

## Albania

Exchange rate: US\$1.00 = 125.54 leks.

### Old Age, Disability, and Survivors

#### Regulatory Framework

**First law:** 1947.

**Current law:** 1993 (social insurance).

**Type of program:** Social insurance and social assistance system.

#### Coverage

**Social insurance:** Employed and self-employed persons, including in agriculture.

Voluntary coverage is available.

**Social assistance:** Citizens of Albania.

#### Source of Funds

##### Insured person

**Social insurance:** 8.8% of covered monthly earnings.

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

The legal monthly minimum wage is 22,000 leks.

The maximum monthly earnings used to calculate contributions are 97,030 leks.

**Social assistance:** None.

##### Self-employed person

**Social insurance:** 21.6% of the legal monthly minimum wage; a flat-rate contribution of 27,006 leks a year (highlands) or 35,250 leks a year (lowlands) if working in agriculture.

The legal monthly minimum wage is 22,000 leks.

Contributions of self-employed persons working in agriculture also finance maternity benefits.

**Social assistance:** None.

##### Employer

**Social insurance:** 12.8% of covered monthly payroll.

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

The legal monthly minimum wage is 22,000 leks.

The maximum monthly earnings used to calculate contributions are 97,030 leks.

**Social assistance:** None.

#### Government

**Social insurance:** Any deficit; pays contributions for persons receiving unemployment benefits, certain military staff, miners, retired women, and persons receiving certain other benefits; contributes as an employer.

**Social assistance:** The total cost.

#### Qualifying Conditions

**Old-age pension (social insurance):** Age 65 (men, gradually rising by one month a year from 2033 until reaching age 67 in 2056) or age 60 and four months (women, gradually rising by two months a year until reaching age 67 in 2056) with at least 35 years and eight months (gradually rising by four months a year until reaching 40 years in 2029) of contributions; age 55 with at least 30 years of contributions for a mother with six or more children older than age 8.

**Partial pension:** Age 65 (men, gradually rising by one month a year from 2033 until reaching age 67 in 2056) or age 60 and four months (women, gradually rising by two months a year until reaching age 67 in 2056) with at least 15 years but less than 35 years and eight months (gradually rising by four months a year until reaching 40 years in 2029) of contributions.

**Early pension:** A reduced pension may be paid up to three years before the normal retirement age with at least 35 years and eight months (gradually rising by four months a year until reaching 40 years in 2029) of contributions.

**Deferred pension:** The pension may be deferred.

**Old-age social pension (social assistance):** Age 70, a resident of Albania for at least the last five years, not eligible for any social insurance pension, and has income less than the amount of the old-age social pension.

**Disability pension (social insurance):** Paid for a total disability (blind, severely disabled, or incapable of any work) or partial disability (incapable of usual work but capable of work under special conditions) with coverage in at least 75% of the difference in years between the insured's age and age 20, including at least one year in the last five years before the disability began.

**Reduced disability pension:** A reduced pension is paid if the insured has a total disability but does not qualify for a full disability pension.

The Medical Commission assesses the degree of disability.

**Supplements for full or partial disabilities:** Paid to persons receiving the disability pension (or the old-age pension if disabled before reaching the normal retirement age).

**Constant-attendance supplement:** Paid if the insured requires the constant attendance of others to perform daily functions.

**Child's supplement:** Paid for each dependent child up to age 18 (age 25 if a university student or disabled).

The disability pension is replaced by the old-age pension at the normal retirement age if the amount of the old-age pension is greater.

**Disability social pension (social assistance):** Assessed with a physical, sensory, mental, or psychological disability resulting from birth, an accident, or illness but does not meet the contribution requirements for the social insurance disability pension.

Constant attendance supplement: Paid if the insured requires the constant attendance of others to perform daily functions.

**Survivor pension (social insurance):** The deceased received or was entitled to receive a social insurance old-age or disability pension.

