

## 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 and self-employed persons.

Exclusions: Certain casual workers.

#### Source of Funds

**Insured person:** 8% of gross covered earnings.

There are no minimum earnings used to calculate contributions.

The maximum quarterly earnings used to calculate contributions are US\$10,000.

**Self-employed person:** 16% of 75% of gross covered earnings.

There are no minimum earnings used to calculate contributions.

The maximum quarterly earnings used to calculate contributions are US\$10,000.

**Employer:** 8% of covered payroll; small business employers contribute 16% of twice the salary of the highest-paid employee.

There are no minimum earnings used to calculate contributions.

The maximum quarterly earnings used to calculate contributions are US\$10,000.

**Government:** Provides subsidies as needed; contributes as an employer.

#### Qualifying Conditions

**Old-age pension:** Age 61 (gradually rising to age 65 by January 2025) with one quarter of coverage for each year since June 30, 1968, or age 21, whichever was later.

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

Early pension: Age 55 with at least 80 quarters of coverage. The early pension is being phased out and is only paid to

those with at least 80 quarters of coverage before March 9, 2017.

Deferred pension: The deferred pension is being phased out and is only paid to those who retired before March 9, 2017.

Employment may continue.

Earnings test: A reduced pension is paid if employment continues up to age 62 (if the pension was claimed before March 9, 2017) or age 65 (if the pension is claimed on or after March 9, 2017); there is no penalty for employment after these respective ages.

The old-age pension is payable abroad to noncitizens for up to six months; may be paid for longer under reciprocal agreement.

**Old age grant:** Age 61 and does not meet the minimum coverage requirement for the old-age pension.

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

One or more doctors appointed by the Social Security Administration assesses the degree of disability at least once every three years.

The disability pension is suspended if the pensioner recovers or fails to report for a required medical examination.

The disability pension is payable abroad to noncitizens for up to six months; may be paid for longer under reciprocal agreement.

**Disability grant:** Must be assessed with an incapacity for usual work and not meet the minimum coverage requirements for the disability pension.

**Survivor pension:** The deceased had at least one quarter of coverage for each year since June 30, 1968 or age 21, whichever was later, or at least six quarters of coverage in the 40 quarters before death.

Eligible survivors include a widow(er) of any age, parents, and unmarried orphans younger than age 18 (age 22 if a full-time student; no limit if disabled before age 22).

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

Earnings test: A reduced survivor pension is paid if employment continues up to age 62 (if the pension was claimed before March 6, 2017) or age 65 (if the pension is claimed on or after March 9, 2017); there is no penalty for employment after these respective ages.

The survivor pension is payable abroad to noncitizens for up to six months; may be paid for longer under reciprocal agreement.

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

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

The maximum monthly old-age pension is US\$1,600 for insured persons who retired before March 9, 2017; US\$1,200 for insured persons who retired on or after March 9, 2017 (as of October 1, 2018).

**Early pension:** The pension is reduced by 0.5% for each month it is claimed before the normal retirement age.

**Deferred pension:** The pension is increased by 0.5% for each month it is deferred after the normal retirement age.

**Earnings test:** The pension is reduced by US\$1 for every US\$3 of earnings above US\$1,500 a quarter until the quarter in which the insured reaches age 62 (if the pension was claimed before March 9, 2017), or age 65 (if the pension is claimed on or after March 9, 2017).

**Benefit adjustment:** Benefits may be adjusted once every two years. The increase must not exceed the increase in the consumer price index in the last two years.

**Old-age grant:** A lump sum of 4% of the insured's cumulative covered earnings is paid.

### Permanent Disability Benefits

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

The minimum monthly disability pension is US\$128.99.

**Benefit adjustment:** Benefits may be adjusted every two years. The increase must not exceed the increase in the consumer price index in the last two years.

**Disability grant:** A lump sum of 4% of the insured's cumulative covered earnings is paid.

### Survivor Benefits

#### Survivor pension

**Spouse's pension:** 100% of the old-age or disability pension the deceased received or was entitled to receive is paid.

The minimum monthly spouse's pension is US\$128.99.

**Earnings test:** The pension is reduced by US\$1 for every US\$3 of earnings above US\$1,500 a quarter until the quarter in which the survivor reaches age 62 (if the pension was claimed before March 9, 2017), or age 65 (if the pension is claimed on or after March 9, 2017).

**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 monthly orphan's pension is US\$128.99.

The maximum combined survivor pensions is 100% of the old-age or disability pension the deceased received or was entitled to receive.

**Benefit adjustment:** Benefits may be adjusted every two years. The increase must not exceed the increase in the consumer price index in the last two years.

**Survivor grant:** A lump sum is paid of 4% of the deceased's 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 and collects contributions.

### 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 (medical benefits only) system.

#### Coverage

Gainfully employed persons and self-employed persons.

Exclusions: Certain casual workers.

#### Source of Funds

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

There are no minimum earnings used to calculate contributions.

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

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

There are no minimum earnings used to calculate contributions.

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

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

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There are no minimum earnings used to calculate contributions.

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

**Government:** Provides subsidies as needed; 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 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.