

## Moldova

Exchange rate: US\$1.00 equals 12.19 new lei.

### Old Age, Disability, and Survivors

#### Regulatory Framework

**First laws:** 1956 (state pensions) and 1964 (pensions and allowances for collective farmers).

**Current laws:** 1998 (state social insurance pensions), 1999 (public social insurance), 2000 (social insurance), 2001 (pension calculations), and 2008 (civil servants).

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

#### Coverage

Employed citizens, agricultural workers, and certain self-employed persons.

Special systems for armed forces personnel and for employees of the Ministry of Internal Affairs.

#### Source of Funds

**Insured person:** 6% of monthly salary and other earnings.

There are no minimum earnings used to calculate contributions.

The maximum earnings used to calculate contributions are 5 times the national average monthly wage.

The national average monthly wage is 2,950 lei.

The insured's contributions also finance sickness allowances and maternity benefits.

**Self-employed person:** An annual flat-rate contribution of 4,044 lei. Agricultural landowners contribute 996 lei.

The self-employed person's contributions also finance sickness allowances, maternity benefits, work injury benefits, unemployment benefits, and family allowances.

**Employer:** 23% of payroll (industrial sector); 22% of payroll (agricultural sector).

The contribution rate for employers who are not overdue in the payment of social insurance contributions may be reduced by 2%.

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

The employer's contributions also finance cash sickness and maternity benefits, work injury benefits, unemployment benefits, and family allowances.

**Government:** The total cost of social state allowances for military personnel and participants in the clean-up of the

Chernobyl disaster; 50% of pensions for civil servants, deputies, government members, and local authorities.

#### Qualifying Conditions

**Old-age pension (social insurance):** Age 62 with at least 30 years of coverage (men) or age 57 with at least 30 years of coverage (women).

Age 54 with at least 30 years of coverage, including at least 10 years in hazardous or arduous conditions (men), or age 49 with at least 30 years of coverage, including at least 7 years and 6 months in hazardous or arduous conditions (women).

Age 54 with at least 30 years of coverage for women who have given birth to and reared five or more children.

Civil servants who satisfy the coverage qualifying period (at least 30 years of coverage, including at least 15 years as a civil servant) may receive a pension 5 years before the normal pensionable age.

Partial pension: Age 62 (men) or age 57 (women) with at least 15 years of coverage.

Deferred pension: The pension may be deferred with more than 35 years of coverage. There is no age limit.

The old-age pension is not payable abroad.

**Old-age pension (social pension):** Paid to citizens of pensionable age who are not eligible for the social insurance old-age pension.

The social pension is not payable abroad.

**Disability pension (social insurance):** To receive a full pension the insured must be assessed with a Group I disability (an incapacity for any work and requiring constant attendance), Group II disability (an incapacity for any work but not requiring constant attendance), or Group III (incapacity for usual work).

The required coverage period varies according to the insured's age when the disability began: at least 1 year if younger than age 23; 2 years if aged 23 to 25; 3 years if aged 26 to 31; or 5 years if older than age 31.

If the coverage period is less than a year, the insured may receive a social pension.

The degree of loss of working capacity is assessed by the Medical Fitness Examining Committee.

The disability pension is payable abroad.

For a work-related disability, work injury benefits supplement the disability pension provided under Old Age, Disability, and Survivors.

**Disability pension (social pension):** Paid to persons with a disability that began in childhood and to children younger than age 16 with disabilities (Groups I, II, or III) who are not eligible for a social insurance disability pension.

The social pension is not payable abroad.

**Survivor pension (social insurance):** The insured was a pensioner or met the requirements for the old-age (partial or full) pension or disability (Groups I, II, or III) pension.

Eligible survivors include widow(er)s and orphans. The surviving spouse must be of pensionable age (or within 5 years of retirement) or disabled (Group I or II) at the time of the insured's death; married to the deceased for at least 15 years; or caring for a child younger than age 3 and not employed. Children must be younger than age 18 (age 23 if a student, no limit if disabled).

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

The survivor pension is payable abroad.

**Survivor pension (social pension):** Paid to survivors who are not eligible for a social insurance survivor pension.

The social pension is not payable abroad.

**Death grant:** Paid for the death of an insured or noninsured person.

### **Old-Age Benefits**

**Old-age pension (social insurance):** The pension is based on the number of years of coverage, the effective date of retirement, and average monthly earnings plus 2% of wages for each year of coverage exceeding 30 years.

