

## Albania

Exchange rate: US\$1.00 = 110.60 leks.

### Old Age, Disability, and Survivors

#### Regulatory Framework

**First law:** 1947.

**Current laws:** 1993 (social insurance) and 2016 (social assistance for persons with disabilities).

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

#### Coverage

**Social insurance:** Employed and self-employed persons, including those in agriculture.

Voluntary coverage is available.

**Social assistance:** Citizens of Albania.

#### Source of Funds

##### Insured person

**Social insurance:** 8.8% of gross monthly covered earnings.

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

The legal monthly minimum wage is 24,000 leks.

The maximum monthly earnings used to calculate contributions are 105,850 leks.

**Social assistance:** None.

##### Self-employed person

**Social insurance:** 21.6% of the legal monthly minimum wage; a flat-rate contribution of 29,400 leks a year (highlands) or 38,400 leks a year (lowlands) if working in agriculture.

The legal monthly minimum wage is 24,000 leks.

The contributions of self-employed persons working in agriculture also finance maternity benefits.

**Social assistance:** None.

##### Employer

**Social insurance:** 12.8% of monthly covered gross payroll.

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

The legal monthly minimum wage is 24,000 leks.

The maximum monthly earnings used to calculate contributions are 105,850 leks.

**Social assistance:** None.

#### Government

**Social insurance:** Finances any deficit; pays contributions for persons receiving unemployment benefits, certain military staff, miners, retired women, and persons receiving certain other benefits; contributes as an employer.

**Social assistance:** The total cost.

#### Qualifying Conditions

**Old-age pension (social insurance):** Age 65 (men, gradually rising by one month a year from 2033 until reaching age 67 in 2056) or age 60 and eight months (women, gradually rising by two months a year until reaching age 67 in 2056) with at least 15 years of coverage; age 55 with at least 30 years of coverage for a mother with six or more children older than age 8.

**Early pension:** A reduced pension may be paid up to three years before the normal retirement age with at least 36 years and four months (gradually rising by four months a year until reaching 40 years in 2029) of coverage.

Employment must cease up to the normal retirement age.

**Deferred pension:** The pension may be deferred. There is no age limit.

**Old-age social pension (social assistance, income tested):** Age 70, a resident of Albania for at least the last five years, and ineligible for any social insurance pension.

**Disability pension (social insurance):** Must be assessed with a total disability (blind, severely disabled, or incapable of any work) or partial disability (incapable of usual work but capable of work under certain conditions), and have coverage in at least 75% of the years since age 20, including at least one year in the five years before the disability began.

**Partial disability pension:** Must be assessed with a 33% to 67% loss of work capacity.

**Supplements for full or partial disabilities:** Paid to persons receiving the disability pension (or the old-age pension if disabled before reaching the normal retirement age).

**Constant-attendance supplement:** Paid if the insured requires the constant attendance of others to perform daily functions.

**Child's supplement:** Paid for each dependent child up to age 18 (age 25 if a university student or disabled).

The disability pension may be replaced by the old-age pension at the normal retirement age if the amount of the old-age pension is greater; beneficiaries may only receive one pension.

The Medical Commission assesses the degree of disability.

**Disability social pension (social assistance):** Must be assessed with a physical, sensory, mental, or psychological disability resulting from birth, an accident, or illness but

does not meet the contribution requirements for the social insurance disability pension.

Caregiver payment: Paid if the insured requires the constant attendance of others to perform daily functions.

**Survivor pension (social insurance):** The deceased received or was entitled to receive a social insurance old-age or disability pension.

Eligible survivors include a widow(er) caring for a dependent child younger than age 8; a widow(er) with a disability; a widow aged 55 or older or a widower aged 60 or older; dependent children younger than age 18 (age 25 if a university student; no limit if disabled from childhood); dependent parents and grandparents aged 65 or older who lived with the deceased for the last 12 months; and dependent grandchildren.

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

**Funeral grant (social insurance):** Paid to cover funeral expenses when an insured person, pensioner, or one of his or her dependents dies. The insured must have at least 26 weeks of coverage.

### Old-Age Benefits

**Old-age pension (social insurance):** The monthly pension is the ratio of the insured's coverage period to the coverage period required by law (36 years and four months in 2018; gradually rising by four months a year until reaching 40 years in 2029) multiplied by the amount of the old-age social pension, plus 1% of the insured's average covered earnings for each year of coverage.

The minimum monthly old-age pension is the monthly old-age social pension.

