

U n o f f i c i a l T r a n s l a t i o n

Lao People's Democratic Republic
Peace Independence Democracy Unity Prosperity
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Ministry of Labor and Social Welfare

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Vientiane Capital, Date 24 July 2015

## **Guidelines On the Implementation of the Law on Social Security (Amended)**

- Pursuant to the Law on Social Security No. 34/NA, dated 26 July 2013;
- Pursuant to the Decree of the Prime Minister No. 138/PM, dated 04 May 2007 on the Organization and Operations of the Ministry of Labor and Social Welfare;
- In reference to the studies, improvements and redrafting of the Guidelines on the Implementation of the Law on Social Security in order to make such Guidelines clear, consistent and unified for implementation nationwide.

### **The Minister Issues the following Guidelines:**

#### **I. General Provisions**

##### **1. Objectives**

These Guidelines explain certain contents relating to the conditions, [and] methods in the calculation of various categories of social security benefits, the contributions paid by the Government, staff-civil servants, soldiers and police officers, labor units and workers, the self-employed and voluntary contributions, the contribution accumulation and contribution period, applications for social security benefits payments in order to ensure precise and clear understanding and uniformed implementation Nationwide.

##### **2. Instructions on Certain Contents of the Law on Social Security**

The Law on Social Security comprises 9 Parts, 16 Chapters and 94 Articles. The Guidelines provide instructions regarding certain Articles of Part II, the Social Security Benefits Regime, Part III, the Fund and the National Social Security Fund Management Council and Part IV, receipt of Social Security benefits, in order to ensure understanding of the contents, [and] the methods and procedures in the implementation as follows:

##### **2.1. Part II The Social Security Benefits Regime**

Guidelines on the Social Security Benefit Regime are as follows:

- 1) To explain unclear content and text, such as: determine compulsory and voluntary target groups to participate in the Social Security [Regime], medical treatment in hospitals, illnesses with medical reasons to receive medical treatment abroad, transfer of benefits for medical treatment, the categorization and levels of disability through certification of the Medical Council responsible for evaluating the level of disability or loss of limb of workers, pension points multiplied by the average monthly salary or wages and multiplied by the Index, family benefits of the deceased who had 15 years or less [contributions], parent's benefits for mothers or fathers who lost all their children in combat while serving the Nation.

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- 2) Methods for the calculation of social security benefits, such as health care benefits, maternity or miscarriage benefits, labor injuries benefits, occupational disease benefits or other accidents, sickness benefits, disability benefits, retirement pensions, lump sum benefits, death benefits, family benefits and unemployment benefits.

## **2.2. Part III Funds and the National Social Security Fund Management Council**

Guidelines regarding the methods and procedures for making contributions by Government employees-civil servants, , soldiers, police officers, labor units and workers, the self employed and voluntary contributors to the National Social Security Fund.

## **2.3. Part IV Receipt of Social Security Benefits**

Guidelines regarding receipt of social security benefits determine the methods and procedures for registration, the provision of information of the insured individual and family members, applications and consideration of long-term and short-term receipt of social security benefits.

**2.4.** The contents of Part I, General Provisions, Part V Prohibitions, Party VI Dispute Resolution, Part VIII Incentives towards Individuals with Outstanding Performance and Measures Against Violators, and Part IX Final Provisions are clear and additional guidelines are therefore unnecessary.

## **II. The Social Security Benefits Regime**

### **1. Article 10 Social Security Benefits Recipient Target [Groups]**

Compulsory and voluntary target [groups] for social security membership for receipt of benefits are as follows:

#### **1.1. Compulsory Target Groups**

- Party, state organizations, the Lao Front for National Construction, mass organizations and social organizations;
- [Government] employees, civil servants, the military, police officers, pensioners, disabled individuals and their family members;
- Labor units in all socio-economic business, manufacturing and services sectors, such as private enterprises, commercial banks, micro-finance financial institutions, private education institutions, private hospitals, workshops, factories, hotels, shopping malls, restaurants, agricultural farms, investment projects, etc.;
- Workers in any labor unit who receive salaries or wages;
- Lao employees who work for embassies, consulates, international organizations and non-governmental organizations assigned to the Lao PDR;
- Foreign workers who work for any labor unit who receive wages or salaries.

The above target groups shall make contributions the the National Social Security Fund on a monthly basis in accordance with regulations in order to receive all categories of social security benefits as provided.

Spouses and children of the insured individual will receive medical treatment benefits, benefits on the event of death and family benefits; parents of the insured individual will receive family benefits.

#### **1.2. Voluntary Target Groups**

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The self employed, such as farmers, merchants, service providers, etc., including volunteers will receive social security benefits, such as, medical treatment benefits, maternity or miscarriage benefits, sick leave, disability benefits, pensions, death and family benefits.

## **2.        Categories of Social Security Benefits**

### **2.1 .     Article 11 Medical Treatment Benefits**

Medical treatment benefits is the provision of benefit for medical treatment of the insured individual, including their children, and spouse.

#### **2.1.1.   Article 12 Conditions for Receipt of Medical Treatment Benefits**

An individual [who is entitled] to receive medical treatment benefits shall meet the following conditions:

- 1) Have made contributions into the social security fund 1 month or more during the final 6 months for labor injuries, occupational diseases and maternity or miscarriage; and
- 2) Have made contributions into the social security fund 3 months or more during the final 6 months for general illnesses and non-labor related accident injuries.

Spouses of the insured individual and children aged 18 years or less will receive medical treatment benefits. Children aged 18 - 23 years who are still studying and are unmarried who are to receive medical treatment benefits shall present their student card or annual student certificate.

