

## Laos

Exchange rate: US\$1.00 = 8,014 kip.

### Old Age, Disability, and Survivors

#### Regulatory Framework

**First law:** 1999 (employees in enterprises), implemented in 2001.

**Current law:** 2013 (social security), implemented in 2014.

**Type of program:** Social insurance system.

*Note:* The 2013 law unified the separate systems covering all different groups, but retained separate rules for civil servants and police and military personnel which are not included in this profile. To date, no regulations on the transition have been set. Also, since the law does not indicate how the total combined contribution rate is divided among the branches, the rate for each branch may be subject to future changes.

#### Coverage

Civil servants, employees of private-sector and state-owned enterprises, and police and military personnel.

Voluntary coverage for self-employed workers.

#### Source of Funds

**Insured person:** 2.5% of gross monthly insurable earnings.

The minimum monthly earnings used to calculate contributions are the minimum wage.

The maximum monthly earnings used to calculate contributions are 2,000,000 kip a month.

The legal monthly minimum wage is 626,000 kip.

**Self-employed person:** 5% of gross monthly earnings.

The minimum monthly earnings used to calculate contributions are the minimum wage.

The maximum monthly earnings used to calculate contributions are 2,000,000 kip a month.

The legal monthly minimum wage is 626,000 kip.

**Employer:** 2.5% of gross monthly insurable earnings.

The minimum monthly earnings used to calculate contributions are the minimum wage.

The maximum monthly earnings used to calculate contributions are 2,000,000 kip a month.

The legal monthly minimum wage is 626,000 kip.

**Government:** None.

#### Qualifying Conditions

**Old-age pension:** Age 60 (men) or 55 (women) with 15 years of contributions. Age 55 (men) or 50 (women) in hazardous or arduous working conditions.

**Old-age lump-sum benefit:** Age 60 (men) or 55 (women) with less than 15 years of contributions.

**Disability pension:** Must have at least 12 months of contributions and an assessed degree of disability of at least 41%.

**Disability lump sum:** Must have at least 12 months of contributions and an assessed degree of disability less than 41%.

The National Social Security Fund's Medical Committee assesses the disability.

**Caregiver's benefit:** Paid for an assessed degree of disability of at least 81%.

**Spouse's pension:** The deceased had at least five years of contributions.

Eligible spouses include a nonworking widower (aged 60 or older) or a widow (aged 55 or older). The widow(er)'s pension ceases on remarriage or employment.

**Orphan's pension:** Paid to orphans up to age 18 (no limit if disabled and without working capacity).

**Parent's pension:** Paid to a surviving dependent father (aged 60 or older) or a mother (aged 55 or older) without any income.

**Survivor lump-sum benefit:** Paid if the deceased had at least three months of contributions.

#### Old-Age Benefits

**Old-age pension:** The pension is the insured's total pension points multiplied by the average insured earnings of all insured persons in the calendar year preceding retirement multiplied by 2%.

The number of pension points earned each year equals the insured's average earnings divided by the year's average insured earnings of all insured persons. Pension points are credited for periods when other benefits are received.

**Benefit adjustment:** Benefits are adjusted at least once a year according to changes in the average insured earnings of all insured persons.

**Old-age lump-sum benefit:** A lump sum of 1.5 times the insured's average earnings in the last six months multiplied by the number of years of contributions is paid.

#### Permanent Disability Benefits

**Disability pension:** 90% of the insured's average earnings in the last six months multiplied by the assessed degree of disability is paid.

The disability pension is reduced to 25% if the person is still employed.

**Disability lump sum:** 10 times the insured's average earnings in the last six months multiplied by the assessed degree of disability is paid.

**Caregiver's benefit:** 70% of the insured's disability pension is paid.

Benefit adjustment: Benefits are adjusted at least once a year according to changes in the average insured earnings of all insured persons.

### Survivor Benefits

**Spouse's pension:** 30% of the deceased's insured monthly earnings, or the old-age or disability pension the deceased received or was entitled to receive is paid.