The monthly old-age social pension is 7,064 leks.

Early pension: The pension is reduced by 0.6% for each month it is claimed before the normal retirement age.

Deferred pension: The pension is increased by 0.5% for each month of deferral after the normal retirement age.

Benefit adjustment: Benefits are adjusted annually.

**Old-age social pension (social assistance, income tested):** 7,064 leks a month is paid.

Persons with income from other sources receive the difference between their income from other sources and the old-age social pension.

### Permanent Disability Benefits

**Disability pension (social insurance):** The monthly pension is the ratio of the insured's coverage period to the coverage period required by law (36 years and four months in 2018; gradually rising by four months a year until reaching 40 years in 2029) multiplied by the amount of the old-age social pension, plus 1% of the insured's average covered earnings for each year of coverage.

The monthly old-age social pension is 7,064 leks.

The minimum monthly disability pension is 75% of the legal monthly minimum wage.

The legal monthly minimum wage is 24,000 leks.

Partial disability pension: 50% of the full disability pension is paid.

Supplement for full disability: 3,300 leks a month is paid.

Supplement for partial disability: 2,200 leks a month is paid.

Constant-attendance supplement: 15% the insured's average covered earnings is paid.

Child's supplement: 5% of the flat-rate pension amount is paid.

Benefit adjustment: Benefits are adjusted annually.

**Disability social pension (social assistance):** 10,850 leks a month is paid for non-work related disabilities; 10,330 leks a month if paraplegic or tetraplegic (due to work-related or non-work-related causes); 11,730 leks a month if blind.

Caregiver payment: 10,850 leks a month is paid for non-work related disabilities and if paraplegic or tetraplegic (due to work-related or non-work-related causes); 11,730 leks a month if blind.

Benefit adjustment: Benefits are adjusted annually based on the Council of Ministers Decisions (CMD).

### Survivor Benefits

#### Survivor pension (social insurance)

*Spouse's pension:* 50% of the social insurance old-age or disability pension the deceased received or was entitled to receive is paid to an eligible spouse.

*Orphan's pension:* 25% of the social insurance old-age or disability pension the deceased received or was entitled to receive is paid to each eligible child; 50% for a full orphan if there are no other eligible dependents.

*Other eligible survivor's pension:* 25% of the social insurance old-age or disability pension the deceased received or was entitled to receive is paid to each dependent.

The maximum combined survivor benefit is 100% of the social insurance old-age or disability pension the deceased received or was entitled to receive; 50% if the surviving spouse is working or receiving a pension in his or her own right.

Benefit adjustment: Benefits are adjusted annually based on the Council of Ministers Decisions (CMD).

**Funeral grant (social insurance):** A lump sum of one month of the basic monthly old-age social insurance pension is paid.

The basic monthly old-age social insurance pension is the ratio of the insured's coverage period to the coverage period required by law (36 years and four months in

2018; gradually rising by four months a year until reaching 40 years in 2029) multiplied by the amount of the monthly old-age social pension.

The monthly old-age social pension is 7,064 leks.

### Administrative Organization

Ministry of Finance and Economics (<http://www.financa.gov.al/>) and a tripartite Administrative Council provide general supervision.

Social Insurance Institute (<http://www.issn.gov.al/>) administers the program and collects contributions for self-employed persons in agriculture.

General Directorate of Taxes (<https://www.tatime.gov.al/>) collects contributions for employed and self-employed persons not in agriculture.

### Sickness and Maternity

#### Regulatory Framework

**First law:** 1947.

**Current laws:** 1993 (social insurance) and 2011 (health insurance).

**Type of program:** Universal (medical benefits) and social insurance (cash benefits) system.

#### Coverage

**Universal (medical benefits):** Residents of Albania.

**Social insurance (cash sickness benefit):** Employed persons.

**Social insurance (cash maternity benefit):** Employed and self-employed persons, including those in agriculture.

#### Source of Funds

##### Insured person

*Universal (medical benefits):* 1.7% of covered gross earnings.

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

The legal monthly minimum wage is 24,000 leks.

The maximum monthly earnings used to calculate contributions are 105,850 leks.

*Social insurance (cash benefits):* 0.12% of covered gross earnings (sickness) and 0.57% of covered gross earnings (maternity).

##### Self-employed person

*Universal (medical benefits):* 6.8% of the legal monthly minimum wage.

The legal monthly minimum wage is 24,000 leks.