Children who have their details submitted with their insured individuals parent's information will receive medical treatment along with their parents.

In the event of the death of an insured individual or an insured individual ceases to make contributions, the spouse and children will receive medical treatment benefits for the following 3 months from the date of the death of the insured individual or cessation of payment of contributions.

#### **2.1.2.   Article 13 Medical Treatment Services**

An insured individual, spouse and children will receive hospital medical treatment in accordance with the medical treatment systems provided in the Law on Medical Treatment.

In order to provide convenient and clear medical treatment, the following additional guidelines are provided:

### **1.        Selection of, and Interconnectivity between Hospitals**

The insured individual and their family members shall select a main hospital in order to facilitate the use of medical treatment services in times of necessity.

In the event that an insured individual or family member becomes sick due to an accident or sudden illness who is in need of medical treatment may receive temporary medical care at any contracting or non-contracting hospital as follows:

- 1) If the hospital is a contracting hospital, the insured individual may present its social security card or health insurance card in order to receive treatment;
- 2) If the hospital is non-contracting hospital, the insured individual shall notify the main selected hospital, the National Social Security Fund Office or the Local Social Security Fund Services Center within 72 hours.

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An insured individual who suffers a sudden illness who receives services in accordance with Items 1 and 2 above whose condition improves shall discharge from the relevant hospital to receive medical treatment at the main selected hospital.

- 3) Compensation for medical treatment costs shall be performed on a case by case basis as follows:
  - Case Item 1 above, the hospital is a contractual hospital, the main selected hospital shall make payment; and
  - Case Item 2 above, receipts and medical certificates shall be provided to the main selected hospital to consider compensation of medical treatment costs to the relevant party within 1 month.
2. An insured individual and family members who remain in hospital for 6 months or more, the hospital and the relevant party shall pay for medical costs as follows:
  1. From 7 to 12 months, the hospital shall pay 70% and the insured individual shall pay 30% of the medical treatment costs; and
  2. More than 12 months, the hospital shall pay 50% and the insured individual shall pay 50% of the medical treatment costs.

In the event that the insured individual and entitled family members require medicines that are not included in the hospital drugs list and stay in private rooms, the relevant party shall be responsible for the difference.

3. Exemptions from Contractual Costs for Medical Treatment Services  
In order to enable the National Social Security Fund to accumulate funds and to ensure sustainability, the following medical treatment costs shall be exempt:
  - 1) Disease prevention and treatment under Government responsible projects, such as, tuberculosis, leprosy etc.;
  - 2) Heart surgery;
  - 3) Dialysis for more than 5 times in cases of chronic kidney failure;
  - 4) Thalassaemia treatment , such as blood transfusion, splenectomy, chelation therapy;
  - 5) Treatment through radiation treatment in cases of cancer;
  - 6) Eye glass or contact lens, except due to labor accidents or occupational diseases;
  - 7) False teeth or orthodontia except due to labor accidents;
  - 8) All types of medicines used to slow-down the progress of HIV;
  - 9) Regular annual health examinations; and
  - 10) Any none medical treatment, such as, sex change surgery, artificial insemination, organ replacement, intentional cosmetic surgery.
4. Medical treatment abroad shall be applied to an insured individual in the following cases:
  - 1) An insured individual engaged in official duties abroad who suffers a sudden illness and requires an hospital stay requiring medical treatment abroad;
  - 2) An insured individual who is receiving medical treatment in a local hospital, but due to necessary medical reasons is authorized by a contracting hospital.

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The medical treatment costs of the insured individual in a foreign country shall be based on the health treatment costs in the country on a case by case basis, the costs shall be reimbursed by main selected hospital of the insured individual. In cases of necessity, the Medical Council shall be consulted.

### **2.1.3. Article 15 Use of Medical Treatment Benefits**

Medical treatment benefits shall be transferred from the National Social Security Fund to the National Health Insurance Fund or the contracting hospital through a contractual payment to be used in the provision of medical treatment services to the insured individual and entitled family members.

The level of contractual payments is fixed at an amount per individual per year and shall be specifically adjusted to meet suitable medical expenses, based on studies of periodic medical treatment costs participated in by the relevant authorities in the monitoring, promotion and proper and clear evaluation to ensure quality medical treatment services.

### **2.2. Article 16 Maternity and Miscarriage Benefits**

Childbirth and miscarriage benefits is the provision of services prior to childbirth or miscarriage and the provision of lump-sum allowances per one child.

In the event that an insured individual gives birth or suffers a miscarriage and suffers illness resulting in having to remain off work for recovery, such insured individual shall receive benefits in accordance with regulations.

#### **2.2.1. Article 17 Condition for Obtaining Childbirth or Miscarriage Allowances**

An individual entitled to maternity or miscarriage benefits shall fully shall meet the following conditions:

1. Has paid contributions to the social security fund for 6 months or more for the last 12 months;
2. Has given birth or miscarried after being pregnant for 3 months or more or baby dies in mother's womb with proper medical certification.

#### **2.2.2. Article 18 Calculation of Maternity or Miscarriage Allowance**

Childbirth or miscarriage grants provided to insured females or the wife who has no occupation or income who gives birth or suffers a miscarriage whereby the husband of the relevant party is an insured individual who has made the required contributions will receive childbirth or miscarriage benefits equal to 60% of the final average 6 month salary of the husband.

An insured individual who adopts a child will not be entitled to maternity or miscarriage benefits.