Insurable earnings used to calculate benefits must not exceed 5 times the national average monthly wage.

The national average monthly wage is 2,950 lei.

The minimum monthly pension is 595.62 lei (April 2010); 529.37 lei for agricultural workers (April 2010).

There is no maximum monthly pension.

**Partial pension:** Paid with 15 years but less than 30 years of coverage. The pension is reduced in proportion to the number of years of coverage less than 30 years.

**Deferred pension:** The pension is increased by 2% of wages for each year of deferral.

**Old-age pension (social pension):** 89.71 lei a month is paid (April 2010).

**Benefit adjustment:** Benefits are adjusted in April according to increases in consumer prices and average earnings in the previous year.

### **Permanent Disability Benefits**

**Disability pension (social insurance):** The pension is based on monthly average covered earnings, the number of years of coverage, and a coefficient related to the assessed disability.

The coefficient is 0.42 for a Group I disability; 0.35 for Group II; 0.2 for Group III.

The minimum monthly pension is 423.02 lei for Group I; 408.50 lei for Group II; 287.64 lei for Group III (April 2010).

There is no maximum monthly pension.

Covered earnings used to calculate benefits must not exceed twice the national average monthly wage in the year before the claim.

The national average monthly wage is 2,950 lei.

**Disability pension (social pension):** 116.60 lei a month is paid for a Group I disability; 100.45 lei for Group II; 59.19 lei for Group III. A person with a Group I disability that began in childhood or who is younger than age 18 years receives 285.71 lei monthly; 242.61 for Groups II and III.

Persons who provide care for a child younger than age 16 with a Group I disability, for a person whose Group I disability began in childhood, or for a blind disabled person (Group I) receive 300 lei a month.

**Benefit adjustment:** Benefits are adjusted periodically according to changes in the cost of living.

### **Survivor Benefits**

**Survivor pension (social insurance):** The minimum pension is 50% of the deceased's pension for one survivor, 75% for two, or 100% for three or more.

**Full orphan's pension (social insurance):** The minimum orphan's pension is 50% of the deceased's minimum old-age pension.

There is no maximum survivor pension.

**Survivor pension (social pension):** 87.91 lei is paid for one orphan. The pension is doubled for full orphans.

**Death grant:** 1,000 lei is paid for the death of an insured person; 800 lei for a noninsured person.

**Benefit adjustment:** Benefits are adjusted periodically according to changes in the cost of living.

### **Administrative Organization**

Ministry of Labor, Social Protection and Family (<http://mmpsf.gov.md>) is responsible for social security policy.

National Office of Social Insurance (<http://www.cnas.md>) administers the program.

### **Sickness and Maternity**

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#### **Regulatory Framework**

**First law:** 1993.

**Current laws:** 1995 (health), 1997 (prenatal care), 1999 (family planning), and 1999 (social insurance system).

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

#### **Coverage**

**Cash sickness and maternity benefits:** Salaried citizens; agricultural workers; self-employed persons; elected

or appointed officials in government, parliament, and the judicial system; persons with disabilities; and unemployed persons.

**Medical benefits:** All persons residing in Moldova.

### Source of Funds

**Insured person:** See source of funds under Old Age, Disability, and Survivors.

**Self-employed person:** See source of funds under Old Age, Disability, and Survivors.

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

**Government:** For cash sickness and maternity benefits, see source of funds under Old Age, Disability, and Survivors. The total cost of medical benefits.

### Qualifying Conditions

**Cash sickness and maternity benefits:** Insured persons residing in Moldova.

**Child care allowance (medical leave):** Paid to provide care for a sick child younger than age 7 (younger than age 16 for a disabled child with a short-term incapacity that is not the result of, or related to, the assessed disability).

**Medical benefits:** All persons residing in Moldova.

### Sickness and Maternity Benefits

**Sickness benefit:** If the insured has less than 5 years of coverage, the benefit is 60% of the insured's average earnings; with 5 to 8 years, 80%; with more than 8 years, 100%. The benefit is paid from the first day of sickness for up to 4 months; may be extended in certain cases up to 30 days.

Average earnings are based on the insured's earnings in the last 6 months before the incapacity began; if the earnings period is less than 6 months, average earnings are based on the full calendar months worked within the period, the total hours worked, or a reference wage established for each particular job.

**Sick childcare allowance (medical leave):** The allowance is calculated in the same way as the sickness benefit, above.