Eligible survivors include a widow(er) caring for a dependent child younger than age 8; a widow(er) with a disability; a widow aged 50 or older or a widower aged 60 or older; dependent orphans younger than age 18 (age 25 if a university student, no limit if disabled from childhood); dependent parents and grandparents aged 65 or older who lived with the deceased for the last 12 months; and dependent grandchildren.

The spouse's pension ceases on remarriage.

### Old-Age Benefits

**Old-age pension (social insurance):** The full monthly pension is the ratio of the insured's contributions to the number of contributions required for a full pension in the current year (35 years and eight months in 2016) multiplied by the amount of the old-age social pension, plus 1% of the insured's average covered earnings used to calculate contributions for each year of coverage.

The minimum monthly old-age pension is the old-age social pension.

The old-age social pension is 6,750 leks a month.

Partial pension: A percentage of the full pension is paid, according to the number of years of contributions.

Early pension: The full pension is reduced by 0.6% for each month it is taken before the normal retirement age.

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

Benefit adjustment: Benefits are adjusted annually.

**Old-age social pension (social assistance):** 6,750 leks a month is paid.

Persons with income from other sources receive the difference between income from other sources and the social pension.

### Permanent Disability Benefits

**Disability pension (social insurance):** The full monthly pension is the ratio of the insured's contributions to the number of contributions required for a full pension multiplied by the amount of the old-age social pension, plus 1% of the insured's average covered earnings used to calculate contributions for each year of coverage.

The old-age social pension is 6,750 leks a month.

The minimum monthly disability pension is 75% of the legal monthly minimum wage.

The legal monthly minimum wage is 22,000 leks.

Reduced disability pension: A percentage of the full disability pension is paid based on the difference between the actual years of coverage and those required for the full disability pension.

Supplement for full disability: 3,300 leks a month is paid.

Partial disability pension: 50% of the full disability pension is paid.

Supplement for partial disability: 2,200 leks a month is paid.

Constant-attendance supplement: 15% the insured's average covered earnings used to calculate contributions is paid.

Child's supplement: 5% of the flat-rate pension amount is paid.

Benefit adjustment: Benefits are adjusted annually.

**Disability social pension (social assistance):** 10,030 leks a month is paid; 11,390 leks a month if blind.

Constant attendance supplement: 10,030 leks a month is paid to a caregiver; 10,530 leks a month if the pensioner is paraplegic or tetraplegic; 11,390 leks a month if the pensioner is blind.

### Survivor Benefits

**Spouse's pension (social insurance):** 50% of the social insurance old-age or disability pension the deceased received or was entitled to receive is paid to a spouse.

**Orphan's pension (social insurance):** 25% of the social insurance old-age or disability pension the deceased received or was entitled to receive is paid to each orphan; 50% for a full orphan if there are no other eligible dependents.

**Other eligible survivors (social insurance):** 25% of the social insurance old-age or disability pension the deceased received or was entitled to receive is paid to each dependent.

All survivor benefits combined must not exceed 100% of the social insurance old-age or disability pension the deceased received or was entitled to receive; 50% if the surviving spouse is working or receiving a pension in his or her own right.

## Administrative Organization

Ministry of Social Welfare and Youth (<http://www.sociale.gov.al>) and a tripartite Administrative Council provide general supervision.

Social Insurance Institute (<http://www.iss.gov.al>) administers the program.

## Sickness and Maternity

### Regulatory Framework

**First law:** 1947.

**Current laws:** 1993 (social insurance) and 2011 (health insurance).

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

### Coverage

**Cash sickness benefits:** Employed persons.

Voluntary coverage for self-employed persons.

**Cash maternity benefits:** Employed and self-employed persons, including in agriculture.

**Medical benefits:** Residents of Albania.

### Source of Funds

#### Insured person

**Cash benefits:** 0.12% of covered earnings (sickness) and 0.57% of covered earnings (maternity).

**Medical benefits:** 1.7% of covered earnings.

#### Self-employed person

**Cash benefits:** 1.4% of the legal monthly minimum wage (maternity).

**Medical benefits:** 6.8% of the legal monthly minimum wage; see source of funds for Old Age, Disability, and Survivors for self-employed persons working in agriculture.

