

## Kyrgyzstan

Exchange rate: US\$1.00 equals 43.90 soms.

### Old Age, Disability, and Survivors

#### Regulatory Framework

**First law:** 1922.

**Current law:** 1997 (state pension).

**Type of program:** Notional defined contribution (NDC) social insurance and social assistance system.

#### Coverage

**Social insurance:** All employed persons and members of cooperatives and state and collective farms.

Special system for the armed forces.

Special provisions for workers in aviation, the performing arts, and citizens with special merits.

**Social assistance:** Disadvantaged elderly persons, disabled persons, and survivors who are not eligible for social insurance benefits. Eligibility does not take into account the total household income of the recipient.

#### Source of Funds

**Insured person:** 8% of earnings.

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

**Employer:** 25% of payroll.

**Government:** Total cost of social assistance allowances and constant-attendance supplements for the disabled; other subsidies as needed.

All of the above social insurance contributions also finance sickness and maternity, work injury, and unemployment benefits (insured person only).

#### 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 retirement age will be gradually increased to age 63 (men) and age 58 (women) by 2007.

The qualifying conditions are reduced for full-time underground work, for full-time work in hazardous conditions, for work periods associated with the Chernobyl catastrophe, and for mothers with five or more children or at least one disabled child.

Pension supplement: Aged 80 or older; veterans of World War II.

**Disability pension:** The disability is assessed according to three categories: total disability, requiring constant attendance (Group I); total disability, loss of 80% mobility (Group II); and

partial disability, limited ability to work (Group III). The insured must have a minimum of between 1 and 5 years of covered employment.

The degree of disability is assessed by a Ministry of Labor and Social Protection expert commission.

Pension supplement: Payable to Group I disabled persons, single Group II disabled persons, and persons who worked at the Chernobyl catastrophe.

**Survivor pension:** The insured had between 1 and 5 years of covered employment, depending on age at the onset of disability.

The pension is payable to all surviving children younger than age 16 (age 21 if a full-time student) and to nonworking dependents, including sisters, brothers, and grandchildren younger than age 16 (age 21 if a full-time student); the spouse; parents who are disabled or of pensionable age; and grandparents, if no other support is available.

Covered employment includes periods of study, maternity leave, caring for disabled persons, unemployment, and other leave periods approved by special decree.

Pensions are not payable abroad; a lump sum equal to three times monthly benefits is paid to the pensioner if leaving the country permanently.

**Social assistance allowances:** Payable if not eligible for an old-age, disability, or survivor pension. There is no income test.

#### Old-Age Benefits

**Old-age pension:** The monthly benefit is the sum of a base element (222.60 soms, but not less than 12% of the average monthly wage), an insurance element based on years of covered employment and earnings for the period before January 1, 1998, and an insurance element based on the value of accumulated contributions from January 1, 1998.

The insurance element for the period before January 1, 1998, is calculated as average earnings for every 60 consecutive months times 1% for every complete year of insured employment. The insurance element for the period from January 1, 1998, is calculated as accumulated contributions (of at least 1 year) divided by 12 months and multiplied by a coefficient.

The pension is payable monthly.

The minimum pension is 100% of the minimum wage (100 soms).

There is no maximum pension.

The maximum average earnings are equal to 15 times the minimum wage.

Partial pension: With at least 5 years of covered employment, the monthly benefit is reduced in proportion to the number of years below the required number of years of coverage for the full pension.

Pension supplement: The supplement is between 50% and 375% of the minimum wage.

Benefit adjustment: Periodic benefit adjustments according to changes in the cost of living.

**Social assistance allowance:** The allowance is not income tested, and the amount payable is linked to the guaranteed minimum standard of living (GM).

The GM is 100 soms.

If aged 65 or older (men) or aged 55 or older (women), 70% of the GM a month; 100% of the GM a month to high-altitude residents aged 55 or older (men) or aged 50 or older (women); 150% of the GM a month for mothers aged 55 or older (aged 50 or older if also a high-altitude resident) with five or more children or with at least one disabled child.

GM adjustment: The guaranteed minimum standard of living (GM) is adjusted periodically according to wage changes.

### **Permanent Disability Benefits**

**Disability pension:** The total disability pension for a Group I disability is the same as the old-age pension plus the constant-attendance supplement. The pension for a Group II disability pension is the same as the old-age pension plus a supplement for single disabled persons requiring constant attendance.

There is no minimum disability pension.

Partial pension for total disability: With insufficient years of covered employment, the partial pension is the same as the old-age pension.

Constant-attendance supplement: 50% of the minimum pension (100% if blind) a month.

Partial disability (Group III): Equal to 50% of the old-age pension.

