

## Russia

Exchange rate: US\$1.00 equals 29.23 rubles.

### Old Age, Disability, and Survivors

#### Regulatory Framework

**First law:** 1922.

**Current laws:** 1995, 1996, and 2001 (state pension security, labor pensions, and mandatory pension insurance).

**Type of program:** Social insurance and notional and individual accounts system.

#### Coverage

Employed citizens, self-employed persons, and independent farmers. (The individual account covers those born in 1967 or later.)

Special schemes for civil servants, military personnel, police officers, war veterans, and other specified groups.

#### Source of Funds

**Insured person:** None.

**Self-employed person:** The self-employed and independent farmers contribute a fixed monthly amount of 150 rubles.

**Employer:** 28% of payroll, which is part of the Single Social Tax (SST); half of the employer contribution finances the basic part of the labor pension and the other half finances the notional and individual accounts. Agricultural enterprises pay 20.6% of payroll. Organizations for the disabled and for pensioners are exempted from the SST but pay contributions for mandatory pension insurance.

The overall 35.6% of payroll SST finances pensions provided under the State Pension Security law as well as the basic part of the labor pension, sickness and maternity benefits, and medical care benefits. The employer's contribution noted above is included in this rate. The contribution rate is lowered on annual income exceeding 100,000 rubles. Employers can provide supplementary benefits out of their own budgets.

**Government:** Total cost of social pensions and of service pensions for state employees, military personnel, police officers, and other specified groups. Republics and local authorities can provide supplementary benefits out of their own budgets.

#### Qualifying Conditions

##### Old-age pension

**Old-age labor pension:** Age 60 (men) or age 55 (women) with a minimum 5 years of insurance coverage.

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

Age 50 with 20 years of work (men) or age 45 with 15 years of work (women), including 10 years (men) or 7.5 years (women) working in an unhealthy working environment, underground, or in hot workshops.

Age 55 with 25 years of work (men) or age 50 with 20 years of work (women), including 12.5 years (men) or 10 years (women) in an unhealthy working environment, in geological work, in the railway service, as drivers in mines, dock workers, sailors, or as aircraft ground crew.

There is no lower age limit for teachers who have worked with children for 25 years and for medical workers employed in health care institutions in cities for 30 years; villages for 25 years.

**State length-of-service pension:** A supplement to the old-age labor pension to state employees, military personnel, and police officers with 15 years of service.

**State social pension:** Disabled citizens or those meeting the age requirement of age 65 (men) or age 60 (women).

A working pensioner may receive both the salary and pensions in full.

##### Disability pension

**Disability labor pension:** Previously employed. The value of the pension depends on the assessed degree of disability, according to three groups: Group I, 100% incapable of work and requiring constant attendance; Group II, 100% incapable of work but not in need of constant attendance; Group III, 50% incapable of work but not in need of constant attendance.

**State disability pension:** There is no minimum period-of-service requirement for persons under age 20 who became disabled due to a general illness or for a disability resulting from a severe work injury, occupational disease, or military service.

##### Survivor pension

**Survivor labor pension:** The insured's length of service and insurance coverage are not considered.

Eligible survivors are widows over age 55 (widowers over age 60) or unemployed and caring for children 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 grandfathers aged 61 or older and grandmothers aged 56 or older.

**Social survivor pension:** The pension is provided if the insured did not have insurance coverage.

## Old-Age Benefits

### Old-age pension

*Old-age labor pension:* The benefit is calculated as the sum of three components:

- a basic flat rate according to different categories of beneficiaries;
- a benefit based on the notional account; and
- a benefit based on the value of the individual account (contributions plus interest) to be paid beginning in 2013.

There is no officially stated minimum or maximum monthly pension, but the total amount of all three components should not be less than 660 rubles.

*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 amount of the social pension is a percentage of the basic part of the labor pension.

Retirement is not necessary.

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

## Permanent Disability Benefits

### Disability pension

*Disability labor pension:* The benefit is awarded according to three assessed groups of disability. The benefit is calculated as the sum of three components:

- a basic flat rate according to different categories of beneficiaries (and increased according to the number of dependents);
- a benefit based on the notional account; and
- a benefit based on the value of the individual account (contributions plus interest) to be paid beginning in 2013.

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

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

## Survivor Benefits

### Survivor pension

*Survivor labor pension:* The benefit is calculated as the sum of two components:

- a basic flat rate according to different categories of survivor; and
- a benefit based on the notional account and on the number of eligible survivors. The pension is divided equally between all eligible survivors. The pension does not cease on the remarriage of a widow.

*Social survivor pension:* The pension is set by the government according to different categories of beneficiaries. The pension is divided equally among all eligible survivors.

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

## Administrative Organization

Pension Fund of the Russian Federation and its regional bodies administer benefit awards and payments.

Ministry of Labor and Social Development of the Russian Federation is responsible for policy development.