For example, Ms. A has an average 6 month insured monthly salary equal to 1,500,000 kip.

Calculation:  $1,500,000 \text{ kip} \times 60\% = 900,000 \text{ Kip/Individual/time}$ .

#### **2.2.3 . Article 19 Calculation of Childbirth or Miscarriage Benefits**

An insured female who is a Government employee, civil servant, military personnel or police officer who is on leave due to childbirth or miscarriage shall receive her regular monthly salary.

An insured female who is a worker in a labor unit who is on leave due to childbirth or miscarriage within 3.5 months shall receive her normal monthly salary or wages, with the National Social Security Fund being responsible for 80% of the average insured monthly salary over the last 6 months. The difference of the the total insured monthly salary or wages shall be the responsibility of the employer.

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An insured individual who legally adopts a baby not older than 3 months shall receive childbirth benefits for the total period of leave, but such shall not exceed 3 months.

An insured female who has received maternity or miscarriage benefits in full, but who is still suffering from poor health shall undergo a [medical] examination and be reevaluated and medically certified in order to receive sick leave or disability benefits.

Example 1: Ms. B has 6-month average insured salary equal to: 1,500,000 Kip.

Calculation: 1,500,000 Kip x 80% = 1,200,000 Kip/month

### **2.3.     Article 20 Labor Accident, Occupational Disease or other Accidents Benefits**

The benefits for labor accidents, occupational diseases or other accidents is the provision of benefits for temporary loss of working capacity, one time benefit for loss of limb, or monthly benefits for the insured individuals who suffer labor accidents, suffer from occupational diseases, suffer other accidents or suffer from general illnesses.

#### **2.3.1.   Article 21 Conditions for Receipt of Benefits for Labor Accidents, Occupational Diseases or other Accidents or Illnesses**

An individual entitled to labor accident, occupational disease, other accident or general sickness benefits shall meet the following conditions:

1. Has paid contributions to the social security fund for 1 month or more for insured workers who suffer labor accidents or occupational diseases and 12 months or more for the insured individuals who suffer other accidents;
2. Lacks the capacity to work or normal state of mind as a result of a labor accident at the workplace, the distance between the residence and the workplace or during the performance of official tasks;
3. Suffering from an occupational disease contacted through the undertaking of professional activities; and
4. Become disabled or loss of any organ<sup>1</sup> due to a labor accident, occupational disease, other accident or general sickness.

Conditions 2, 3, and 4 above must have medical certification.

#### **2.3.2.   Article 22 Categories and Levels of Disability**

The categories and levels of disability are provided in the following table:

| Category | Level of Disability | Form of Benefits   |
|----------|---------------------|--------------------|
| 1        | 81-100%             | Monthly            |
| 2        | 71-80%              | Monthly            |
| 3        | 61-70%              | Monthly            |
| 4        | 51-60%              | Monthly            |
| 5        | 41-50%              | Monthly            |
| 6        | 31-40%              | Lump sum allowance |
| 7        | 21-30%              | Lump sum allowance |

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<sup>1</sup> Limb.

|   |       |                    |
|---|-------|--------------------|
| 8 | 1-20% | Lump sum allowance |
|---|-------|--------------------|

### 2.3.3. Categorization and [Determination of the] Level of Disability

The categorization and [determination of the level of disability] will be implemented as follows:

- 1) The insured individual who suffers a labor accident, suffers from an occupational disease, suffers other accidents or general sickness as provided in Items 1 to 8 shall undergo a medical examination at a hospital and be in the possession of medical certification in order to receive benefits for temporary loss of working capacity or sick leave. Thereafter, if there is no improvement an additional medical examination shall be undertaken in order to evaluate the category and level of disability by the Disability Evaluation Committee in accordance with relevant guidelines issued by the Ministry of Health in order to determine the level of disability benefits.

Where necessary, the evaluation of the level of disability shall be submitted to the National Medical Council for consideration.

- 2) Each disabled individual who is to receive monthly benefits who commences new employment with any labor unit shall continue to the Social Security Fund at the required rate of contributions and the relevant individual will become a employed disabled individual and the disability benefits will be reduced in accordance with regulations.
- 3) The categories and levels of disability due to loss of limb previously approved will not be altered. In the event that the disability worsens or improves further medical examinations will be undertaken.
- 4) Individuals on monthly disability benefits due to military combat or service will be covered under relevant regulations.

### 2.3.4. Article 23 Calculation of Benefits for Temporary Loss of Working Capacity

Allowances for temporary loss of working capacity of an insured individual who suffers a labor accident or occupational disease shall be equal to 70% of his/her insured earning for the past 6 months during an initial period not exceeding 6 months.

In the event that an individual who has suffered a temporary loss of working capacity who has received benefits for 6 months, and can still not be evaluated as a disabled individual shall be reexamined and produce medical certificates in order continue to receive benefits for temporary loss of working capacity which will be equal to 60% of his/her average insured monthly salary for the past 6 months over a period not exceeding 6 month final period.

Example: Mr. C has an average insured monthly salary for the last 6 month equal to 1,500,000 kip.

Calculation: 1,500,000 Kip x 70% = 1,050,000 Kip.

Benefits for temporary loss of working capacity of an insured individual who suffers other accidents or illnesses shall be equal to 60% of his/her average insured monthly salary earning for the last 6 months over a period not exceeding 6 months.

Example: Mr. D has an average insured monthly salary for the last 6 months equal to 1,500,000 Kip.

Calculation: 1,500,000 Kip x 60% = 900,000 Kip.