**Maternity benefit:** The benefit is 100% of the insured's average earnings. The benefit is paid from the 30th week of pregnancy and is paid for 126 days. Additional leave of 14 days is provided for multiple births or for complications resulting from pregnancy or childbirth.

For the adoption of a child, the benefit is paid for 56 days after the date of adoption.

Average earnings are based on the insured's earnings in the last 6 months before the incapacity began; if the earnings period is less than 6 months, average earnings are based on the full calendar months worked within the period, the

total hours worked, or a reference wage established for each particular job.

### Workers' Medical Benefits

Medical care is provided by the state. Free hospital treatment is provided for a limited number of days.

Cost sharing: The insured pays a small percentage of the cost of some medical care.

There is no limit to duration.

### Dependents' Medical Benefits

Medical care is provided by the state. Free hospital treatment is provided for a limited number of days.

Cost sharing: The patient pays a small percentage of the cost of some medical care.

There is no limit to duration.

### Administrative Organization

Ministry of Health (<http://www.ms.md>), with local authorities and the trade unions, supervises the provision of medical care.

Ministry of Health, National Agency of Health Insurance (<http://www.atchisinau.com.md>), and local health departments administer medical services provided through clinics, hospitals, and other facilities.

### Work Injury

#### Regulatory Framework

**First law:** 1991 (labor protection).

**Current laws:** 1993 (occupational diseases), 1997 (work injury), 1999 (work injury and occupational diseases insurance), 2001 (work injury allowances), and 2005 (disability assessment).

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

Local authorities and employers may provide supplementary pension benefits out of their own budgets.

Note: For a work-related disability, work injury benefits supplement the disability pension provided under Old Age, Disability, and Survivors.

#### Coverage

**Cash and medical benefits:** Employed persons, members of cooperatives, students, and persons undergoing professional training.

Voluntary coverage for self-employed persons.

#### Source of Funds

**Insured person:** None.

**Self-employed person:** See source of funds under Old Age, Disability, and Survivors.

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

**Government:** None.

### **Qualifying Conditions**

**Work injury benefits:** The worker must be insured and the assessed disability must be work related. Work-related activities include vocational training; participation in social, cultural, or sporting events organized by the employer; or travel between different places of work (including abroad) if related to work.

The insured must be assessed with a Group I disability (an incapacity for any work and requiring constant attendance), Group II disability (an incapacity for any work but not requiring constant attendance), or Group III (incapacity for usual work).

The degree of loss of working capacity is assessed by the Medical Fitness Examining Committee.

### **Temporary Disability Benefits**

**Temporary disability benefit:** The benefit for a Group I or Group II disability is based on the difference between the level of disability benefit provided under Old Age, Disability, and Survivors, and 66.7% of the insured's average earnings in the 6 months before the disability began. For a Group III disability, the benefit is a percentage of the Group II amount corresponding to the degree of loss of working capacity.

The benefit is paid from the first day of the incapacity until recovery or the award of a permanent disability pension, up to 180 days.

**Employment transfer reimbursement:** Paid if the insured is no longer capable of working in the usual job and is transferred by the employer to another job that results in a loss of earnings. The difference between the insured's average monthly wage in the last 6 months and the insured's average wage received in the new position of employment is paid for 90 days.

### **Permanent Disability Benefits**

**Permanent disability pension:** The pension is paid according to the insured's income before 1999 and three groups of assessed disability.

The degree of loss of working capacity is assessed by the Medical Fitness Examining Committee.

**Death grant:** A lump sum is paid depending on the category and number of dependents but must not exceed 24 times the national average monthly wage.

The national average monthly wage is 2,950 lei.

### **Workers' Medical Benefits**

Medical services are provided directly to patients by government health providers and include general and specialist care, hospitalization, laboratory services, transportation, appliances, and medicine.

### **Survivor Benefits**

**Survivor pension:** At least 50% of the deceased's pension is paid for one survivor, 75% for two, and 100% for three or more.

**Partial pension:** If the deceased did not qualify for a pension, the monthly benefit is reduced in proportion to the number of years of coverage less than the required number.

The maximum pension must not exceed 24 times the national average monthly wage.

The national average monthly wage is 2,950 lei.

The survivor pension ceases on remarriage.

**Full orphan's pension:** At least 50% of the deceased's minimum old-age pension is paid.

**Partial pension:** If the deceased did not qualify for a pension, the monthly benefit is reduced in proportion to the number of years of coverage less than the required number.

