Old Age, Disability, and Survivors

Regulatory Framework

First and current law: 1986 (provident fund), implemented in 1987.

Type of program: Provident fund system.

Coverage

Persons in regular employment, including members of cooperatives and persons working abroad for firms registered in Vanuatu.

Noncitizens may apply to the Provident Fund Board for exemption if covered by another country’s social security system.

Voluntary coverage for self-employed persons and other persons without mandatory coverage.

Exclusions: Persons covered under employer-provided retirement programs approved by the Provident Fund Board; agricultural and forestry workers with employment contracts lasting less than two months; home-based workers; noncitizens with diplomatic privileges working in Vanuatu; and certain other categories of persons, including prisoners and patients in psychiatric hospitals.

Source of Funds

Insured person: At least 4% of gross monthly covered earnings (additional voluntary contributions are possible); 1,000 vatu to 10,000 vatu a month for the voluntarily insured.

The minimum monthly earnings used to calculate contributions are 3,000 vatu.

There are no maximum earnings used to calculate contributions.

Self-employed person: 1,000 vatu to 10,000 vatu a month.

Employer: 4% of gross monthly covered payroll.

The minimum monthly earnings used to calculate contributions are 3,000 vatu.

There are no maximum earnings used to calculate contributions.

Government: None; contributes as an employer.

Qualifying Conditions

Old-age benefit: Age 55; at any age if emigrating permanently (noncitizens or citizens who relinquish citizenship) or repaying debt under a microfinance program of the provident fund. If the member has withdrawn any amount and makes additional contributions after age 55, no withdrawal is allowed until two years after the date of the last withdrawal, unless the member retires or dies.

Disability benefit: Must have an incapacity for any employment due to a physical or mental disability.

Two registered medical practitioners approved by the General Manager assess the degree of disability.

Survivor benefit: Paid when a fund member dies before withdrawing his or her funds.

If the fund member was married, eligible survivors include the widow(er), children, the deceased’s dependent parents, the deceased son’s widow and children. If the fund member was not married, eligible survivors include persons named by the fund member.

Death grant (Special 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 is paid.

Interest rate adjustment: The Provident Fund Board sets the interest rate annually based on the financial performance of the fund.

Permanent Disability Benefits

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

Interest rate adjustment: The Provident Fund Board sets the rate annually based on the financial performance of the fund.

Survivor Benefits

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

Interest rate adjustment: The Provident Fund Board sets the rate annually based on the financial performance of the fund.

Death grant (Special Death Benefit): A lump sum of up to 230,000 vatu is paid, depending on the number of years of contributions.

Administrative Organization

Ministry of Finance (https://doft.gov.vu/) provides general supervision.
Vanuatu Provident Fund Board (https://www.vnpf.com.vu/), managed by a six-member tripartite board with a general manager, administers the program, appoints a commercial fund manager, and sets the investment criteria. Vanuatu National Provident Fund collects contributions.

**Sickness and Maternity**

**Regulatory Framework**

First and current law: 1983 (labor law).

**Type of program:** Employer-liability system.

**Coverage**

Employed persons.

**Source of Funds**

- **Insured person:** None.
- **Self-employed person:** None.
- **Employer:** The total cost.
- **Government:** None; contributes as an employer.

**Qualifying Conditions**

Cash sickness and maternity benefits: Must have at least six months of continuous employment with the same employer and provide a medical certificate.

Medical benefits: Must reside on the employer’s property.

**Sickness and Maternity Benefits**

**Sickness benefit:** 100% of the employee’s normal wages is paid for up to 21 days a year.

**Maternity benefit:** 66% of the employee’s normal wages is paid for six weeks before and six weeks after childbirth. Employers are required to allow a mother to interrupt work for an hour twice a day to feed a nursing child until the child reaches age 2.

**Workers’ Medical Benefits**

Medical benefits include necessary first aid treatment and transportation to the nearest hospital or clinic.

**Dependents’ Medical Benefits**

Medical benefits for dependents are the same as those for employees. Dependents must reside with the employee on the employer’s property.

**Administrative Organization**

Department of Labour (https://dol.gov.vu/), under the Ministry of Internal Affairs, administers the program.

**Unemployment**

**Regulatory Framework**

No statutory benefits are provided for unemployment.

The 1983 Employment Act requires employers to provide severance pay to employees with at least one year of service. The benefit is one month of the employee’s earnings for each year of service.