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## **2.3.5.   Article 24 Calculation of Lump Sum Disability Benefits**

A lump sum disability benefit of an individual who is disabled due labor accident or occupational disease under categories 6 to 8 shall receive an allowance equal to 12 months based on the average insured monthly salary for the last 6 months.

Example: Mr. E has a category 6 disability, level 31%, and has an average insured monthly salary for the last 6 months equal to 1,500,000 kip.

Calculation:  $31\% \times 12 \text{ months} \times 1,500,000 \text{ Kip} = 5,580,000 \text{ Kip}$ .

A lump sum disability benefit of an individual who is disabled due another type accident or general illness shall receive an allowance equal to ten months based on the average insured monthly salary for the last 6 months.

Example: Mr. F has a category 6 disability, level 31%, and has an average insured monthly salary for the last 6 months equal to 1,500,000 Kip

Calculation:  $31\% \times 10 \text{ months} \times 1,500,000 \text{ kip} = 4,650,000 \text{ kip}$

## **2.3.6.   Article 25 Calculation of Monthly Disability Benefits**

The monthly disability benefits of an insured individual who is disabled due to a labor accident or occupational disease under Categories 1 to 5 shall equal to the level of disability multiplied by the insured monthly salary over the last 6 months.

Example: Mr. G has a category 1 disability, level 81%, and has an average insured monthly salary over the last 6 months equal to 1,500,000 Kip

Calculation:  $81\% \times 1,500,000 \text{ Kip} = 1,215,000 \text{ Kip/month}$ .

If a disabled individual continues to undertake its normal position and receives normal monthly salary or wages who receives a disability pension, such shall receive 50% of the disability benefit.

Disability benefits for the employed shall be based mainly on the level of salary of such individual at the time the category and level of disability was approved without calculating salary increases resulting from regular promotions.

Example: Mr. H receives regular monthly salary or retirement pension, the disability benefits shall be equal to 1,215,000 Kip.

Calculation:  $1,215,000 \text{ kip} \times 50\% = 607,500 \text{ Kip/month}$

Monthly disability benefits of an individual who suffers a labor accident or general illness shall be equal to the level of disability multiplied by ninety percent of the average insured monthly salary over the last 6 months.

Example: Mr. I has a category 2 disability, level 71%, and has an average insured monthly salary for the last 6 months equal to 1,500,000 Kip



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Calculation:  $71\% \times (90\% \times 1,500,000 \text{ kip}) = 958,500 \text{ Kip/month}$

If an individual who is disabled due to other accidents or general illnesses remains in his/her position, he/she shall receive fifty percent of disability benefit and receive twenty-five percent of his disability benefits during the time he/she receives his/her retirement pension.

Example: Mr. J has a disability benefit equal to 958,500 Kip/month

-While continuing to work, the disability benefits shall equal  $958,500 \text{ Kip} \times 50\% = 479,250 \text{ Kip/month}$

- While receiving retirement pension, the disability benefits shall equal  $958,500 \text{ Kip} \times 25\% = 239,625 \text{ Kip/month}$

An individual who receives combat or military service disability benefits shall be calculated in accordance with relevant regulations.

### **2.3.7. Article 27 Allowances for Caregivers of Disabled Individuals**

A Category 1 disabled individual who is unable to care for himself/herself who is taken care of by a caregiver, the caregiver shall receive 70% of the disability benefits of the disabled individual under his/her care.

Example: Mr. K has a Category 1 disability equal to 1,215,000 kip.

Calculation:  $70\% \times 1,215,000 \text{ Kip} = 850,000 \text{ Kip/Month}$ .

In the event that a category 1 or special case disabled individual passes away, the caregiver who has taken care of such individual for a period less than 5 years shall receive a lump sum allowance equal to 5 months, in the event that the caregiver has provided care for more than 5 years, the caregiver shall receive an additional 1 month lump-sum allowance for each additional 2 year period.

### **2.3.8. Article 26 Provision of Equipment or Prosthetics to Disabled Individuals**

Individuals on monthly disability, occupational disease, other accident or general illness benefits who have difficulty working or living their daily lives shall receive equipment or prosthetics in accordance with domestic supply capacity, the value of which are covered in specific regulations.

In the event that such equipment or prosthetics incurs costs, the budgets of the National Social Security Fund shall be used for such costs.

## **2.4. Article 28 Sickness Benefits**

Sickness benefits is the provision of benefits to an insured individual who is still unable to return to normal work due other accidents, illnesses, maternity leave or miscarriage whose monthly salary has been temporarily suspended during the period of medical treatment or recovery.

### **2.4.1. Article 29 Conditions for Receiving Sickness Benefits**

An individual who is to receive sickness benefits shall meet the following conditions:

1. Has paid contributions into the Social Security Fund from 3 months or more during the final 6 month period;
2. Is under a temporary salary suspension; and

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3. Is in the possession of sickness medical certificates.

### **2.4.2. Article 30 Calculation of Sickness Benefits**

Sickness benefits shall be calculated at 70% of the average insured monthly salary over the last 6 months, but shall not exceed 6 months during the initial period.

Example: Ms. L has an average insured monthly salary over the last 6 months equal to 1,500,000 Kip.

Calculation: 1,500,000 Kip x 70% = 1,050,000 Kip/month

If such individual continues to receive medical treatment, the final period of benefits shall be calculated at 60% of the insured monthly salary and such period shall not exceed 6 months.

Example: Ms. M has an average insured monthly salary of 6 months equal to 1,500,000 kip.

Calculation: 60% x 1,500,000 Kip = 900,000 Kip/month.

