

Armenia

Exchange rate: US\$1.00 = 410 drams.

Old Age, Disability, and Survivors

Regulatory Framework

First laws: 1956 and 1964.

Current laws: 2002 (state pensions), implemented in 2003; 2010 (individual accounts); and 2013 (public welfare).

Type of program: Social insurance, mandatory individual account, and social assistance system.

Note: As of January 1, 2014, individual accounts were introduced that are mandatory for workers born on or after January 1, 1974, and voluntary for those born before 1974. (Once a worker has chosen to participate, the decision cannot be reversed.)

Coverage

Employed and self-employed persons.

Special systems for military and police personnel, judges, public prosecutors, and their family members.

Source of Funds

Insured person

Social insurance: 3% of net monthly earnings.

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

The insured's contributions also finance sickness and maternity, work injury, and unemployment benefits.

Mandatory individual account: 5% of monthly earnings up to 500,000 drams a month, plus up to 1.5% of the account balance for administrative fees.

With earnings exceeding 500,000 drams a month, the insured's contribution is 10% of monthly earnings minus a government flat-rate contribution of 25,000 drams, plus up to 1.5% of the account balance for administrative fees.

Social assistance: None.

Self-employed person

Social insurance: An annual contribution of 15% of annual income from 60,000 drams to 1,200,000 drams plus 5% of income greater than 1,200,000 drams. (Farmers are exempt from contributions.)

The self-employed person's contributions also finance sickness and maternity and unemployment benefits.

Mandatory individual account: 5% of declared monthly earnings, plus up to 1.5% of the account balance for administrative fees.

Social assistance: None.

Employer

Social insurance: A flat rate of 7,000 drams a month plus 15% of the employee's monthly income from 20,000 drams to 100,000 drams plus 5% of income greater than 100,000 drams. (Collective farmers who are employers, contribute for their employees.)

The employer's contributions also finance sickness and maternity, work injury, and unemployment benefits.

Individual account: None.

Social assistance: None.

Government

Social insurance: Subsidies as needed.

The government's contributions also finance sickness and maternity, work injury, and unemployment benefits.

Mandatory individual account: 5% of the insured's monthly earnings up to 500,000 drams plus a flat-rate contribution of 25,000 drams for earnings exceeding 500,000 drams; none for voluntarily insured persons.

Social assistance: The total cost.

Qualifying Conditions

Old-age pension (social insurance): Age 63 with at least 25 years of covered employment; age 59 with at least 25 years of covered employment, including at least 20 years in arduous or hazardous work; or age 55 (men) or age 54.5 (women, rising to age 55 by 2015) with at least 25 years of covered employment, including at least 15 years in arduous or hazardous work.

A reduced pension is paid with at least eight years (gradually rising to 10 years by 2016) of covered employment.

Covered employment includes years as a university student, years of service in the military, and periods receiving unemployment benefits.

Benefits are payable abroad under reciprocal agreement.

Old-age benefit (mandatory individual account): Age 63.

Old-age social pension (social assistance): Age 65 with less than five years of covered employment.

Benefits are payable abroad under reciprocal agreement.

Disability pension (social insurance): Must have at least two years of covered employment. The pension is paid according to three degrees of disability: Group I (total incapacity for work and requiring constant attendance); Group II (total incapacity for work but not requiring constant attendance); and Group III (partial incapacity for work).

Covered employment includes years as a university student, years of service in the military, and periods receiving unemployment benefits.

A specialized medical committee assesses the degree of disability.

Benefits are payable abroad under reciprocal agreement.

Disability social pension (social assistance): Must be assessed with a disability and have less than five years of covered employment.

Benefits are payable abroad under reciprocal agreement.

Survivor pension (social insurance): Paid to a surviving spouse; a person who is not employed at the time of deceased's death, not receiving any pension, and who cares for the deceased's children, brothers, sisters, or grandchildren younger than age 8; or full orphans younger than age 18 (at any age if a full-time student who lost both parents from age 18 to 23) who are not receiving any other pension.

Covered employment includes years as a university student, years of service in the military, and periods receiving unemployment benefits.

Benefits are payable abroad under reciprocal agreement.

Old-Age Benefits

Old-age pension (social insurance): 100% of the basic pension plus a bonus pension (450 drams for each full calendar year of covered employment multiplied by a personal coefficient based on the length of service) is paid.

The basic pension is 13,000 drams.

There is no maximum pension.

Benefit adjustment: Benefits are adjusted on an ad hoc basis according to available resources.

Old-age benefit (mandatory individual account): The insured has three options: purchase an annuity, programmed withdrawals, or a lump sum.

The minimum benefit is the total insured and government contributions, adjusted for inflation, minus administrative fees.

Old-age social pension (social assistance): 13,000 drams a month is paid.

Benefit adjustment: Benefits are adjusted on an ad hoc basis according to available resources.

