

Solomon Islands

Exchange rate: US\$1.00 =
7.55 Solomon Islands dollars (SI\$).

Old Age, Disability, and Survivors

Regulatory Framework

First and current law: 1973 (provident fund), implemented in 1976.

Type of program: Provident fund system.

Coverage

Employed persons aged 14 or older, including household workers, members of cooperatives, and casual workers who earn at least SI\$20 a month and work at least six days a month.

Voluntary coverage for unemployed and self-employed persons aged 16 to 35 and former employees who have at least 12 consecutive months of previous contributions, regardless of age.

Exclusions: Prisoners and persons in medical institutions.

Employees covered by equivalent private plans may contract out.

Special system for public-sector employees.

Source of Funds

Insured person: 5% of monthly earnings; at least SI\$5 a year (death benefit).

Additional voluntary contributions are possible.

Self-employed person: Voluntary contributions are possible.

Employer: 7.5% of monthly payroll.

Government: None.

Qualifying Conditions

Old-age benefit: Age 50. Retirement is not necessary. If the member continues in covered employment, he or she must continue to make contributions.

Early withdrawal: Age 40 if permanently retired from covered employment; at any age if emigrating permanently.

Drawdown payment: In cases of unfair dismissal or if laid off, unemployed fund members may withdraw funds from their individual account after three months of continuous unemployment (see Unemployment).

Disability benefit: Must be assessed with a permanent physical or mental incapacity for work.

Survivor benefit: Paid to the next-of-kin or to one or more named survivors when the fund member dies before withdrawing all of his or her funds.

Death Benefit: Paid when the fund member dies.

Old-Age Benefits

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

If the fund member makes a withdrawal at age 50 and continues working and making contributions, he or she may not withdraw any additional funds for five years. After age 55, a member can withdraw at any time.

Drawdown payment: See Unemployment.

Interest rate adjustment: The National Provident Fund Board sets the interest rate by the end of each fiscal year. The annual interest rate must be at least 2.5%.

Permanent Disability Benefits

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

Interest rate adjustment: The National Provident Fund Board sets the interest rate by the end of each fiscal year. The annual interest rate must be at least 2.5%.

Survivor Benefits

Survivor benefit: A lump sum is paid of total employee and employer contributions plus accrued interest minus drawdown payments.

Interest rate adjustment: The National Provident Fund Board sets the interest rate by the end of each fiscal year. The annual interest rate must be at least 2.5%.

Death benefit: A lump sum of SI\$1,000 to SI\$3,000 is paid.

Administrative Organization

National Provident Fund Board (<http://www.sinpf.org.sb/>) administers the program. The Board is an independent tripartite body appointed by the Minister of Finance and made up of two representatives each from government, employers, and employees, and two representatives chosen at the Minister's discretion.

Sickness and Maternity

Regulatory Framework

First and current laws: 1996 (health) and 1996 (labour act).

Type of program: Universal and employer liability (maternity benefits) system.

Coverage

Cash maternity benefits (employer liability): Employed persons.

Exclusions: Self-employed persons.

Medical benefits: Citizens of the Solomon Islands.

Source of Funds

Insured person

Cash maternity benefits (employer liability): None.

Medical benefits: None.

Self-employed person

Cash maternity benefits (employer liability): Not applicable.

Medical benefits: None.

Employer

Cash maternity benefits (employer liability): The total cost.

Medical benefits: None.

Government

Cash maternity benefits (employer liability): None.

Medical benefits: The total cost.

Qualifying Conditions

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

Medical benefits: There is no minimum qualifying period.

Sickness and Maternity Benefits

Cash maternity benefits (employer liability): 25% of the employee's monthly earnings is paid for 12 weeks, including at least six weeks after childbirth. The employee may also nurse her child for an hour twice a day during working hours.

Workers' Medical Benefits

Benefits include general and specialist care, hospitalization, and prescribed medicine.

Cost sharing: Patients pay up to SI\$15 for specific services such as certain dental procedures, radiology and laboratory services, and specialty outpatient clinic visits.

Administrative Organization

Cash maternity benefits: Ministry of Commerce, Industries, Labour and Immigration (<http://www.commerce.gov.sb/>) provides general supervision.

Medical benefits: Ministry of Health and Medical Services provides general supervision.

Work Injury

Regulatory Framework

First and current laws: 1952 (workmen's compensation) and 1981 (employment).

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

Coverage

Employed persons, including public-sector employees, earning SI\$4,000 a year or less; and casual workers under certain circumstances.

Exclusions: Self-employed persons and family labor.

Source of Funds

Insured person: None.

Self-employed person: Not applicable.

Employer: The total cost.

Government: None.

Qualifying Conditions

There is no minimum qualifying period. All absences of three or more days from work must be reported. Must be assessed with a disability. No benefit is paid if the incapacity or death occurs more than a year after the worker ceases employment.

Temporary Disability Benefits

50% to 100% of earnings is paid, according to the insured's monthly earnings and the assessed degree of disability. If the incapacity lasts for more than three days, the benefit is paid from the first day until recovery or certification of permanent disability.

The maximum monthly benefit is SI\$160.

Workers with a temporary disability may undergo periodic medical examination by a doctor chosen and paid for by the employer.

Permanent Disability Benefits

A lump sum of up to 48 months of earnings is paid.

The maximum lump sum is SI\$9,000.

Partial disability: A percentage of the full permanent disability benefit is paid as a lump sum according to the assessed degree of disability. In cases of multiple injuries, individual benefits may be aggregated but must not exceed the full permanent disability benefit.

Workers' Medical Benefits

Medical benefits include care, medicine, and appliances.

Appliances that improve the earning capacity of an injured worker, including artificial prostheses, are provided at the employer's expense.

Survivor Benefits

Survivor benefit: A lump sum is paid of up to 36 months of earnings minus any permanent disability benefits already paid to the deceased.

The maximum lump sum is SIs\$80,000; SIs\$9,000 if the deceased received a permanent disability benefit.

Eligible survivors include family members living with the deceased at the time of death who were totally or mainly dependent on the deceased's earnings. The courts determine how the survivor benefit is split among survivors.

Funeral grant: If there are no dependents, the grant covers reasonable burial expenses on a case by case basis.

The maximum funeral grant is SIs\$30.

Administrative Organization

Labor Division of the Ministry of Commerce, Industries, Labor and Immigration (<http://www.commerce.gov.sb/>) administers the program.

Unemployment

Regulatory Framework

Under the National Provident Fund Act, unemployed fund members may drawdown up to 30% of savings in case of unfair dismissal or if laid off, provided the member's savings in the fund are greater than SIs\$10,000 and he or she is not reemployed within three months after dismissal. The remaining amount can also be withdrawn later under certain conditions.

Employers are required to pay a dismissal benefit of two weeks of earnings for each year of employment if the employee has been in continuous employment with the same employer for at least 26 weeks and is younger than age 50.