**Orphan's pension:** 20% of the deceased's insured monthly earnings, or the old-age or disability pension the deceased received or was entitled to receive is paid. The maximum orphan's pension is 60% of the deceased's insured monthly earnings, or the old-age or disability pension the deceased received or was entitled to receive.

**Parent's pension:** 30% of the deceased's insured monthly earnings, or the old-age or disability pension the deceased received or was entitled to receive is paid. The maximum combined parents' pensions is 50% of the deceased's insured monthly earnings, or the old-age or disability pension the deceased received or was entitled to receive.

The maximum total of all survivor pensions is 80% of the deceased's insured monthly earnings, or the old-age or disability pension the deceased received or was entitled to receive.

**Benefit adjustment:** Benefits are adjusted at least once a year according to changes in the average insured earnings of all insured persons.

**Survivor lump-sum benefit:** A lump sum is paid based on the length of the deceased's contribution period: for the first three to 12 months of contributions, five times the average insured monthly earnings; for years two to six, one month for each additional year of contributions; for years seven to 14, 0.5 months for each additional year of contributions; for year 15, one month; from year 16 onwards, 0.5 months for each year of contributions.

### Administrative Organization

Ministry of Labor and Social Welfare (<http://www.molsw.gov.la/molsw/Main/index.php>) supervises the program.

The National Social Security Fund collects contributions and administers the payment of benefits.

## Sickness and Maternity

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### Regulatory Framework

**First law:** 1999 (employees in enterprises), implemented in 2001.

**Current law:** 2013 (social security), implemented in 2014.

**Type of program:** Social insurance system.

### Coverage

Civil servants, employees of private-sector and state-owned enterprises, and police and military personnel.

Voluntary coverage for self-employed workers.

### Source of Funds

#### Insured person

**Cash sickness and maternity benefits:** 1.25% of gross monthly insurable earnings.

**Medical benefits (health insurance):** 0.75% of gross monthly insurable earnings.

The minimum monthly earnings used to calculate contributions are the minimum wage.

The maximum monthly earnings used to calculate contributions are 2,000,000 kip a month.

The legal monthly minimum wage is 626,000 kip.

#### Self-employed person

**Cash sickness and maternity benefits:** 2.5% of gross monthly insurable earnings.

**Medical benefits (health insurance):** 1.5% of gross monthly insurable earnings.

The minimum monthly earnings used to calculate contributions are the minimum wage.

The maximum monthly earnings used to calculate contributions are 2,000,000 kip a month.

The legal monthly minimum wage is 626,000 kip.

#### Employer

**Cash sickness and maternity benefits:** 1.25% of gross monthly insurable earnings.

**Medical benefits (health insurance):** 0.75% of gross monthly insurable earnings.

The minimum monthly earnings used to calculate contributions are the minimum wage.

The maximum monthly earnings used to calculate contributions are 2,000,000 kip a month.

The legal monthly minimum wage is 626,000 kip.

**Government:** None.

## Qualifying Conditions

**Sickness benefit:** Must have at least three months of contributions, provide a hospital-issued medical certificate, and be registered with that hospital.

**Maternity benefit:** Paid to an insured woman who stops working because of pregnancy, childbirth, or a miscarriage. Must have at least six months of contributions in the last 12 months before the expected date of childbirth or miscarriage.

**Birth grant:** Paid to an insured woman or the wife of an insured man for a pregnancy, childbirth, or miscarriage. The insured must have at least six months of contributions in the last 12 months before the expected date of childbirth or miscarriage.

**Funeral benefit:** Must have at least three months of contributions.

**Medical benefits:** Must have at least three months of contributions.

## Sickness and Maternity Benefits

**Sickness benefit:** 70% of the insured's average monthly earnings in the last six months is paid for up to six months; 60% if extended for six months. If the insured is still unable to work after the additional six months, the insured will be assessed for permanent disability.

**Maternity benefit:** 80% of the insured's average monthly earnings in the six months before the insured stops working is paid for three months.

**Birth grant:** A lump sum of 60% of the insured's average earnings in the six months before childbirth.

**Funeral grant:** A lump sum is paid based on the deceased's average monthly earnings in the last six months: 12 times the monthly insured earnings for the death of an insured person, six times for the death of a spouse or three times for the death of the deceased's child.