Permanent Disability Benefits

Disability pension (social insurance): 140% of the basic pension is paid for a Group I disability; 120% for a Group II disability; 100% for a Group III disability. A bonus pension is paid to each group (450 drams for each full calendar year of covered employment multiplied by a personal coefficient based on the length of service).

The basic pension is 13,000 drams a month.

There is no maximum pension.

Benefit adjustment: Benefits are adjusted on an ad hoc basis according to available resources.

Disability social pension (social assistance): 140% of the basic pension is paid for a Group I disability; 120% for a Group II disability; 100% for a Group III disability.

The basic pension is 13,000 drams a month.

Benefit adjustment: Benefits are adjusted on an ad hoc basis according to available resources.

Survivor Benefits

Survivor pension (social insurance): 100% of the basic pension plus 50% of the bonus pension (450 drams for each full calendar year the deceased was in covered employment multiplied by a personal coefficient based on the length of service) is paid for one eligible survivor; 90% for two eligible survivors; 120% for three; or 150% for four or more.

The basic pension is 13,000 drams a month.

The survivor pension paid to a spouse ceases on remarriage.

Full orphan's pension (social insurance): 500% of the basic pension plus 50% (one eligible full orphan), 90% (two full orphans), 120% (three full orphans), or 150% (four or more full orphans) of the bonus pension (450 drams for each full calendar year both deceased parents were in covered employment) is paid.

The basic pension is 13,000 drams a month.

There is no maximum survivor pension.

Benefit adjustment: Benefits are adjusted on an ad hoc basis according to available resources.

Administrative Organization

Ministry of Labor and Social Affairs (<http://www.mss.am>) is responsible for policy.

State Social Security Service (<http://www.social.am>) administers the program.

Sickness and Maternity

Regulatory Framework

First law: 1912.

Current laws: 2005 (social benefits) and 2005 (temporary disability insurance).

Type of program: Social insurance (cash benefits) and universal (medical benefits) system.

Coverage

Cash sickness and maternity benefits: Employed and self-employed persons.

Medical benefits: Residents of Armenia.

Source of Funds

Insured person

Cash benefits: See source of funds under Old Age, Disability, and Survivors.

Medical benefits: None.

Self-employed person

Cash benefits: See source of funds under Old Age, Disability, and Survivors.

Medical benefits: None.

Employer

Cash benefits: See source of funds under Old Age, Disability, and Survivors.

Medical benefits: None. (The total cost of optional employer-provided health care.)

Government

Cash benefits: See source of funds under Old Age, Disability, and Survivors.

Medical benefits: The total cost of medical benefits is paid by central and local governments.

Qualifying Conditions

Cash sickness benefits: Must have worked at least three months in the last year or 10 months in the last two years before the incapacity began.

Cash maternity benefits: Must be in insured employment.

Childbirth or adoption lump sum: There is no minimum qualifying period.

Medical benefits: Must reside in Armenia.

Sickness and Maternity Benefits

Sickness benefit: With at least eight years of covered employment, 100% of average earnings in the last three months before the incapacity began is paid; with less than eight years, 80%.

The benefit is also paid to an insured parent to provide care for a sick child.

Maternity benefit: The benefit is 100% of average earnings (regardless of the number of years of covered employment) divided by 30.4 (average number of days in a month) and multiplied by the number of days of maternity leave. The benefit is paid for 140 days (70 days before and 70 days

after the expected date of childbirth); 155 days if there are complications from childbirth; 180 days for multiple births.

The maximum earnings used to calculate the maternity benefit are five times the legal monthly minimum wage.

The legal monthly minimum wage is 50,000 drams.

Child-care leave benefit: 18,000 drams a month is paid until the child is age 2.

Childbirth or adoption lump sum: A lump sum of 50,000 drams is paid for the first child, 50,000 drams for the second child, and 430,000 drams for each subsequent child. The lump sum is paid during the six months after childbirth or adoption.

Benefit adjustment: Benefits are adjusted on an ad hoc basis according to available resources.

Workers' Medical Benefits

Government health providers offer medical services directly to patients. Benefits include general and specialist care, hospitalization, laboratory services, dental care, maternity care, and transportation.

Cost sharing: Patients pay part of the cost of appliances. Medicine is free if provided while the patient is hospitalized or for pensioners. The government fully or partially covers certain medical treatments.

Dependents' Medical Benefits

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

Free medicine is provided for children with a disability younger than age 16, and for all infants until age 1.

Administrative Organization

Cash benefits: State Social Security Service (<http://www.social.am>) administers the program.

Medical benefits: Ministry of Health (<http://www.moh.am>) develops and implements health policy.

State Health Agency purchases publicly financed services from health care provider organizations and monitors the use of state financial resources.

Work Injury

Regulatory Framework

First laws: 1955 and 1974.

Current laws: 1998 (civil code) and 2010 (state pensions).

Type of program: Social insurance system.

Coverage

Employed persons.

Exclusions: Self-employed persons.

