

Solomon Islands

Exchange rate: US\$1.00 =
7.58 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.

Note: The YouSave program is being implemented to allow self-employed persons without provident fund accounts to save voluntarily for retirement.

Coverage

Employed persons aged 14 or older, including household workers, members of cooperatives, and casual workers with monthly earnings of at least SI\$20 and who 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 certain public-sector employees.

Source of Funds

Insured person: 5% of gross monthly earnings plus at least SI\$5 a year (death benefit). Additional voluntary contributions are possible.

Self-employed person: Voluntary contributions are possible.

Employer: 7.5% of gross monthly payroll.

Government: None; contributes as an employer.

Qualifying Conditions

Old-age benefit: Age 50.

Employment may continue. If the fund 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 provident fund accounts 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 savings.

Death benefit: Paid when a fund member dies.

Old-Age Benefits

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

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 savings at any time.

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

If the fund member makes a withdrawal at age 40 and continues working and making contributions, he or she may not withdraw any additional funds for five years.

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 of total employee and employer contributions plus accrued interest minus draw-down payments is paid.

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 of total employee and employer contributions plus accrued interest minus draw-down payments is paid.

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 and collects contributions. 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 (medical benefits) and employer liability (cash benefits) system.

Coverage

Universal (medical benefits): Citizens of the Solomon Islands.

Employer liability (cash benefits): Employed persons. Exclusions: Self-employed persons and casual workers. Special systems for certain public-sector employees.

Source of Funds

Insured person

Universal (medical benefits): None.

Employer liability (cash benefits): None.

Self-employed person

Universal (medical benefits): None.

Employer liability (cash benefits): Not applicable.

Employer

Universal (medical benefits): None.

Employer liability (cash benefits): The total cost.

Government

Universal (medical benefits): The total cost.

Employer liability (cash benefits): None; contributes as an employer.

Qualifying Conditions

Cash sickness benefit (employer liability): Must be continuously employed for at least 26 weeks by the same employer. A medical certificate may be required.

Cash maternity benefit (employer liability): Must be currently employed. A medical certificate may be required.

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

Sickness and Maternity Benefits

Sickness benefit (employer liability): A benefit is paid for up to 22 days a year.

Maternity benefit (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 medicines.

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

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

Ministry of Health and Medical Services provides general supervision of the medical benefits.

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

Public- and private-sector employees with annual earnings of up to SI\$4,000; and casual workers under certain conditions.

Exclusions: Self-employed persons and family labor.

Source of Funds

Insured person: None.

Self-employed person: Not applicable.

Employer: The total cost.

Government: None; contributes as an employer.

Qualifying Conditions

Must be assessed with a work injury or occupational disease. All absences of three or more days from work must be reported. 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 the insured's earnings is paid, depending on 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 temporary disability benefit is S\$160.

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

Permanent Disability Benefits

For a total (100%) disability, a lump sum of up to 48 months of the insured's monthly earnings is paid.

The maximum permanent disability benefit is S\$9,000.

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

Partial disability: A percentage of the full permanent disability benefit is paid as a lump sum depending on 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 of up to 36 months of the insured's monthly earnings minus any permanent disability benefits already paid to the deceased is paid to eligible survivors.

The maximum survivor benefit is S\$80,000; S\$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 S\$30.

Administrative Organization

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

Unemployment

Regulatory Framework

Under the National Provident Fund Act, an unemployed fund member may withdraw up to 30% of his or her provident fund savings in case of unfair dismissal or if laid off, provided the fund member's savings are greater than S\$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 the employee's 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.