Pension supplement: The supplement is between 50% and 375% of the minimum wage.

Benefit adjustment: Periodic benefit adjustments according to changes in the cost of living.

**Social assistance allowance:** 150% of the GM is payable to a Group I disabled person (200% of the GM if disabled since childhood); 100% of the GM for a Group II disabled person (150% if disabled since childhood); 50% of the GM for a Group III disabled person (100% if disabled since childhood).

Also, 200% of the GM is payable to disabled children up to age 16 (age 21 if a student) suffering from cerebral palsy; 150% of the GM for disabled children under age 16 (age 21 if a full-time student) and to children infected with HIV or AIDS.

There is no income test.

GM adjustment: The guaranteed minimum standard of living (GM) is adjusted periodically according to wage changes.

### **Survivor Benefits**

**Survivor pension:** 50% of the Group II disability pension that would have been payable to the deceased is paid monthly for one eligible dependent, 90% for two eligible dependents, 120% for three eligible dependents, or 150% for four or more eligible dependents.

Full orphans: Paid at the same rates as the survivor pension (above) but based on the Group II disability pensions that would have been payable for both parents.

The minimum full-orphan pension is 100% of the minimum wage.

Benefit adjustment: Periodic benefit adjustments according to changes in the cost of living.

**Social assistance allowance:** 100% of the GM a month for each orphan younger than age 16 (age 21 if a full-time student); 150% of the GM a month for a full orphan.

There is no income test.

**Funeral grant:** For the death of a social assistance allowance recipient, a lump sum equal to 500% of the GM is payable either to the surviving parent or to other family members.

GM adjustment: The guaranteed minimum standard of living (GM) is adjusted periodically according to wage changes.

### **Administrative Organization**

Ministry of Labor and Social Protection (<http://www.mlsp.kg>) provides general coordination and oversight.

Provincial and county offices of the Ministry of Labor and Social Protection administer the program.

Social Fund administers the program.

### **Sickness and Maternity**

#### **Regulatory Framework**

**First law:** 1922.

**Current laws:** 1955, with amendments; 1996 (social insurance); and 1997 (medical insurance), with 2003 amendment.

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

#### **Coverage**

**Cash benefits:** Employed persons, students, and members of cooperatives.

**Medical benefits:** All residents.

#### **Source of Funds**

##### **Insured person**

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

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

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

### Government

*Cash benefits:* None.

*Medical benefits:* Total cost.

### Qualifying Conditions

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

### Sickness and Maternity Benefits

**Sickness benefit:** 60% of earnings with less than 5 years of uninterrupted work; 80% with between 5 and 8 years; 100% with more than 8 years (or with three or more dependent children, if a disabled veteran, or if disabled as a result of the Chernobyl catastrophe). The monthly benefit is payable after a 5-day waiting period.

Benefit adjustment: Periodic benefit adjustments according to changes in the cost of living.

**Maternity benefit:** 100% of earnings, payable for a total of 126 calendar days before and after the expected date of childbirth (may be extended to 140 days if there are complications during childbirth).

Benefit adjustment: Periodic benefit adjustments according to changes in the cost of living.

### Workers' Medical Benefits

Medical services are provided directly to patients through government or enterprise-administered health providers. Benefits include general and specialist care, hospitalization, laboratory services, dental care, maternity care, and transportation.

Providers may charge fees for services.

### Dependents' Medical Benefits

Same as for the head of the household.

### Administrative Organization

**Cash benefits:** Social Fund provides general oversight and administers the program.

Employers pay cash benefits.

**Medical benefits:** Ministry of Health (<http://www.med.kg>) 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 delivered through clinics, hospitals, maternity homes, and other facilities.

Mandatory Health Insurance Fund provides health care benefits.

Ministry of Health is responsible for policy.

### Work Injury

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#### Regulatory Framework

**First law:** 1922.

**Current laws:** 1955 (short-term benefits); 1990 (pensions), with 1992 and 1994 amendments; and 2003 (labor safety).

**Type of program:** Social insurance (short-term benefits and pensions) and universal (medical care) system.

#### Coverage

Employed persons, students, and members of cooperatives. (Medical benefits are available to all residents.)

#### 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

*Temporary disability benefits:* None.

*Permanent disability and survivor 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. Pensions for a work injury or an occupational disease are payable abroad.

#### Temporary Disability Benefits

100% of earnings. The benefit is payable from the first day of incapacity until recovery or the award of a permanent disability pension.

The degree of disability is assessed by a Ministry of Labor and Social Protection expert commission.

Benefit adjustment: Periodic benefit adjustments according to changes in the cost of living.