In the event that the sickness benefits exceeds 12 months, the health shall be evaluated by the Medical Evaluation Committee in order to receive a disability benefits.

### **2.5. Article 31 Retirement Pension**

Retirement pension is the provision of a monthly allowance to an insured individual who meets retirement pension conditions.

#### **2.1.5. Article 32 Condition of Obtaining a Retirement Pension**

An insured individual who is to be entitled to a retirement pension must meet the following conditions:

1. A individual who joined the revolution since 1975 onwards, may retire at the age of 60 years for males and 55 years for females and worked for 25 years or more;

In the event that the individual has made contributions for 25 years or more, who suffers from poor health and will reach retirement age in 3 years or less may retire and the retirement pension will be reduced by 1% for each year of early retirement;

2. An individual who joined the revolution prior to 1975, has a Category 1 to 4 disability and individuals who have worked with poisonous substance for 5 consecutive years or more may retire at the age of 55 years of age for men and 50 years of age for women;
3. Individuals who work for a labor unit, the self-employed and voluntary members of the [Social Security Fund] who have 15 years of insurance coverage may retire at the age of 60 years for males and 55 years of age for females.

In the event that an insured individual has paid contributions for 5 years or more, who are insured pursuant to Decree 207/PM of for 15 years or more in accordance with the Law on Social Security who suffer from poor health and are in the possession of medical certificates who will reach retirement age in 3 years or less may retire and the retirement pension will be reduced by 1% for each year of early retirement; and

4. Is in the possession of a valid authorization to retire from the sector or labor unit.

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## 2.5.2. Article 34 Calculation of Retirement Pension Percentage

The calculation of the retirement pension percentage is as follows:

- 1) The retirement percentage for Government employees, civil servants, military personnel and police officers shall be calculated as three periods as follows:
  - Individuals who joined the revolution prior to and including 1954 will receive a retirement pension percentage between 80 to 100% and categorized into Period 1;
  - Individuals who joined the revolution between 1955 to 1974 will receive a retirement pension percentage of 75 to 90% and categorized into Period 2;
  - Individuals who suffer from a Category 1 to 4 disability and individuals who have worked with poisonous substances for 5 years or more who have worked since 1975 and having worked for 20 years or more will receive a retirement pension percentage of 70 to 85% and be categorized into Period 3;
  - Individuals who worked under the old regime prior to 1975 who ທີ່ໄດ້ຮັບປະກອບ 3 ປີ ໃດ ເທົ່າກັບ 1 ປີກວນ will receive a retirement pension percentage of: people who worked under the old regime, but joined the revolution prior to 1975 will receive a retirement pension percentage of 75 to 90% and categorized into Period 2, people who joined the revolution from 1975 onwards will receive a retirement pension percentage from 70 to 85% and categorized into Period 3.

People previously categorized will retain their categorization. People who reach retirement age will be categorized as above.

- 2) Workers who work for labor units, the self employed and voluntary members will be based on their pension points, insured monthly salary, average salary or wages and index as a basis for the calculation of retirement pension.

## 2.5.3.3 Article 34 Calculation of Retirement Pension Percentage and Pensions

The retirement pension percentage shall be calculated as follows:

- 1) Retirement pension percentages for Government employees, civil servants military personnel and police officers shall be calculated by comparing the period categorization as a starting point, if such exceeds any 1 year and increase of 1% shall be added to the retirement pension percentage, but shall not exceed the maximum percentage of the three periods as follows:

| From 1954 backward |                                                | From 1955-1974     |                                               | From 1975 to Present |    |                                               |
|--------------------|------------------------------------------------|--------------------|-----------------------------------------------|----------------------|----|-----------------------------------------------|
| Working year<br>20 | Retirement<br>percentage<br>from 80% -<br>100% | Working year<br>20 | Retirement<br>percentage<br>from 75% -<br>90% | Working year 25      |    | Retirement<br>percentage<br>from 70% -<br>85% |
| 20                 | 80                                             | 20                 | 75                                            | 20                   | 25 | 70                                            |
| 21                 | 81                                             | 21                 | 76                                            | 20                   | 25 | 71                                            |
| 22                 | 82                                             | 22                 | 77                                            | 21                   | 26 | 72                                            |
| 23                 | 83                                             | 23                 | 78                                            | 22                   | 27 | 73                                            |

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|                    |     |              |    |              |              |    |
|--------------------|-----|--------------|----|--------------|--------------|----|
| 24                 | 84  | 24           | 79 | 23           | 28           | 74 |
| 25                 | 85  | 25           | 80 | 24           | 29           | 75 |
| 26                 | 86  | 26           | 81 | 25           | 30           | 76 |
| 27                 | 87  | 27           | 82 | 26           | 31           | 77 |
| 28                 | 88  | 28           | 83 | 27           | 32           | 78 |
| 29                 | 89  | 29           | 84 | 28           | 33           | 79 |
| 30                 | 90  | 30           | 85 | 29           | 34           | 80 |
| 31                 | 91  | 31           | 86 | 30           | 35           | 81 |
| 32                 | 92  | 32           | 87 | 31           | 36           | 82 |
| 33                 | 93  | 33           | 88 | 32           | 37           | 83 |
| 34                 | 94  | 34           | 89 | 33           | 38           | 84 |
|                    |     |              |    | 34           | 39           |    |
| 35                 | 95  | 35 and above | 90 | 35 and above | 40 and above | 85 |
| 36                 | 96  |              |    |              |              |    |
| 37                 | 97  |              |    |              |              |    |
| 38                 | 98  |              |    |              |              |    |
| 39                 | 99  |              |    |              |              |    |
| 40 years and above | 100 |              |    |              |              |    |

### 2) Calculation of Retirement Pensions

The retirement pension shall be calculated by multiplying the retirement pension percentage by the last insured monthly salary of such individual.

