

## Brunei

Exchange rate: US\$1.00 =  
1.40 Brunei dollars (B\$).

### Old Age, Disability, and Survivors

#### Regulatory Framework

**First and current laws:** 1955 (old-age and disability pensions), with 1984 (universal pension) amendment; 1992 (employees' trust fund); and 2009 (supplementary pension scheme), implemented in 2010.

**Type of program:** Provident fund, supplementary defined contribution scheme, and universal old-age and disability pension system.

#### Coverage

**Provident fund:** Employees up to age 60 who are citizens or permanent residents of Brunei, including government civil servants who began service on or after January 1, 1993. (Civil servants who began service before January 1, 1993, are covered by the government pension scheme.)

Voluntary coverage for persons aged 60 or older and self-employed persons.

Exclusions: Foreign workers.

Special systems for armed forces personnel, police force personnel, and prison wardens.

**Supplementary pension:** Public- and private-sector employees aged 18 to 59 who are citizens or permanent residents of Brunei.

Voluntary coverage for self-employed persons.

Exclusions: Employees covered under the public service pension scheme.

**Universal old-age and disability pension:** All residents of Brunei.

#### Source of Funds

##### Insured person

**Provident fund:** 5% of monthly earnings that exceed B\$80. (Additional voluntary contributions are permitted.)

There are no maximum earnings used to calculate contributions.

**Supplementary pension:** 3.5% of monthly earnings (3% for the insured's account and 0.5% for survivor benefits). Additional voluntary contributions are permitted.

There are no minimum or maximum earnings used to calculate contributions.

**Universal old-age and disability pension:** None.

##### Self-employed person

**Provident fund:** Voluntary contributions only.

There are no minimum or maximum declared earnings used to calculate contributions.

**Supplementary pension:** B\$17.50 a month.

**Universal old-age and disability pension:** None.

##### Employer

**Provident fund:** 5% of monthly payroll (3% for the insured's account and 0.5% for survivor benefits). Additional voluntary contributions are permitted.

There are no minimum or maximum earnings used to calculate contributions.

**Supplementary pension:** 3.5% of monthly payroll.

The minimum earnings used to calculate contributions is B\$500.

The maximum earnings used to calculate contributions is B\$2,800.

**Universal old-age pension:** None.

##### Government

**Provident fund:** None.

**Supplementary pension:** Any deficit and supplements the employee contribution for employees earning less than B\$500; B\$17.50 a month for self-employed persons in the informal sector.

The government pays B\$30 for each month the insured was a provident fund member before January 1, 2010, regardless of the insured's salary. If the insured was younger than age 25 when he or she joined the provident fund, the contribution is calculated from age 25.

**Universal old-age and disability pension:** The total cost.

#### Qualifying Conditions

##### Old-age benefit

**Provident fund:** Age 60. Retirement is not necessary.

Early withdrawal: Age 50.

Drawdown payment: Fund members with at least B\$40,000 in their individual account or who have been provident fund members for at least 10 years may draw down funds from their account to build or purchase a house for personal residence.

A lump sum is paid to members at any age if emigrating permanently from the country.

**Supplementary pension:** Age 60 with at least 35 years of continuous contributions.

Insured persons who do not meet the contribution requirements at retirement age may receive a lump-sum benefit.

(The government pays retroactive contributions for those who joined the provident fund scheme before January 1, 2010.)

The pension may not be drawn down before retirement.

*Universal old-age pension:* Age 60 and a resident of Brunei. Persons born in Brunei must have at least 10 years of residence immediately before claiming the pension; persons born outside Brunei must have lived in Brunei for at least 30 years immediately before claiming the pension.

### **Disability benefit**

*Provident fund:* The fund member must be unable to work as the result of a physical or mental disability. The Medical Board assesses the degree of disability.

*Universal disability pension:* The insured must be unable to work, have resided in Brunei in the 10 years immediately before the disability began, and receive suitable medical treatment and rehabilitation.

**Survivor benefit (provident fund):** Paid to the next of kin or named survivors.

**Survivor pension (supplementary pension):** Paid to a widow and children younger than age 21 if the insured had continuous contributions until death.

The widow's portion of the survivor pension ceases on remarriage and is paid to eligible orphans.

### **Old-Age Benefits**

#### **Old-age benefit**

*Old-age benefit (provident fund):* A lump sum is paid of total employee and employer contributions plus interest.

*Early withdrawal:* Fund members may draw down 25% of accumulated assets.

*Drawdown payment:* The fund member may draw down up to 45% of accumulated assets in the individual account only once before age 55.

