

## 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).

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

#### Coverage

Gainfully employed persons, including self-employed persons.

Exclusions: Certain casual workers.

#### Source of Funds

**Insured person:** 7% of earnings.

The maximum earnings used to calculate contributions are US\$5,000 a quarter.

**Self-employed person:** 14% of 75% of gross income.

The maximum earnings used to calculate contributions 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 used to calculate contributions are US\$5,000 a quarter.

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

#### Qualifying Conditions

**Old-age pension:** Age 60 with one quarter of coverage for each year after June 30, 1968 (or since age 21, if younger than age 21 on June 30, 1968).

A minimum pension is paid with at least 12 quarters of coverage.

Early pension: Age 55 with at least 80 quarters of coverage.

Deferred pension: The pension may be deferred beyond age 60.

**Disability pension:** Must have an incapacity for usual work and at least one quarter of coverage for each year after June 30, 1968 (or since age 21, if younger than age 21 on June 30, 1968), with at least 12 quarters of coverage including at least six quarters of coverage in the last 40 quarters before the disability began.

**Survivor pension:** The deceased had one quarter of coverage for each year after June 30, 1968 (or since age 21, if younger than age 21 on June 30, 1968), or at least six quarters of coverage in the 40 quarters before death.

Eligible survivors include 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.

Benefits are payable abroad to noncitizens for up to six months; may be paid for longer under a reciprocal agreement.

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

#### Old-Age Benefits

**Old-age pension:** The pension is 8.3% of the sum of 2% of indexed covered earnings plus 14.5% of the first US\$11,000 of cumulative annual covered earnings plus 0.7% of cumulative annual covered earnings from US\$11,001 to US\$44,000.

The minimum old-age pension is US\$128.99 a month.

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.

#### Permanent Disability Benefits

**Disability pension:** The pension is 8.3% of the sum of 2% of indexed covered earnings plus 14.5% of the first US\$11,000 of cumulative annual covered earnings plus 0.7% of cumulative annual covered earnings from US\$11,001 to US\$44,000.

The minimum disability pension is US\$128.99 a month.

#### Survivor Benefits

**Survivor pension:** The pension is 8.3% of the sum of 2% of the insured's indexed earnings plus 14.5% of the first US\$11,000 of cumulative annual covered earnings plus 0.7% of cumulative annual covered earnings from US\$11,001 to US\$44,000.

The minimum survivor pension is US\$128.99 a month.

**Orphan's pension:** 25% of the old-age or disability pension the deceased received or was entitled to receive is paid to each eligible orphan.

The minimum survivor pension is US\$128.99 a month.

The maximum survivor pension is 100% of the deceased's pension.

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Lump-sum survivor benefit: A lump sum is paid of 4% of cumulative covered earnings minus the sum of all survivor benefits already paid.

### **Administrative Organization**

Marshall Islands Social Security Administration (<http://www.rmimissa.org>) administers the program.

### **Sickness and Maternity**

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#### **Regulatory Framework**

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

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

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

#### **Coverage**

Gainfully employed persons, including self-employed persons.

Exclusions: Certain casual workers.

#### **Source of Funds**

**Insured person:** 3.5% of earnings.

The maximum earnings used to calculate contributions are US\$5,000 a quarter.

**Self-employed person:** 7% of 75% of gross income.

The maximum earnings used to calculate contributions are US\$5,000 a quarter.

**Employer:** 3.5% of payroll; small business employers contribute 7% of twice the salary of the highest-paid employee.

The maximum earnings used to calculate contributions are US\$5,000 a quarter.

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

### **Qualifying Conditions**

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

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

### **Sickness and Maternity Benefits**

**Sickness and maternity benefits:** No statutory cash benefits are provided.

### **Workers' Medical Benefits**

General medical services are delivered through public hospitals in Majuro and Ebeye. Referrals to the Philippines and Hawaii are covered for patients with life-threatening conditions.

### **Dependents' Medical Benefits**

**Medical benefits for dependents:** Medical benefits for dependents are the same as those for the insured.

### **Administrative Organization**

Ministry of Health Services administers the Social Security Health Fund.

Marshall Islands Social Security Administration (<http://www.rmimissa.org>) is responsible for the collection of contributions for the Social Security Health Fund.