The insured monthly salary comprises the basic salary, working period allowance, position allowance and other technical allowances.

Other technical allowances, such as, poisonous substances allowances, armed forces promotion allowances, teaching allowances, or vocational allowance which shall be calculated as an addition to such retirement pension must be deducted as social security fund contributions for a period of 5 or more consecutive years.

Retired employees who have previously received a retirement pension on a regular basis, shall receive the previous pension without any changes.

Example: Ms. N has a retirement pension percentage of 80%, a final insured monthly salary (basic salary + working years allowance + position allowance and other technical allowances) equal to 1,800,000 Kip

Calculation:  $80\% \times 1,800,000 \text{ Kip} = 1,440,000 \text{ Kip/month}$ .

### 2.5.4. Calculation of Retirement Pensions for Workers of Insured Labor Units

The retirement pensions of insured individuals in labor units is equal to the total pension points of such individual multiplied by the total estimated average insured monthly salary of the insured individual multiplied by the Index calculated as follows:

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## 1) Total pension points of the individual

The total pension points of the individual is equal to the total contributions paid plus the pension points obtained from the suspension of contribution payments plus the retirement pension points policy as follows:

- Pension points from contribution payments equal to the annual average insured monthly salary divided by the total number of average number of insured months of the insured individual during the same period.

Example: Ms. O has an average insured monthly salary of 1,500,000 kip, the total average insured monthly salary of the insured individual is 1,131,286 Kip.

Calculation:  $1,500,000 \text{ kip} + 1,131,286 \text{ Kip} = 1.33 \text{ points}$

- The pension points from the temporary suspension of contribution payments while receiving sickness, childbirth or temporary loss of working capacity benefits shall equal the retirement pension points gained from the contribution payments over a 24 month period prior to receiving benefits divided by 30 days, multiplied by the number of leave days during receipt of benefits.

Example: Mr. P has 2.66 pensions points over 24 months, 45 days sick leave.

Calculation:  $[(2.66/24)/30] \times 45 = 0.17 \text{ points}$ .

- The pension points policy are points calculated for insured individuals who have less than 30 years insurance coverage and is calculated as 0.5 points multiplied by the total insured years compared to 30 years.

Example: Mr. Q has 20 insured working years.

Calculation:  $(30 \text{ years} - 20 \text{ years}) \times 0.5 = 5 \text{ points}$

Total pension points  $[1.33 \times 20] + 0.17 + 5 = 31.77 \text{ points}$ .

## 2) Total average salaries or wages of insured individuals

- The total average salaries or wages of insured individuals equals the total salary of the insured individual over 1 year divided by the total times that the insured individual paid contributions during the same year and is used to calculate the pension points.

Example: The total salary of the insured individual over 1 year equals 1,357,543,200 Kip, The total number of times that contributions were by the insured individual over 1 year = 1,200 times

Calculation:  $1,357,543,200 \text{ Kip} : 1,200 \text{ times} = 1,131,286 \text{ Kip}$ .

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- The total average estimated insured monthly salary of an insured individual equals the total average insured monthly salary over the previous years average insured monthly salary over the previous 1 year plus the fluctuation rate compared to the previous 1 year which is used for the calculation of retirement pensions

Example: Total average insured monthly salary over the past 1 year equals to 1,131,286 Kip, the fluctuation rate compared to the previous 1 year is 21%

$$\begin{aligned}\text{Calculation: } (1,131,286 \text{ Kip} \times 21\%) &= 237,570 \text{ Kip} \\ &= 1,131,286 \text{ Kip} + 237,570 \text{ Kip} = 1,368,856 \text{ Kip}.\end{aligned}$$

### 3) Index 2%

The Index 2% can be adjusted to correspond with the calculation of retirement pensions during each period.

The calculation of the retirement pension for Mr. Q who has 20 working years:

Example Mr. Q has total pension points of 31.77 points, a total estimated average salary of the insured individual is  $1,368,856 \text{ Kip} \times 2\% = 869,771 \text{ Kip}$ .

- 4) The total estimated average salary or wages of the insured individuals of labor units will be adjusted in October annually.
- 5) Workers insured prior to the Law on Social Security who have 5 to 14 working years are entitled to retirement pensions. Insured individuals who already receive a pension shall receive the existing pension. Individuals who receive a lower level of retirement pension shall have their pensions adjusted in accordance with Items 1, 2 and 3 above.
- 6) The calculation of retirement pensions of insured individuals in labor units shall be compared as a maximum retirement pension percentage of 75% of the total average estimated salary.

### **2.5.5. Calculation of Retirement Pensions for the Self Employed and Voluntary Members**

The calculation of retirement pensions for the self employed and voluntary members shall be performed as provided in Item 2.5.3. above.

### **2.5.6. Calculation of lump sum benefits**

Lump sum benefit of an insured individuals who do not meet the full conditions to receive a retirement pension shall be calculated equal to 1.5 months of the last 6 months insured monthly salary multiplied by the number of years worked or the insured years of the individual.

An insured individual who has an insured period of 7 to 12 months shall be deemed to have an insured period of 1 year.