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

The maximum monthly earnings used to calculate contributions are 105,850 leks.

*Social insurance (cash benefits):* 1.4% of the legal monthly minimum wage (cash maternity benefits only); see source of funds for Old Age, Disability, and Survivors for self-employed persons working in agriculture.

##### Employer

*Universal (medical benefits):* 1.7% of monthly covered gross payroll.

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

The legal monthly minimum wage is 24,000 leks.

The maximum monthly earnings used to calculate contributions are 105,850 leks.

*Social insurance (cash benefits):* 0.18% of gross payroll (sickness) and 0.83% of gross payroll (maternity).

##### Government

*Universal (medical benefits):* The total cost for persons not currently in the labor force.

*Social insurance (cash benefits):* Finances any deficit; pays contributions for persons receiving unemployment benefits and certain other benefits; contributes as an employer.

#### Qualifying Conditions

**Cash sickness benefit (social insurance):** Must be currently insured (there is no minimum qualifying period). Paid for a sickness or for a loss of income from a change of employment due to health reasons.

**Cash maternity and adoption benefit (social insurance):** Must have at least 12 months of contributions. Paid to a pregnant woman during maternity leave, a woman who must change employment because she is pregnant, or an adoptive parent.

**Paternity benefit:** Must have at least 12 months of contributions. Paid to the father (including an adoptive father) of a newborn if the mother does not qualify for maternity benefits or if the mother chooses not to take the maternity leave entitlement.

**Cash birth grant (social insurance):** Must have at least 12 months of contributions. Paid to the mother or father (if the mother does not meet the contribution requirement but the father does) of a newborn.

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

## **Sickness and Maternity Benefits**

**Sickness benefit (social insurance):** 70% of the insured's average daily wage in the last six months is paid with less than 10 years of contributions; 80% with at least 10 years; 50% during hospitalization if there are no dependents. The benefit is paid from the 15th day of medical certification (the employer pays the first 14 days) for up to six months; may be extended up to three months if the Medical Commission certifies the likelihood of recovery in that period.

**Maternity and adoption benefit (social insurance):** 365 days of maternity leave is paid for at least 35 days before and 63 days after the expected date of childbirth (for multiple births, up to 390 days for at least 60 days before and 63 days after). The monthly benefit is 80% of the insured's average daily wage in the last 12 months for the period of leave before childbirth and for 150 days after; 50% for the remaining period.

For an adoption, the benefit is paid from the date of adoption, but not earlier than the first 63 days after the child's birth, for up to 330 days after the child's birth. At least 28 days are reserved for the adoptive mother.

Paternity benefit: The mother may transfer the maternity leave entitlement to the father from the 64th day if she chooses not to take or does not qualify for the maternity benefit.

**Birth grant (social insurance):** A lump sum of 50% of the legal monthly minimum wage is paid.

The legal monthly minimum wage is 24,000 leks.

## **Workers' Medical Benefits**

**Medical benefits (universal):** All general medical services are free.

Benefits are provided for social insurance and social assistance beneficiaries, unemployed persons, asylum seekers, children younger than age 18 (age 25 if a university student) with no income from business activities, victims of trafficking, and certain other persons according to law.

Cost sharing: The insured is reimbursed from 35% to 100% of the cost of various essential medications.

There is no limit to duration.

## **Dependents' Medical Benefits**

No benefits are provided.

## **Administrative Organization**

Ministry of Finance and Economics (<http://www.financa.gov.al/>) and a tripartite Administrative Council provide general supervision of the cash benefits.

Social Insurance Institute (<http://www.iss.gov.al/>) administers the cash benefits.

Ministry of Health and Social Protection (<http://www.shendetesia.gov.al/>) provides general supervision of the medical benefits.

Compulsory Health Insurance Institute (<http://www.fsdksh.com.al/>) administers the medical benefits.

General Directorate of Taxes (<https://www.tatime.gov.al/>) collects the contributions.

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## **Work Injury**

### **Regulatory Framework**

**First law:** 1947.

**Current law:** 1993 (social insurance).

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

### **Coverage**

Employed persons, apprentices, and vocational training students.

Exclusions: Self-employed persons.

### **Source of Funds**

**Insured person:** None.

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

**Employer:** 0.3% of gross payroll.

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

The legal monthly minimum wage is 24,000 leks.

The maximum monthly earnings used to calculate contributions are 105,850 leks.

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

### **Qualifying Conditions**

Must be assessed with a work injury or occupational disease. Occupational diseases are defined by the Council of Ministers.