### **Permanent Disability Benefits**

**Permanent disability pension:** The disability is assessed according to three categories: total disability, requiring constant attendance (Group I); total disability, loss of 80% mobility (Group II); and partial disability, limited ability to work (Group III).

The total disability pension for a Group I disability is the same as the old-age pension plus the constant-attendance supplement. The pension for a Group II disability pension is the same as the old-age pension plus a supplement for single disabled persons requiring constant attendance.

The degree of disability is assessed by a Ministry of Labor and Social Protection expert commission.

The minimum disability pension is 100% of the minimum wage.

Constant-attendance supplement: 50% of the minimum pension (100% if blind) a month.

Partial disability (Group III): Equal to 50% of the old-age pension.

Benefit adjustment: Periodic benefit adjustments according to changes in the cost of living.

### **Workers' Medical Benefits**

Medical services are provided directly to patients through government or enterprise-administered health providers. Benefits include general and specialist care, hospitalization, laboratory services, dental care, transportation, and the full cost of appliances and medicines.

### **Survivor Benefits**

**Survivor pension:** 50% of the Group II disability pension that would have been payable to the deceased is paid monthly for one eligible dependent, 90% for two eligible dependents, 120% for three eligible dependents, or 150% for four or more eligible dependents.

Full orphans: Paid at the same rates as the survivor pension (above) but based on the Group II disability pensions that would have been payable for both parents.

The minimum full-orphan pension is 100% of the minimum wage (100 soms).

Benefit adjustment: Periodic benefit adjustments according to changes in the cost of living.

### **Administrative Organization**

**Temporary disability benefits:** Social Fund provides general supervision.

Enterprises and employers pay cash benefits to their employees.

**Permanent disability and survivor pensions:** Ministry of Labor and Social Protection (<http://www.mlsp.kg>) provides general coordination and oversight.

Provincial and county offices of the Ministry of Labor and Social Protection administer the program.

**Medical benefits:** Ministry of Health (<http://www.med.kg>) 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 delivered through clinics, hospitals, maternity homes, and other facilities.

## **Unemployment**

### **Regulatory Framework**

**First law:** 1921.

**Current law:** 1998 (supporting employment), with 2000, 2001, and 2003 amendments.

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

### **Coverage**

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

### **Source of Funds**

**Employee:** 0.5% of earnings, taken from the 8% of earnings contribution for Old Age, Disability, and Survivors, above.

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

**Employer:** 1.5% of payroll.

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

### **Qualifying Conditions**

**Unemployment benefit:** Registered at an employment office and able and willing to work. The benefit may be reduced, suspended, or terminated if the worker is discharged for violating work discipline, leaving employment without good cause, violating conditions for a job placement or vocational training, or filing fraudulent claims.

### **Unemployment Benefits**

The benefit is payable monthly for a maximum of 26 calendar weeks.

The minimum benefit is 100% of the minimum wage for all categories of unemployed, including students who are unemployed within 12 months of graduation; 150% of the minimum wage if in covered employment for more than half the period required for the old-age pension.

Dependent supplement: 10% of the unemployment benefit for each dependent.

### **Administrative Organization**

Employment Service and local employment centers administer the program.

### **Family Allowances**

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#### **Regulatory Framework**

**First law:** 1944.

**Current law:** 1998 (state allowances), with 2001 and 2002 amendments.

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

#### **Coverage**

Children of single-parent families and of unwed mothers; students (younger than age 21) with disabled or unemployed parents.

For orphans, see social assistance allowances (survivor benefits) under Old Age, Disability, and Survivors, above.

#### **Source of Funds**

**Insured person:** None.

**Self-employed person:** None.

**Employer:** None.

**Government:** Total cost.

#### **Qualifying Conditions**

**Family allowances (income tested):** Household per capita income, based on average income during the 3 months before making the claim, must be lower than 100% of the guaranteed minimum standard of living (GM).

The GM is equal to 100 soms.

**Social assistance allowance:** Payable for each child younger than age 16 (age 21 if a full-time student).

**Birth grant:** Payable for each newborn child.

#### **Family Allowance Benefits**

**Family allowances (income tested):** 100% of the GM is payable monthly for a mother on leave caring for a child younger than 18 months old or caring for two children younger than age 3; 150% of the GM if caring for three children younger than age 16.

**Social assistance allowance:** Payable for each child younger than age 16 (age 21 if a full-time student). The allowance is equal to the difference between family average per capita income and the GM.

**Birth grant:** A lump sum equal to 300% of the GM for each newborn child.

The GM is equal to 100 soms.

GM adjustment: The guaranteed minimum standard of living (GM) is adjusted periodically according to wage changes.

### **Administrative Organization**

Ministry of Labor and Social Protection (<http://www.mlsp.kg>) and local offices administer the program.