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

The legal monthly minimum wage is 22,000 leks.

The maximum monthly earnings used to calculate contributions are 97,030 leks.

#### Employer

**Cash benefits:** 0.18% of payroll (sickness) and 0.83% of payroll (maternity).

**Medical benefits:** 1.7% of payroll.

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

The legal monthly minimum wage is 22,000 leks.

The maximum monthly earnings used to calculate contributions are 97,030 leks.

**Government:** The total cost of medical benefits for persons not currently in the labor force.

### Qualifying Conditions

**Cash sickness benefits:** Must be currently insured. Paid for a sickness or for a loss of income from a change of employment due to health reasons.

**Cash maternity and adoption benefits:** Must have at least 12 months of contributions. Paid to a pregnant woman during maternity leave, a woman who must change employment because she is pregnant, or an adoptive parent.

**Paternity benefit:** Paid to the father (natural or adoptive) of a newborn.

**Medical benefits:** There is no minimum qualifying period.

### Sickness and Maternity Benefits

**Sickness benefit:** 70% of the insured's average daily wage in the last six months is paid with up to 10 years of contributions; 80% with at least 10 years; 50% during hospitalization if there are no dependents. The benefit is paid from the 15th day of medical certification (the employer pays the first 14 days) for up to six months; may be extended up to three months if the Medical Commission certifies the likelihood of recovery in that period.

**Maternity and adoption benefit:** 365 days of maternity leave is paid for at least 35 days before and 63 days after the expected date of childbirth (for multiple births, up to 390 days for at least 60 days before and 63 days after). The monthly benefit is 80% of the insured's average daily wage in the last 12 months for the period of leave before childbirth and for 150 days after; 50% for the remaining period.

For an adoption, the benefit is paid from the date of adoption, but not earlier than the first 63 days after the child's birth, for up to 330 days after the child's birth. At least 28 days are reserved for the adoptive mother.

**Paternity benefit:** The mother may transfer the maternity leave entitlement to the father (natural or adoptive) from the 64th day if she chooses not to take or does not qualify for the maternity benefit.

**Birth grant:** A lump sum of 50% of the legal monthly minimum wage is paid to either insured parent with at least one year of contributions.

The legal monthly minimum wage is 22,000 leks.

### Workers' Medical Benefits

All general medical services are free.

Benefits are provided for social insurance and social assistance beneficiaries, unemployed persons, asylum seekers, children younger than age 18 (age 25 if a university student)

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with no income from business activities, victims of trafficking, and certain other persons according to law.

Cost sharing: The insured is reimbursed from 35% to 100% of the cost of various essential medications.

There is no limit to duration.

### **Dependents' Medical Benefits**

No benefits are provided.

### **Administrative Organization**

Ministry of Social Welfare and Youth (<http://www.sociale.gov.al>) and a tripartite Administrative Council provide general supervision.

Social Insurance Institute (<http://www.iss.gov.al>) administers sickness and maternity benefits.

Ministry of Health (<http://www.shendetesia.gov.al>) provides general supervision.

Compulsory Health Insurance Institute (<http://www.fsdksh.com.al>) administers medical benefits.

## **Work Injury**

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### **Regulatory Framework**

**First law:** 1947.

**Current law:** 1993 (social insurance).

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

### **Coverage**

Employed persons, apprentices, and vocational training students.

Exclusions: Self-employed persons.

### **Source of Funds**

**Insured person:** None.

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

**Employer:** 0.3% of payroll.

**Government:** None.

### **Qualifying Conditions**

**Work injury benefits:** There is no minimum qualifying period. Occupational diseases are defined by the Council of Ministers.