## Workers' Medical Benefits

Benefits include medical, preventative, and maternity care and rehabilitation.

Hospitalization is limited to six months for each admission; for longer periods, the insured has a co-payment.

## Dependents' Medical Benefits

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

## Administrative Organization

Ministry of Labor and Social Welfare (<http://www.molsw.gov.la/molsw/Main/index.php>) supervises the program.

The National Social Security Fund collects contributions, administers cash benefit payments, and contracts with hospitals to provide medical benefits.

## Work Injury

### Regulatory Framework

**First law:** 1999 (employees in enterprises), implemented in 2001.

**Current law:** 2013 (social security), implemented in 2014.

**Type of program:** Social insurance system.

### Coverage

Civil servants, employees of private-sector and state-owned enterprises, and police and military personnel.

### Source of Funds

**Insured person:** None.

**Self-employed person:** Not applicable

**Employer:** 0.5% of gross monthly insurable earnings.

The minimum monthly earnings used to calculate contributions are the minimum wage.

The maximum monthly earnings used to calculate contributions are 2,000,000 kip a month.

The legal monthly minimum wage is 626,000 kip.

**Government:** None.

### Qualifying Conditions

**Work injury benefits:** Must have at least one month of contributions.

**Disability pension:** Must have at least one month of contributions and an assessed degree of disability of at least 41%.

**Disability lump sum:** Must have at least one month of contributions and an assessed degree of disability less than 41%.

The National Social Security Fund's Medical Committee assesses the disability.

**Caregiver's benefit:** Paid for an assessed degree of disability of at least 81%.

### Temporary Disability Benefits

70% of the insured's average monthly earnings in the last six months is paid for up to six months; 60% if extended for another six months. If the insured is still unable to work after the additional six months, the insured will be assessed for permanent disability.

### **Permanent Disability Benefits**

**Permanent disability benefit:** The monthly benefit is the percentage of assessed permanent loss of earning capacity multiplied by the insured's average earnings in the last six months before the disability began.

The disability pension is reduced by 50% if the person is still employed.

The Social Security Organization's Medical Board assesses the insured's loss of earning capacity initially and reassesses it every three years.

**Disability lump-sum benefit:** A lump sum of 12 times the insured's average earnings in the last six months before the disability began, multiplied by the insured's assessed loss of earning capacity is paid.

**Caregiver's benefit:** 70% of the insured's disability pension is paid.

**Benefit adjustment:** Benefits are adjusted at least once a year according to changes in the average insured earnings of all insured persons.

### **Workers' Medical Benefits**

Benefits include medical, preventative, and maternity care and, rehabilitation.

Hospitalization is limited to six months for each admission; for longer periods, the insured has a co-payment.

### **Survivor Benefits**

See survivors' benefits under Old Age, Disability and Survivors.

### **Administrative Organization**

Ministry of Labor and Social Welfare supervises the program.

The National Social Security Fund collects contributions and administers the payment of benefits.

### **Unemployment**

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#### **Regulatory Framework**

**First law and current law:** 2013 (social security), implemented in 2014.

**Type of program:** Social insurance system.

### **Coverage**

Employees of private-sector and state-owned enterprises.

### **Source of Funds**

**Insured person:** 1% of gross monthly earnings.

**Self-employed person:** Not applicable.

**Employer:** 1% of gross monthly earnings.

### **Qualifying Conditions**

**Unemployment benefit:** Must have at least 12 months of contributions in the last 24 months, be involuntarily unemployed and be registered as unemployed for at least 30 days.

**Vocational training:** Must be unemployed and in need of vocational training.

### **Unemployment Benefits**

60% of the insured's average earnings in the last six months before unemployment is paid for up to three months with less than three years of contributions; six months with less than six years; nine months with less than 12 years; 12 months for more than 12 years.

The benefit is terminated if the unemployed person refuses to accept a job offer.

### **Administrative Organization**

Ministry of Labor and Social Welfare (<http://www.molsw.gov.la/molsw/Main/index.php>) supervises the program.

The National Social Security Fund collects contributions and administers the payment of benefits.