Example: Mr. R has an average insured monthly salary over the last 6 months equal to 1,500,000 Kip, and worked for 15 years.

$$\text{Calculation: } 1.5 \text{ months} \times 1,500,000 \text{ Kip} \times 15 \text{ working year} = 33,750,000 \text{ Kip}.$$

In this case an insured individual who does not meet the retirement, number of years worked or coverage year conditions who leaves a State organization or labor unit, but is still or a working age and is

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able to continue working will not be entitled to a lump sum benefit, but the contributions will accumulate for consideration of retirement pension once the individual meets the retirement conditions.

Insured individual entitled to a lump sum benefit are as follows:

- Individuals who meet the retirement conditions, work years or coverage year requirements;
- Individuals who are unable to work for a State organization or labor unity due to health reasons; and
- Foreign insured workers who return to their countries upon completion of employment contracts.

## **2.6. Article 37 Death Allowances**

A death allowance is the provision of a funeral service allowance and family benefits to the family of the deceased.

### **2.6.1. Article 38 Conditions for Receipt of Death Allowances**

1. Had made contributions to the social security fund for 3 months or more during the last 6 months; and
2. Is in the possession of a valid death certificate.

An insured individual who has fulfilled the social security fund contribution conditions who has left a State organization or labor unit within 6 months and dies, such individual shall be entitled to a death allowance.

Upon the death of an insured individual, the spouse and children of the individual shall be entitled to a death allowance over the following 3 months.

### **2.6.2. Calculation of Death Allowances**

#### **1) Funeral allowances**

- The funeral allowance of an insured individual, pensioner and employees who have lost the capacity to work, disabled individuals who pass away shall be calculated as twelve months of the insured monthly salary, pension, loss of working capacity allowance or disability benefit based on the last 6 months.

For employed disabled individuals who receive a disability benefit, disabled pensioners, who receive a pension and disability benefits may select the salary or pension as a basis for calculating the death allowance. Salaries, pensions and disability benefits may not be totaled up to calculate the death allowance.

When one of the insured spouses passes away, the [surviving] spouse will be entitled to a funeral allowance equal to 12 months of the relevant individual and will not receive the 6 month insured monthly salary funeral allowance of the [deceased] spouse.

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Example: Mr. S has an average 6 months insured monthly salary, pension or disability benefits equal to 1,500,000 Kip.

Calculation: 12 months x 1,500,000 Kip = 18,000,000 Kip.

- The uninsured spouse of an insured individual, pensioner and disabled employee who is who passes away shall receive 6 months of the insured monthly salary, pension or disability benefit of the relevant individual;
- The spouse of a deceased disabled individual who were disabled from birth authorized under Decree No. 343/PM will be entitled to the funeral allowance, individuals who have already passed away will not be considered.

Example: Mr. T has an average insured monthly salary, pension or disability benefits over the last 6 months equal to 1,500,000 Kip.

Calculation: 6 months x 1,500,000 Kip = 9,000,000 kip.

- The children aged not over 18 years of age of an insured individual, pensioner and disabled employee who passes away shall be calculated at 3 months of the insured monthly salary, pension, loss of working capacity benefits or disability benefit based on the average last 6 months of such individual.
- The children of disabled individuals disabled from birth authorized under Article 343/PM will be entitled to such funeral allowance. Individuals already deceased will not be considered.

In the event that parents are insured individuals, the children will be entitled to the funeral allowance of the parent.

Example: Mr. U has an insured monthly salary, pension or disability benefits over the last 6 months equal to 1,500,000 Kip.

Calculation: 3 months x 1,500,000 Kip = 4,500,000 Kip.

### 2) Family Allowance

Family allowances shall be calculated on the insured monthly salary, retirement pension, loss of working capacity benefits or disability benefits based on the final 6 month average multiplied by 15 working years or insured years as a starting point. In the event that the years worked exceeds 15 years, an additional 1 month shall be added for each additional 2 years;

An insured individual who is single, is a widower or widow the surviving mother, father, older or younger brothers and sisters shall receive the family allowance.

The calculation of family allowance is as follows:

- An insured individual who has more than 15 working years will be calculated at 15 months as a starting point, if the working years exceed 15 years an additional 1 month shall be added for each additional 2 years.
- An insured individual who has worked for less than 15 years shall be calculated as follows:



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- \* Less than 1 working year (3 months to 12 months) equal to 5 months;
  - \* 1 to 6 working years, 1 working year shall be equal to 1 month;
  - \* 7 to 14 working years shall be calculated as 2 additional working years with one month added equal to 1 month;
- The calculation for each working year shall be based on 7 to 12 months as 1 working year and 13 months or higher as 2 working years.

Calculation of working years on a month comparison shall be implemented in accordance with the following table:

| 14 years and less |                           | 15 years or more |                                                               |
|-------------------|---------------------------|------------------|---------------------------------------------------------------|
| Years Worked      | Level of Family Allowance | Years Worked     | Level of Family Allowance                                     |
| 1                 | 5 months                  | 15               | 15 months                                                     |
| 2                 | 6 months                  | 17               | 16 months                                                     |
| 3                 | 7 months                  | 19               | 17 months                                                     |
| 4                 | 8 months                  | 21               | 18 months                                                     |
| 5                 | 9 months                  | 23               | 19 months                                                     |
| 6                 | 10 months                 | 25               | 20 months                                                     |
| 7-8               | 11 months                 | 27               | 21 months                                                     |
| 9-10              | 12 months                 | 29               | 22 months                                                     |
| 10-11             | 13 months                 | 31               | 23 months                                                     |
| 12-14             | 14 months                 | 33               | 24 months                                                     |
|                   |                           |                  | Actual years shall be counted and calculated as total months. |

**Example 1:** Mr. V has an average insured monthly salary, pension or disability benefits over the last six months equal to 1,500,000 Kip, 16 working years and 1 month, such shall be calculated at 16 working years equal to 16 months.