### **Temporary Disability Benefits**

100% of the insured's average daily wage in the last three years is paid for up to 12 months.

### **Permanent Disability Benefits**

**Permanent disability benefit:** For an assessed loss of at least 67% of working capacity, the benefit is 80% of the insured's average daily net earnings in the year before the accident occurred or disability began.

The minimum benefit is 80% of the legal minimum wage.

The legal monthly minimum wage is 22,000 leks.

Supplement for full disability: 4,000 leks a month is paid.

Partial permanent disability: For an assessed loss of at least 33% of working capacity, the benefit is 50% to 80% of the insured's average daily net earnings in the year before the accident occurred or disability began, depending on the degree of loss of working capacity.

Supplement for partial disability: 2,700 leks a month is paid.

Minor permanent disability: For an assessed loss of 10% to 33% of working capacity, a lump sum is paid according to a schedule in law. The cost of repairing or replacing property damaged during an accident is paid.

### **Workers' Medical Benefits**

Benefits include medical care and the cost of rehabilitation.

### **Survivor Benefits**

**Spouse's pension:** 50% of the permanent disability pension the deceased received or was entitled to receive is paid.

Eligible survivors include a widow(er) caring for a dependent child younger than age 8, a widow(er) with a disability, or a widow aged 50 or older or widower aged 60 or older.

**Orphan's pension:** 25% of the permanent disability pension the deceased received or was entitled to receive is paid for each dependent orphan younger than age 18 (age 25 if a university student, no limit if disabled from childhood); 50% for a full orphan if there are no other eligible dependents.

**Other eligible survivors:** 25% of the permanent disability pension the deceased received or was entitled to receive is paid for each dependent parent, grandparent aged 65 or older who lived with the deceased for the last 12 months, and dependent grandchildren.

All survivor benefits combined must not exceed 100% of the permanent disability pension the deceased received or was entitled to receive.

### **Administrative Organization**

Ministry of Social Welfare and Youth (<http://www.sociale.gov.al>) and a tripartite Administrative Council provide general supervision.

Social Insurance Institute (<http://www.iss.gov.al>) administers the program.

## Unemployment

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### Regulatory Framework

**First law:** 1947.

**Current law:** 1993 (social insurance).

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

### Coverage

Employed persons.

Voluntary coverage for self-employed persons.

### Source of Funds

**Insured person:** None.

**Self-employed person:** None.

**Employer:** 0.9% of payroll.

**Government:** None.

### Qualifying Conditions

Must have at least one year of contributions, not be receiving any other benefits (except for partial disability), be registered at an unemployment office, and be willing to undergo training.

### Unemployment Benefits

A flat-rate benefit is paid for up to 12 months or for a total of 365 calendar days if the insured has temporary periods of employment.

The unemployment benefit must provide for a minimum standard of living according to law.

Child's supplement: 5% of the unemployment benefit, up to 30%, is paid to each dependent child younger than age 18 (age 25 if a university student or disabled). The supplement is reduced by 50% if one parent is employed or receiving a pension.

Benefit adjustment: Benefits are adjusted annually.

## Administrative Organization

Ministry of Social Welfare and Youth (<http://www.sociale.gov.al>) provides general supervision.

Social Insurance Institute (<http://www.isshe.gov.al>) administers the program.

National Employment Service pays benefits.

## Family Allowances

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### Regulatory Framework

**First law:** 1947.

**Current law:** 1993 (financial aid and social services).

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

### Coverage

Residents of Albania.

### Source of Funds

**Insured person:** None.

**Self-employed person:** None.

**Employer:** None.

**Government:** The total cost.

### Qualifying Conditions

Must have low or inadequate income or a family member with a disability.

### Family Allowance Benefits

Financial aid is provided.

## Administrative Organization

Ministry of Social Welfare and Youth (<http://www.sociale.gov.al>) and a tripartite Administrative Council provide general supervision.

State Social Service administers the program at district and local levels.