The maximum pension must not exceed 24 times the national average monthly wage.

The national average monthly wage is 2,950 lei.

### **Administrative Organization**

Enterprises and employers pay temporary disability benefits for their employees.

Ministry of Labor, Social Protection, and Family of the Republic of Moldova (<http://mmps.gov.md>) and National Office of Social Insurance of the Republic of Moldova (<http://www.cnas.md>) coordinate and supervise the Work Injury Fund.

Local government health departments of the Ministry of Health (<http://www.ms.md>) administer medical services provided through clinics, hospitals, and other facilities.

### **Unemployment**

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#### **Regulatory Framework**

**First and current laws:** 1997, 1999, 2002, 2003, 2004, and 2005.

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

#### **Coverage**

Citizens aged 16 to 62 (men) or aged 16 to 57 (women) with a permanent address in Moldova and who are capable of work, including self-employed persons.

## Source of Funds

**Insured person:** None.

**Self-employed person:** See source of funds under Old Age, Disability, and Survivors.

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

**Government:** Subsidies as required.

## Qualifying Conditions

**Unemployment benefit:** The insured must be registered at an employment office, have at least 6 months of previous covered employment in the last 24 months before the date of registration, be willing and able to work, and have no taxable income according to the law. A self-employed person is also covered if their license to operate a business is revoked.

Benefits may be reduced, postponed, suspended, or terminated if the insured 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

30% of the national average wage is paid for laid-off workers actively seeking work; 40% for workers who were laid off because of ill health, for lack of qualifications, or for refusing to relocate to a new place of work; 50% for workers laid off because of the closure of the place of work.

The national average monthly wage is 2,950 lei.

If employed previously for up to 5 years, the benefit is paid for up to 6 months; if employed previously for 5 to 10 years, the benefit is paid for up to 9 months; with more than 10 years of employment, the benefit is paid for up to 12 months.

**Benefit adjustment:** Benefits are adjusted every January according to changes in the national average wage of the previous year.

## Administrative Organization

Ministry of Economy and Trade's State Employment Agency administers the program.

## Family Allowances

### Regulatory Framework

**First law:** 1977.

**Current laws:** 1992 (children); 1993 (children and family protection); 1999 (social insurance benefits); 2002 (family allowances); and 2004 (temporary disability allowances), implemented in 2005.

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

## Coverage

Families with children residing in Moldova.

## Source of Funds

**Insured person:** None.

**Self-employed person:** See source of funds under Old Age, Disability, and Survivors.

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

**Government:** None.

## Qualifying Conditions

**Family allowances (social insurance):** Paid for children younger than age 16 (age 18 if a student). Other qualifying conditions vary according to the type of benefit. For children older than 18 months, the benefit is means tested. The average monthly income for each family member, including children, must not exceed 18 lei; for families with at least three children, 27 lei; for single mothers, 54 lei.

**Disabled child allowance:** Paid for a child younger than age 16 assessed with a disability by the Medical Fitness Examining Committee.

**Single mother allowance:** Paid to a single mother.

**Birth grant:** Paid for each live birth, regardless of family income.

**Child-rearing allowance:** Paid for a child up to age 3 to an insured person who is on child-rearing leave or to another eligible person (a parent, grandparent, or other relative or guardian, regardless of family income) or to a noninsured person.

**Children under guardianship (social assistance):**

Means-tested assistance is paid for children aged 3 to 16.

## Family Allowance Benefits

**Family allowances (social insurance):** The amount of social insurance benefits paid depends on the insured's monthly average earnings in the last 6 months.

**Disabled child allowance:** 250 lei a month is paid for a child with a severe disability (including disabilities from birth) until age 16.

**Single mother allowance:** 50 lei a month is paid if average per capita family monthly income is 54 lei or less.

**Birth grant:** 1,700 lei for the first child; 2,000 lei for each additional child.

**Child-rearing allowance:** For an insured person's child up to age 3, the allowance is 30% of the insured's average income

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but not less than 300 lei; for a noninsured person's child up to age 1 year and six months, 150 lei is paid.

**Children under guardianship (social assistance):** Up to 200 lei a month is paid, depending on family income. The average per capita family income in the previous 6 months must be 54 lei or less.

### ***Administrative Organization***

Ministry of Labor, Social Protection and Family (<http://mmpsf.gov.md>) coordinates and supervises the program.

Local departments of social security administer benefits to non-working parents.

Enterprises and employers award benefits and provide payments to their own employees.