*Interest rate adjustment:* Set by the government annually according to the financial health of the fund, interest rates on savings accounts, and inflation rates.

*Supplementary pension:* At least B\$150 a month is paid for up to 20 years.

If the insured did not meet the supplementary pension contribution requirements at retirement age, a lump-sum of the supplementary scheme account balance is paid.

*Universal old-age pension:* B\$250 a month is paid.

*Benefit adjustment:* The pension is adjusted on an ad hoc basis.

### **Permanent Disability Benefits**

#### **Disability benefit**

*Disability benefit (provident fund):* A lump sum is paid of total employee and employer contributions plus interest.

*Interest rate adjustment:* Set by the government annually according to the financial health of the fund, interest rates on savings accounts, and inflation rates.

*Universal disability pension:* B\$250 a month is paid.

*Benefit adjustment:* The pension is adjusted on an ad hoc basis.

#### **Survivor Benefits**

**Survivor benefit (provident fund):** A lump sum is paid of total employee and employer contributions plus interest.

*Interest rate adjustment:* Set by the government annually according to the financial health of the fund, interest rates on savings accounts, and inflation rates.

**Survivor benefit (supplementary pension):** If the deceased died before the normal retirement age, eligible survivors share a total of up to \$400 a month for 15 years from the date of death.

If the deceased was aged 60 to 75, eligible survivors share a monthly amount based on the supplementary scheme account balance until the deceased would have been aged 75.

If the deceased was older than age 75, a lump-sum of the supplementary scheme account balance is paid.

### **Administrative Organization**

Employees' Trust Fund Department (<http://www.etf.gov.bn>) of the Ministry of Finance, under the supervision of the Employees' Trust Fund Board, administers the contributions and benefits and the investment of funds for the provident fund.

The Ministry of Finance administers the supplementary pension.

Department of Community Development of the Ministry of Culture, Youth, and Sports (<http://www.belia-sukan.gov.bn>) administers the universal benefit program.

### **Sickness and Maternity**

#### **Regulatory Framework**

The government provides all residents of Brunei with access to medical benefits, including outpatient and inpatient care provided by registered physicians and in approved hospitals.

Ministry of Health (<http://www.moh.gov.bn>) registers physicians and approves hospitals that provide services to residents.

## **Work Injury**

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### **Regulatory Framework**

**First and current law:** 1957 (workmen's compensation).

**Type of program:** Employer-liability system.

### **Coverage**

All employees who are citizens or permanent residents of Brunei.

Exclusions: Household workers, self-employed persons, security personnel, and home-based workers.

### **Source of Funds**

**Insured person:** None.

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

**Employer:** Provides benefits directly to employees.

**Government:** None.

### **Qualifying Conditions**

**Work injury benefits:** There is no minimum qualifying period.

### **Temporary Disability Benefits**

A monthly benefit of 66.7% of the employee's average monthly earnings in the 6 months before the disability began is paid.

The maximum monthly benefit is B\$130.

The benefit is paid after a 4-day waiting period for up to 5 years. If the disability lasts more than 14 days, the benefit is paid retroactively for the first 4 days.

### **Permanent Disability Benefits**

**Permanent disability benefit:** A lump sum of 48 times the employee's average monthly earnings in the 6 months before the disability began is paid.

The maximum benefit is B\$9,600.

Constant-attendance supplement (total permanent disability): A lump sum of 25% of the total permanent disability benefit is paid if the insured requires the constant attendance of others to perform daily functions.

Partial disability: A lump sum of the total permanent disability benefit multiplied by the assessed percentage of disability is paid, according to a schedule.

If temporary disability benefits are paid for more than 6 months before the determination of total or partial permanent disability, the amount of temporary disability benefits paid after the 6-month period are deducted from the permanent disability benefit.

### **Workers' Medical Benefits**

The employer pays for the examination and treatment of the insured by a registered physician and in approved hospitals.

### **Survivor Benefits**

**Survivor benefit:** A lump sum of 36 times the insured's average monthly earnings in the last 6 months before death is paid.

The maximum benefit is B\$7,200.

Eligible survivors are dependent members of the deceased's family, including the spouse, children, parents, and brothers and sisters.

In the absence of eligible survivors, the employer must pay for the insured's funeral.

### **Administrative Organization**

Workmen's Compensation, Health and Safety Section, of the Department of Labour (<http://www.labour.gov.bn>) enforces the law. The Department of Labour is part of the Ministry of Home Affairs.

Individual employers must pay compensation directly to employees or dependent survivors.

An arbitrator settles disputes regarding the determination and provision of benefits.