

Bhutan

Exchange rate: US\$1.00 =
66.95 Bhutanese Ngultrums.

Old Age, Disability, and Survivors

Regulatory Framework

First and current laws: 1976 (royal command) and 2007 (employment and labor act).

Type of program: Provident fund system.

Coverage

Persons employed for at least one year in firms with at least five employees.

Exclusions: Self-employed persons and family labor.

Special system for military personnel, civil servants, and employees of public corporations.

Source of Funds

Insured person: At least 5% of monthly basic earnings.

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

Self-employed: Not applicable.

Employer: At least 5% of monthly basic earnings.

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

Government: None.

Qualifying Conditions

Old-age benefit: Age 56 with at least five years of contributions; at any age if employment ceases involuntarily.

Disability benefit: Assessed with a total loss of working capacity due to a work- or nonwork-related illness or injury and has at least five years of contributions.

Employment must cease.

Survivor benefit: Paid when a fund member dies before withdrawing the full account balance.

Eligible survivors include a widow(er), legitimate children, parents, and persons named by the deceased.

Old-Age Benefits

Old-age benefit: A lump sum of total employee and employer contributions plus accrued interest minus draw-down payments is paid.

Drawdown payment: Up to 50% of the balance of total employee and employer contributions plus accrued interest may be withdrawn after five years of continuous contributions. Subsequent withdrawals are possible after additional five-year periods of continuous contributions.

With less than five years of contributions, a lump sum of total employee contributions plus accrued interest is paid.

Permanent Disability Benefits

Disability benefit: A lump sum of total employee and employer contributions plus accrued interest minus draw-down payments is paid.

Survivor Benefits

Survivor benefit: A lump sum of total employee and employer contributions plus accrued interest minus draw-down payments is split among eligible survivors in proportions determined by the deceased.

Administrative Organization

Ministry of Labour and Human Resources (<http://www.molhr.gov.bt/molhr/>) provides general supervision.

Royal Insurance Corporation of Bhutan (RICB) (<https://www.ricb.com.bt/>) and administers the provident fund.

Sickness and Maternity

Regulatory Framework

First and current laws: 2007 (employment and labor) and 2008 (constitution).

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

Coverage

Cash maternity and cash sickness benefits (employer liability): Employed persons.

Exclusions: Self-employed persons.

Medical benefits (universal): Citizens of Bhutan.

Source of Funds

Insured person

Cash benefits: None.

Medical benefits: None.

Self-employed person

Cash benefits: Not applicable.

Medical benefits: None.

Bhutan

Employer

Cash benefits: The total cost.

Medical benefits: None.

Government

Cash benefits: None.

Medical benefits: The total cost.

Qualifying Conditions

Cash sickness benefits (employer liability): Must have worked at least six consecutive months before the incapacity began.

Cash maternity benefits (employer liability): Must have worked at least five consecutive months before the expected date of childbirth.

Medical benefits (universal): There is no minimum qualifying period.

Sickness and Maternity Benefits

Cash sickness benefits (employer liability): 100% of the employee's earnings is paid for up to five days a year.

Cash maternity benefits (employer liability): 100% of the employee's earnings is paid for at least eight weeks.

Workers' Medical Benefits

Government health centers provide free essential health care services.

Dependents' Medical Benefits

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

Administrative Organization

Cash sickness and maternity benefits: Ministry of Labour and Human Resources (<http://www.molhr.gov.bt/molhr/>) provides general supervision.

Medical benefits: Ministry of Health (<http://www.health.gov.bt/>) provides general supervision.

Government hospitals and health facilities deliver medical benefits.

Work Injury

Regulatory Framework

First law: 1994 (workmen's compensation).

Current law: 2007 (employment and labor).

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

Coverage

Persons employed in firms with at least five employees.

Exclusions: Self-employed persons.

Source of Funds

Insured person: None.

Self-employed person: Not applicable.

Employer: The total cost (provides benefits directly or pays insurance premiums).

Government: None.

Qualifying Conditions

Must have been employed for at least one year (temporary disability benefit) or have at least five years of continuous contributions (permanent disability benefit).

Temporary Disability Benefits

70% of the employee's earnings (excluding overtime payments and allowances) in the last month before the disability began is paid for up to five years, or until the employee returns to work or receives a permanent disability benefit from another system, whichever is earlier.

Permanent Disability Benefits

A lump sum of approximately one year of the national minimum wage is paid if the employee is still unable to return to work after five years.

The national minimum daily wage is 234 ngultrums.

Workers' Medical Benefits

Benefits include the total cost of necessary treatment not provided by government health clinics.

Government health clinics provide free essential health care services.

Survivor Benefits

Survivor pension: 70% of the deceased's earnings (excluding overtime payments and allowances) in the last month before death is paid to a widow(er), legitimate children, and parents. Eligible survivors must have been partly or wholly dependent on the deceased.

Survivor lump sum: A lump sum of 1,080 days of the national minimum wage is paid to a widow(er), legitimate children, and parents. Eligible survivors must have been partly or wholly dependent on the deceased.

The national daily minimum wage is 234 ngultrums.

Administrative Organization

Ministry of Labour and Human Resources (<http://www.molhr.gov.bt/molhr/>) provides general supervision.

Bhutan Insurance Ltd. (BIL) (<http://www.bhutaninsurance.com.bt/>) administers the program.

Family Allowances

Regulatory Framework

His Majesty Kidu Office administers a constitutionally mandated welfare (Kidu) system consisting of cash and in-kind benefits to Bhutanese citizens. Must be assessed as needy, disabled, landless, or be a child with no source of income to attend school.