### **Temporary Disability Benefits**

100% of the insured's average daily wage in the six months before the accident occurred or disability began is paid for up to 12 months.

### **Permanent Disability Benefits**

For an assessed loss working capacity of at least 67%, 80% of the insured's average daily net earnings in the month before the accident occurred or disability began is paid.

The minimum benefit is 80% of the legal monthly minimum wage.

The legal monthly minimum wage is 24,000 leks.

Supplement for full disability: 4,000 leks a month is paid.

Partial permanent disability: For an assessed loss of working capacity of at least 33% but less than 67%, 50% to 80% of the insured's average daily net earnings in the month before the accident occurred or disability began is paid, depending on the assessed loss of working capacity.

Supplement for partial disability: 2,700 leks a month is paid.

Minor permanent disability: For an assessed loss of working capacity of at least 10% but less than 33%, a lump sum is paid according to a schedule in law. The cost of repairing or replacing property damaged during an accident is paid.

### **Workers' Medical Benefits**

Benefits include medical care and the cost of rehabilitation.

### **Survivor Benefits**

#### **Survivor pension**

*Spouse's pension:* 50% of the permanent disability pension the deceased received or was entitled to receive is paid to an eligible spouse.

Eligible survivors include a widow(er) caring for a dependent child younger than age 8, a widow(er) with a disability, or a widow aged 50 or older or widower aged 60 or older.

*Orphan's pension:* 25% of the permanent disability pension the deceased received or was entitled to receive is paid for each dependent child younger than age 18 (age 25 if a university student; no limit if disabled from childhood); 50% for a full orphan if there are no other eligible dependents.

*Other eligible survivor's pension:* 25% of the permanent disability pension the deceased received or was entitled to receive is paid for each dependent parent, grandparent aged 65 or older who lived with the deceased for the last 12 months, and dependent grandchildren.

The maximum combined survivor benefit is 100% of the permanent disability pension the deceased received or was entitled to receive.

### **Administrative Organization**

Ministry of Finance and Economics (<http://www.financa.gov.al/>) and a tripartite Administrative Council provide general supervision.

Social Insurance Institute (<http://www.iss.gov.al/>) administers the program.

General Directorate of Taxes (<https://www.tatime.gov.al/>) collects contributions.

### **Unemployment**

#### **Regulatory Framework**

**First law:** 1947.

**Current law:** 1993 (social insurance).

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

#### **Coverage**

Employed persons.

Voluntary coverage for self-employed persons.

#### **Source of Funds**

**Insured person:** None.

**Self-employed person:** None.

**Employer:** 0.9% of gross payroll.

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

#### **Qualifying Conditions**

Must be involuntarily unemployed, have at least one year of contributions, not be receiving any other benefits (except for partial disability), be registered at an unemployment office, and be willing to undergo training.

#### **Unemployment Benefits**

A flat-rate benefit of 11,000 leks a month is paid for three to 12 months, depending on the insured's duration of coverage, or for up to a total of 365 calendar days if the insured has temporary periods of employment. The benefit is paid for up to three months with one to four years of coverage; for up to nine months with five to nine years of coverage; or for up to 12 months with at least 10 years of coverage.

The unemployment benefit must provide for a minimum standard of living according to law.

Benefit adjustment: Benefits are adjusted annually.

#### **Administrative Organization**

Ministry of Finance and Economics (<http://www.financa.gov.al/>) and a tripartite Administrative Council provide general supervision.

Social Insurance Institute (<http://www.iss.gov.al/>) administers the program.

National Employment Service (<http://www.kerkojpune.gov.al/>) pays benefits.

General Directorate of Taxes (<https://www.tatime.gov.al/>) collects contributions.

### **Family Allowances**

#### **Regulatory Framework**

**First law:** 1947 and 1993.

**Current law:** 2005 (financial aid and social services).

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

**Coverage**

Residents of Albania.

**Source of Funds**

**Insured person:** None.

**Self-employed person:** None.

**Employer:** None.

**Government:** The total cost.

**Qualifying Conditions**

Must have low or inadequate income or a family member with a disability.

**Family Allowance Benefits**

Financial aid is provided.

**Administrative Organization**

Ministry of Finance and Economics (<http://www.financa.gov.al/>) and a tripartite Administrative Council provide general supervision.

State Social Service (<http://www.sherbimisocial.gov.al/>) administers the program at district and local levels.