Source of Funds

Insured person

Cash benefits: See source of funds under Old Age, Disability, and Survivors.

Medical benefits: None.

Self-employed person: Not applicable.

Employer

Cash benefits: See source of funds under Old Age, Disability, and Survivors.

Medical benefits: None. (The total cost of optional employer-provided health care.)

Government

Cash benefits: See source of funds under Old Age, Disability, and Survivors.

Medical benefits: The total cost is paid by central and local governments.

Qualifying Conditions

Work injury benefits: There is no minimum qualifying period.

Occupational diseases benefits: Occupational diseases are specified by law.

Temporary Disability Benefits

The daily benefit is 80% (with up to eight years of coverage) or 100% (with more than eight years of coverage) of the insured's average monthly earnings in the last three months. The benefit is paid from the first day of incapacity until recovery or the award of a permanent disability pension.

A specialized medical committee assesses the degree of disability.

Benefit adjustment: Benefits are adjusted on an ad hoc basis according to available resources.

Permanent Disability Benefits

Permanent disability pension: 140% of the basic pension is paid for a Group I disability; 120% for a Group II disability; and 100% for a Group III disability. Each group also receives a bonus pension (450 drams for each full calendar year of covered employment multiplied by a personal coefficient based on the length of service).

The minimum permanent disability pension is 20% of the legal monthly minimum wage.

The legal monthly minimum wage is 50,000 drams.

Benefit adjustment: Benefits are adjusted on an ad hoc basis according to available resources.

Workers' Medical Benefits

Medical benefits include the cost of necessary medical treatment, medicine, rehabilitation, and appliances.

Survivor Benefits

Survivor pension (orphan's pension): 100% of the basic pension plus 50% (one eligible full orphan), 90% (two full orphans), 120% (three full orphans), or 150% (four or more full orphans) of the bonus pension (450 drams for each full calendar year both deceased parents were in covered employment) is paid.

The basic pension is 13,000 drams a month.

Full orphan's pension: 500% of the basic pension plus 50% (one eligible full orphan), 90% (two full orphans), 120% (three full orphans), or 150% (four or more full orphans) of the bonus pension (450 drams for each full calendar year both the deceased parents were in covered employment) is paid.

The basic pension is 13,000 drams a month.

Benefit adjustment: Benefits are adjusted on an ad hoc basis according to available resources.

Administrative Organization

Temporary disability benefits: State Social Security Service (<http://www.social.am>) administers the programs.

Enterprises and employers pay benefits directly to their employees.

Permanent disability and survivor pensions: Ministry of Labor and Social Affairs (<http://www.mss.am>) is responsible for policy.

Medical benefits: State Health Agency (<http://www.mss.am>) purchases publicly financed services from health care provider organizations and monitors the use of state financial resources.

Unemployment

Regulatory Framework

First law: 1921.

Current laws: 1991 (employment), implemented in 1992, and 2005 (social protection and unemployment).

Type of program: Social insurance system.

Coverage

Employed and self-employed persons.

Source of Funds

Insured person: See source of funds under Old Age, Disability, and Survivors.

Self-employed person: See source of funds under Old Age, Disability, and Survivors.

Employer: See source of funds under Old Age, Disability, and Survivors.

Government: See source of funds under Old Age, Disability, and Survivors.

Qualifying Conditions

Unemployment benefits: Must be unemployed as a result of enterprise reorganization, staff reduction, or the cancellation of a collective agreement.

The insured must have at least 12 months of covered employment before unemployment began; have at least 12 months of covered employment between two periods of unemployment; or be actively looking for a first job or a new job after a lengthy period of unemployment. The insured must be registered at an employment office and be able and willing to work.

Unemployment Benefits

60% of the legal monthly minimum wage is paid for six months plus an additional month for each three-year period of covered employment, up to 12 months.

The legal monthly minimum wage is 50,000 drams.

Benefit adjustment: Benefits are adjusted on an ad hoc basis according to available resources.

Administrative Organization

State Social Security Service (<http://www.social.am>) finances unemployment programs.

State Employment Service (<http://www.employment.am>) implements the program through regional centers.

Family Allowances

Regulatory Framework

First law: 1944.

Current law: 2005 (social benefits).

Type of program: Universal and social assistance system.

Coverage

Families with children.

Source of Funds

Insured person: None.

Self-employed person: None.

Employer: None.

Government: The total cost.

Qualifying Conditions

Family allowances: The beneficiary must be employed at the time of the child's birth. Benefits are paid for children up to age 18.

Child allowance: Paid to parents of children up to age 2.

Family Allowance Benefits

Cash benefits: 13,500 drams (basic sum) plus 5,500 drams to 6,500 drams (supplementary sum) a month is paid to each child younger than age 18.

Child allowance: 18,000 drams a month is paid.

Benefit adjustment: Benefits are adjusted on an ad hoc basis according to available resources.

Administrative Organization

Ministry of Labor and Social Affairs (<http://www.mss.am>) administers the program.