## Sickness and Maternity

### Regulatory Framework

**First law:** 1912.

**Current laws:** 1984, 1993, 1995, 1999 (mandatory social insurance), 2001; and 1991, 1992, and 1993 (medical care).

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

### Coverage

**Cash benefits:** Employed citizens.

**Medical benefits:** All citizens and refugees.

### Source of Funds

#### Insured person

*Cash benefits:* None.

*Medical insurance:* None. (The insured may contribute to voluntary supplementary medical insurance. The contribution rates for voluntary supplementary medical insurance vary by plan.)

#### Employer

*Cash benefits:* 4% of payroll, included in the overall SST. See source of funds under Old Age, Disability, and Survivors, above.

*Medical insurance:* 3.6% of payroll, included in the overall SST. See source of funds under Old Age, Disability, and Survivors, above. (Rates for voluntary supplementary medical insurance vary by plan.)

**Government:** Federal government and local governments provide partial funding for medical care.

### Qualifying Conditions

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

### **Sickness and Maternity Benefits**

**Sickness benefit:** 60% of current earnings with less than 5 years of coverage; 80% with 5 years to 8 years of coverage; 100% with over 8 years of coverage (or if the insured has three or more dependent children).

The minimum benefit is 100% of the minimum wage (600 rubles in 2003).

The maximum benefit is 85 times the minimum wage.

Note: The value of the minimum wage used for the calculation of cash benefits varies according to the benefit type.

Parental care leave: To provide care for a sick child under age 7, benefit is provided for the total period of sickness; for a child under age 15, benefit is provided for 15 calendar days; for a family member over age 15, benefit is provided for 7 calendar days.

**Funeral grant:** A lump sum of between 1,000 rubles and 2,000 rubles, depending on local financial resources.

**Maternity benefit:** 100% of the insured's gross earnings in the last month is payable for 70 days before the expected date of childbirth and 70 days after childbirth; may be increased by an additional 14 or 40 days in certain cases. (After maternity benefit ceases, a monthly child care leave allowance of 500 rubles; 70 rubles for unemployed workers, is paid until the child is age 18 months under the Family Allowances program.)

The maximum benefit is 11,700 rubles.

**Childbirth grant:** A lump sum of 4,500 rubles, and an extra sum paid by the local authorities.

**Pregnancy registration supplement:** 300 rubles, paid when the pregnancy is registered with the local authorities.

**Adoption grant:** A lump sum of 4,500 rubles, and an extra sum paid by the local authorities.

### **Workers' Medical Benefits**

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

Cost sharing: Medicines prescribed during hospitalization are provided free, or at reduced rates, to persons with certain categories of illness, to the disabled, and to war veterans.

Voluntary medical insurance covers specialized care, expensive medicines, and appliances.

### **Dependents' Medical Benefits**

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

Cost sharing: Medicines prescribed during hospitalization are provided free, or at reduced rates, to persons with certain categories of illness, to the disabled, and to war veterans.

Voluntary medical insurance covers specialized care, expensive medicines, and appliances.

### **Administrative Organization**

**Cash benefits:** Social Insurance Fund of the Russian Federation and regional social insurance funds administer sickness and maternity cash benefits.

Enterprises and employers administer and pay benefits to their own employees.

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

**Medical benefits:** Ministry of Health of the Russian Federation and regional health departments implement state health care policy and develop health care programs.

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

The implementation of medical insurance is the responsibility of regional governments.

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### **Work Injury**

#### **Regulatory Framework**

**First law:** 1903.

**Current laws:** 1998, implemented in January 2000 (work injury and occupational disease); 1999 (mandatory social insurance); 2001 (labor code); and 2002 (insurance tariffs).

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

#### **Coverage**

Employed citizens, employed convicted persons, persons employed on the basis of a civil or legal agreement if under such an agreement the employer is obliged to pay contributions to the Social Insurance Fund of the Russian Federation for mandatory social insurance against work injury and occupational disease.

Medical care is available to all citizens.

#### **Source of Funds**

**Insured person:** None.

**Employer:** Varying contributions (between 0.2% and 8.5% of payroll) according to 22 classes of professional risk related to 22 categories of industry. Employers can provide supplementary benefits out of their own budgets.

**Government:** None. Republics and local authorities can provide supplementary benefits out of their own budgets.

## Qualifying Conditions

**Work injury benefits:** There is no minimum qualifying period. The Medical and Social Assessment Office assesses the degree of disability annually; more frequently in certain cases.

## Temporary Disability Benefits

100% of average gross earnings before the certification of the degree of disability. The benefit is payable from the first day of incapacity until the insured is fully rehabilitated.

**Lump-sum compensation:** A lump sum of up to 27,000 rubles, calculated in proportion to the percentage of lost work capacity, is also paid to insured workers.

In the case of a sustained loss in work capacity, a monthly benefit equal to the average wage for the last 12-month period, calculated in proportion to the percentage of lost work capacity.

## Permanent Disability Benefits

**Permanent disability pension:** The pension is calculated according to three degrees of disability. Groups I and II receive 75% of average gross earnings, and Group III receives 30% of average gross earnings.

The minimum level of disability is from 10% to 15%.

The maximum benefit is set annually by the Social Insurance Fund (27,000 rubles per month in 2003).

