.

Coverage

Families with children.

Source of Funds

Insured person: None.

Self-employed person: None.

Employer: None.

Government: The total cost.

Qualifying Conditions

Family allowances: The beneficiary must be employed at the time of the child's birth. Benefits are payable for children up to age 18.

Family Allowance Benefits

Family allowances: If the mother is not working, 2,300 dr. a month is paid for a child younger than age 2; if the mother is working, 1,150 dr. a month.

Cash benefits: Each child younger than age 18 receives 7,000 dr. (base sum), plus between 4,000 dr. and 6,500 dr. (supplementary sum), a month.

Benefit adjustment: Benefits are adjusted on an ad hoc basis according to available resources.

Administrative Organization

Ministry of Labor and Social Affairs (<http://www.mss.am>) is responsible for the program.