

## Kiribati

Exchange rate: US\$1.00 =  
1.12 Australian dollars (A\$).

### Old Age, Disability, and Survivors

#### Regulatory Framework

**First and current law:** 1976 (provident fund).

**Type of program:** Universal and provident fund system.

#### Coverage

**Universal old-age pension:** Citizens of Kiribati.

**Provident fund:** Employed persons.

Voluntary coverage is available.

Exclusions: Expatriates working in Kiribati under an overseas contract, household workers, prisoners, and patients in mental hospitals.

#### Source of Funds

##### Insured person

*Universal old-age pension:* None.

*Provident fund:* 7.5% of gross wages.

Additional voluntary contributions are possible.

The minimum earnings used to calculate contributions are A\$10 a month.

##### Self-employed person

*Universal old-age pension:* None.

*Provident fund:* At least A\$5 a month.

##### Employer

*Universal old-age pension:* None.

*Provident fund:* 7.5% of payroll.

The minimum earnings used to calculate contributions are A\$10 a month.

##### Government

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

*Provident fund:* None; contributes as an employer.

#### Qualifying Conditions

**Universal old-age pension:** Age 67.

**Old-age benefit (provident fund):** Age 50; at any age if emigrating permanently or unemployed for at least six months.

Early withdrawal: Age 45 if retired permanently from employment or if evidence of the intention to do so is provided.

Partial withdrawal: Age 45 and employed.

Loan scheme: Fund members must present a viable business plan to the Ministry of Commerce.

**Disability benefit (provident fund):** Must be assessed with a physical or mental incapacity for work by two independent medical practitioners.

**Survivor benefit (provident fund):** Paid to a named survivor or to the person(s) indicated by a court if there are no named survivors.

**Funeral grant (provident fund):** Paid when a fund member dies.

#### Old-Age Benefits

**Universal old-age pension:** A\$50 a month is paid.

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

Early withdrawal: A lump sum of total employee and employer contributions plus accrued interest is paid.

Partial withdrawal: Multiple partial withdrawals of up to 50% of the balance of the fund member's account are permitted. If the fund member makes a partial withdrawal at age 45 while employed, the remaining amount cannot be withdrawn until age 50.

The interest rate is 7% a year.

Interest rate adjustment: The National Provident Fund Board reviews the interest rate annually.

Loan scheme: Up to 50% of 70% of the member's account balance may be pledged against a loan from approved lending institutions. In the event of loan default, the outstanding sum is paid from the account if under court order.

#### Permanent Disability Benefits

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

The interest rate is 7% a year.

Interest rate adjustment: The National Provident Fund Board reviews the interest rate annually.

#### Survivor Benefits

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

The interest rate is 7% a year.

Interest rate adjustment: The National Provident Fund Board reviews the interest rate annually.

**Funeral grant (provident fund):** A lump sum of 50% of the balance in the deceased member's fund at the time of death or A\$1,500, whichever is lower, is paid to eligible survivors before the final distribution of the survivor benefit.

### **Administrative Organization**

Ministry of Internal Affairs and Social Development administers the universal old-age pension.

National Provident Fund Board, which consists of two representatives each from the government and employer and employee organizations, administers the program.

### **Sickness and Maternity**

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#### **Regulatory Framework**

**First and current law:** 1977 (maternity).

**Type of program:** Employer-liability (cash maternity benefits) and universal (medical benefits) system.

#### **Coverage**

**Cash sickness benefits:** No statutory benefits are provided.

**Cash maternity benefits:** Employed persons.

Exclusions: Self-employed persons.

**Medical benefits:** Citizens of Kiribati.

#### **Source of Funds**

##### **Insured person**

**Cash maternity benefits:** None.

**Medical benefits:** None.

##### **Self-employed person**

**Cash maternity benefits:** Not applicable.

**Medical benefits:** None.

##### **Employer**

**Cash maternity benefits:** The total cost.

**Medical benefits:** None.

##### **Government**

**Cash maternity benefits:** None.

**Medical benefits:** The total cost.

#### **Qualifying Conditions**

**Cash sickness benefits:** No statutory benefits are provided.

**Cash maternity benefits:** (employer liability): Must be currently employed.

**Medical benefits:** There is no minimum qualifying period.

### **Sickness and Maternity Benefits**

**Sickness benefit:** No statutory benefits are provided.

**Maternity benefit (employer liability):** 25% of the employee's monthly earnings is paid for 12 weeks, including up to six weeks before and at least six weeks after childbirth for up to two children.

#### **Workers' Medical Benefits**

**Medical benefits:** Public hospitals and health facilities provide free public health care, including treatment abroad in certain circumstances. Benefits include preventive and primary care; hospitalization; medicine; rehabilitation; mental health, laboratory and medical imaging services; and dental care.

#### **Dependents' Medical Benefits**

Medical benefits for dependents are the same as those for workers.

#### **Administrative Organization**

**Cash maternity benefits:** Ministry of Labour and Human Resource Development provides general supervision.

**Medical benefits:** Ministry of Health and Medical Services (<http://www.health.gov.ki>) provides general supervision.

### **Work Injury**

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#### **Regulatory Framework**

**First and current law:** 1949 (workmen's compensation).

**Type of program:** Employer-liability system through a private carrier.

#### **Coverage**

Employed persons earning A\$10,000 or less a year, including seamen employed on Kiribati ships.

Exclusions: Casual employees and self-employed persons.

#### **Source of Funds**

**Insured person:** None.

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

**Employer:** The total cost.

**Government:** None.

#### **Qualifying Conditions**

**Work injury benefits:** There is no minimum qualifying period. Accidents that occur while commuting to and from work are covered. For occupational diseases, the incapacity or death must have occurred during employment or within 12 months after employment ended.

### **Temporary Disability Benefits**

The benefit is 100% of monthly earnings up to A\$40; 75% of monthly earnings greater than A\$40 up to A\$60; and 66.6% of monthly earnings greater than A\$60.

The benefit is paid after a three-day waiting period.

The maximum benefit is A\$160 a month.

The total maximum temporary benefit is equal to the permanent disability lump sum the insured would be entitled to receive.

### **Permanent Disability Benefits**

**Permanent disability grant:** A lump sum of 48 months of earnings is paid.

The minimum grant is A\$500.

The maximum grant is A\$25,000.

Constant-attendance supplement: 25% of the permanent disability grant is paid if the insured requires the constant attendance of others to perform daily functions.

Partial disability: A percentage of the permanent disability grant is paid according to the assessed degree of disability and a schedule in law.

### **Workers' Medical Benefits**

Medical and surgical care is provided.

### **Survivor Benefits**

**Survivor grant:** A lump sum of 48 months of the deceased's earnings is paid.

The minimum grant is A\$400.

The maximum grant is A\$25,000.

**Funeral grant:** Burial expenses of up to A\$30 are paid.

### **Administrative Organization**

Ministry of Labour and Human Resources Development administers claims and calculates the benefits due.

Employers insure work injury liability with the Kiribati Insurance Corporation.