**Constant-attendance allowance:** Twice the minimum wage per month is provided for those needing outpatient special medical care; 50% of the minimum wage for everyday attendance. (The minimum wage is 600 rubles in October 2003.)

## Workers' Medical Benefits

Compulsory medical insurance covers medical services provided directly to patients by public and private health providers. Services provided include general, preventive, and emergency care; hospitalization; laboratory services; dental care; transportation; free appliances and medicines; and the cost of professional rehabilitation. Specialized care is possible under the terms of voluntary supplementary insurance coverage offered by the employer.

## Survivor Benefits

**Survivor pension:** Payable 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 two components:

- a basic flat rate according to different categories of survivor; and
- a benefit based on the notional account and on the number of eligible survivors.

**Lump-sum compensation:** In addition to the pension, a lump sum of 27,000 rubles (in 2003) is divided equally among all entitled survivors.

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

## Administrative Organization

Temporary disability benefits are administered by the Social Insurance Fund of the Russian Federation and regional funds. Enterprises and employers pay benefits to employees.

Pension Fund of the Russian Federation is responsible for the administration of permanent disability pensions.

Ministry of Health of the Russian Federation is responsible for the provision of medical services through clinics, hospitals, maternity homes, and other medical facilities, including private health care providers.

State health care policies and programs are implemented and administered by the Ministry of Health of the Russian Federation and regional health departments.

## Unemployment

### Regulatory Framework

**First law:** 1921.

**Current laws:** 1991 (employment in the Russian Federation), with 2003 amendment; 1993; 1996; 1997; and 2001 (labor code).

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

### Coverage

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

### Source of Funds

**Insured person:** None.

**Employer:** None.

**Government:** Financed from federal and local budgets. Republic and local governments may provide supplementary benefits for unemployed persons and their dependents out of their own budgets.

## Qualifying Conditions

**Unemployment benefit:** Registered at the employment office, has 26 weeks of full-time employment in the last 12 months (or the 26-week equivalent for part-time employment), and is able and willing to work. Benefits may be reduced, postponed, suspended, or terminated if the worker is discharged for violating work discipline, leaving employment without good cause, violating conditions for job placement or vocational training, or filing fraudulent claims.

## Unemployment Benefits

A severance payment equal to twice the insured's average monthly wage is paid by the employer.

Unemployment benefits as a percentage of previous average wages are paid by the local state employment service for 12 months. The benefits decrease over time: 75% of the previous average monthly wage in the first 3 months; 60% for the next 4 months; and 45% for the last 5 months.

The minimum monthly benefit must not be less than 30% of the local minimum subsistence level.

For a second period of 12 months, the monthly benefit is 30% of the local minimum subsistence level.

For unemployed persons who do not meet the prior work conditions or for persons who have never worked, the benefit is 30% of the regional minimum subsistence level for the first 6 months and 20% of the regional minimum subsistence level for the next 6 months.

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

**Supplement for victims of radiation:** 10% of the regional minimum subsistence level but not less 50 rubles.

**Supplement for persons living in radiation-contaminated zones:** 10% of the regional minimum subsistence level but not less than 100 rubles.

**Early pension:** Payable to unemployed older workers between ages 58 and 59 (men) or ages 53 and 54 (women). (The benefit is the same as the old-age labor pension.)

## Administrative Organization

Ministry of Labor and Social Development of the Russian Federation provides general supervision, control, and partial financing.

Regional employment services administer and finance the program.

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## Family Allowances

### Regulatory Framework

**First law:** 1944.

**Current law:** 1995 (state benefits for citizens with children), with 1999, 2000, and 2002 amendments; 1995 (regulations for state benefits for citizens with children); and 2003 (budget of the social insurance fund).

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

### Coverage

Children under age 16 (or until the completion of general education up to age 18).

## Source of Funds

**Insured person:** None.

**Employer:** Contributions are included in SST contribution. See source of funds under Old Age, Disability, and Survivors, above. (Employers can provide supplementary benefits out of their own budgets.)

**Government:** Federal and local budgets pay for remainder of benefits. Republics and local authorities can provide supplementary benefits out of their own budgets.

## Qualifying Conditions

**Child allowances:** Granted to families with income below the locally determined minimum subsistence level. The child must be resident.

**Child care leave allowance:** Employees, students in vocational courses, and military personnel.

## Family Allowance Benefits

**Child allowances:** 70 rubles for each child from 18 months to age 16 (or until the completion of general education); 105 rubles if a parent is evading alimony payments. Single parents receive twice the child allowance.

**Child care leave allowance:** 500 rubles is paid a month (70 rubles for unemployed workers) until the child is age 18 months; until age 7 if the child is ill (outpatient treatment); age 15 (inpatient treatment). If providing care for a sick child, 60% to 100% of wages for the first 7 days of illness; thereafter, 30% of wages (50% for single mothers) until recovery.

## Administrative Organization

Ministry of Labor and Social Development of the Russian Federation provides general oversight of the program.

Regional and local departments of social protection award benefits and make payments to nonworking parents.