Marshall Islands

Exchange rate: Currency is the US dollar (US$).

Old Age, Disability, and Survivors

Regulatory Framework

First law: 1967.
Current law: 1990 (social security), with amendment.
Type of program: Social insurance system.

Coverage

Gainfully employed persons, including the self-employed.
Exclusions: Casual labor under certain circumstances.

Source of Funds

Insured person: 7% of earnings.
The maximum earnings for contribution and benefit purposes are US$5,000 a quarter.
Self-employed person: 14% of 3/4 of gross income.
The maximum earnings for contribution and benefit purposes are US$5,000 a quarter.
Employer: 7% of payroll; small business employers contribute 14% of twice the salary of the highest-paid employee.
The maximum earnings for contribution and benefit purposes are US$5,000 a quarter.
Government: None; contributes as an employer.

Qualifying Conditions

Old-age pension: Age 60 with 1 quarter of coverage for each year after June 30, 1968 (or since age 21, if later), with at least 12 quarters of coverage.
Early pension: Age 55 with at least 80 quarters of coverage.
Deferred pension: A deferred pension is possible.
Disability pension: Incapacity for usual work. Must have 1 quarter of coverage for each year after June 30, 1968 (or since age 21, if later), with at least 12 quarters of coverage including 6 quarters of coverage during the last 40 quarters.
Survivor pension: The deceased had 1 quarter of coverage for each year after June 30, 1968 (or since age 21, if later), or at least 6 quarters of coverage in the 40 quarters before death.

Eligible survivors are a widow(er) of any age and orphans younger than age 18 (age 22 if a full-time student, no limit if disabled before age 22).

Income test: The pension is reduced by US$1 for each US$3 of earnings above US$1,500 a quarter for pensioners who are younger than age 62.
Pensions are normally payable abroad to noncitizens for 6 months only; may be paid for longer under a reciprocal agreement.

Lump-sum survivor benefit: Paid when all eligible survivors no longer qualify for survivor benefits as a result of death, remarriage, or age conditions.

Old-Age Benefits

Old-age pension: The pension is calculated on the basis of 2% of indexed covered earnings, plus 14.5% of the first US$11,000 of cumulative covered earnings, plus 0.7% of cumulative covered earnings in excess of US$11,000 up to a maximum of US$44,000.
Early pension: The pension is reduced by 0.5% for each month the pension is taken before age 60.
Deferred pension: The pension is increased by 0.5% for each month the pension is deferred after age 60.
The minimum old-age pension is US$128.99 a month.

Permanent Disability Benefits

Disability pension: The pension is calculated on the basis of 2% of indexed covered earnings, plus 14.5% of the first US$11,000 of cumulative covered earnings, plus 0.7% of cumulative covered earnings greater than US$11,000 up to a maximum of US$44,000.
The minimum disability pension is US$128.99 a month.

Survivor Benefits

Survivor pension: The widow(er) receives 100% of the deceased’s pension.
Orphan’s pension: Each eligible orphan receives 25% of the deceased’s pension.
The minimum survivor pension is US$128.99 a month.
The maximum survivor pension is 100% of the deceased’s pension.
Lump-sum survivor benefit: A lump sum is paid equal to 4% of cumulative covered earnings minus the total value of the survivor benefits already paid.

Administrative Organization

Marshall Islands Social Security Administration administers the program.

Sickness and Maternity

Regulatory Framework

First law: 1991 (health fund).
**Marshall Islands**

**Current law:** 2002 (health fund administration).

**Type of program:** Social insurance program. Medical benefits only.

**Coverage**
Gainfully employed persons, including the self-employed.
Exclusions: Casual labor under certain circumstances.

**Source of Funds**

- **Insured person:** 3.5% of earnings.
  The maximum earnings for contribution and benefit purposes are US$5,000 a quarter.

- **Self-employed person:** 10% of 3/4 of gross income.
  The maximum earnings for contribution and benefit purposes are US$5,000 a quarter.

- **Employer:** 3.5% of payroll; small business employers contribute 10% of twice the salary of the highest-paid employee.
  The maximum earnings for contribution and benefit purposes are US$5,000 a quarter.

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

**Qualifying Conditions**

**Cash sickness and maternity benefits:** No cash benefits are provided.

**Medical benefits:** An insured employee or insured citizen.

**Sickness and Maternity Benefits**

- **Sickness benefits:** No cash benefits are provided.
- **Maternity benefits:** No cash benefits are provided.

**Workers’ Medical Benefits**
General medical services are delivered through a public hospital and a private clinic in Majuro and through a public hospital in Ebeye.

**Dependents’ Medical Benefits**
No information is available.

**Administrative Organization**
Ministry of Health Services administers the Social Security Health Fund.
Social Security Administration is responsible for the collection of contributions for the Social Security Health Fund.