Calculation: 1,500,000 Kip x 16 months = 24,000,000 kip.

**Example 2:** Mr. X has an average insured monthly salary or disability benefit over last six months equal to 1,500,000 Kip, 1 working year shall be equal to 5 months.

Calculation: 1,500,000 Kip x 5 months = 7,500,000 Kip.

### 2.7. Article 41 [Monthly] Family Allowance of Insured Individuals

A family [monthly] family allowance is the provision of a monthly allowance to the husband, wife, children, mother or father of a diseased insured individual.

#### 2.7.1. Article 42 Conditions for Receipt of [Monthly] Family Allowance

Family members will receive an allowance when the deceased insured individual has paid contributions into the social security fund for 5 years or more to cover the children or spouse.

Family members shall meet the following conditions:

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1. The husband has reached retirement age of 60 years, and the wife has reached a retirement age of 55 years or higher who have no business revenue, retirement pension, disability pension and has not remarried which can be validly certified will receive a lifelong widow/widower allowance;
2. Biological children, step children or legally adopted children under 18 years of age. In the event the relevant individual is employed or has a monthly income, the individual will not be entitled to an orphan allowance. Children of an insured mother or father who passes away shall not be entitled to such orphan allowance. Disabled or mentally ill children from birth or while aged less than 18 years will receive a lifelong allowance;
3. Fathers who have reached retirement age of 60 years and mothers who have reached retirement age of 55 years or more who have no regular income such as business revenues, retirement pension or disability benefits and the child is a deceased insured individual and the deceased was an only child who used to take care of the mother or father; and
4. A mother or father who lost all of their children during battle or while serving the nation who received a patent allowance prior to the promulgation of the Law on Social Security shall perform the relevant regulations.

### 2.7.2. Article 43 Calculation of Monthly Family Allowances

Family allowances of deceased insured individuals shall be calculated as follows:

- 1) The husband or wife shall be calculated at 30% of the insured monthly salary, retirement pension or disability benefit will receive thirty percent of the final insured monthly salary, pension or disability benefits of the deceased.

**Example:** Mr. Y has a final insured monthly salary, pension or disability benefit for the last month equal to 1,500,000 Kip.

Calculation:  $30\% \times 1,500,000 \text{ kip} = 450,000 \text{ Kip/month}$ .

- 2) Children shall be calculated at 20% of the final insured monthly salary, retirement pension or disability benefit of the deceased.

**Example:** Mr. Z has one child, has an insured monthly salary, pension or disability benefit for last month equal to 1,500,000 kip

Calculation:  $1 \text{ child} \times 20\% \times 1,500,000 \text{ kip} = 300,000 \text{ kip/month}$

In the event that the deceased has more than one child, the total child allowance shall not exceed 60% of the insured monthly salary of the deceased.

**Example:** Mr. Z has 4 children, has an insured monthly salary, pension or disability benedfit for the last month equal to 1,500,000 kip

Calculation:  $4 \text{ individual} \times 60\% \times 1,500,000 \text{ kip} = 900,000 \text{ kip/month}$ .

- 3) The mother or father shall be calculated at 30% of the final insured monthly salary, retirement pension or disability benefit of the deceased.

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**Example:** Mr. Z has father or mother, has an insured monthly salary, retirement pension or disability benefit for the last month equal to 1,500,000 kip.

Calculation:  $30\% \times 1,500,000 \text{ kip} = 450,000 \text{ kip/month}$ .

If both father and mother receive an allowance, the total amount of allowance shall not exceed 5% of the insured earnings of a deceased individual.

**Example:** Mr. Z has father and mother, has an insured monthly salary, pension or disability benefit for the latest month equal to 1,500,000 kip.

Calculation:  $2 \text{ individuals} \times (50\% / 2 = 25\%) \times 1,500,000 \text{ kip} = 750,000 \text{ kip/month}$ .

- 4) The total allowances for husband or wife, children, mother or father of an insured individual shall not exceed 80% of the insured monthly salary, retirement pension or disability benefits for the last month of the deceased individual.

In the event of the death of any of the target individuals mentioned above , the allowance for the surviving targets shall be adjusted to the level of allowance of such individual but shall not exceed 80% of the insured monthly salary of the insured individual.

- 5) A father or mother who lost all the children during armed combat or while serving the nation shall receive a lifetime allowance whether or not being insured.

In the event that deceased children have salary level-rank, such salary level-rank shall be deemed an insured monthly salary, while children who do not have a salary level-rank the calculation shall be based on the government administrative minimum salary.

The calculation of allowance for mothers or fathers shall follow Item 3 above.

### 2.8.    **Article 44 Unemployment Benefits**

Unemployment benefits are provision of a monthly allowance to an insured individual during a periods of unemployment.

#### 2.8.1.   **Article 45 Conditions for Receipt of Unemployment Benefits**

1. The conditions for receipt of unemployment benefits are as follows:
  - 1) Contributions have been made into the social security fund for 12 months or more during the last 24 months;
  - 2) Is unemployed due to the bankruptcy of a labor unit or from being laid-off;
  - 3) Is unemployed due to the deed to reduce the number of employees because of economic difficulties of the labor unit;
  - 4) Been unemployed for 30 days or more with valid certification of the relevant labor;
  - 5) Is of good health and able to be re-employed;
  - 6) Individuals who have previously received unemployment benefits shall have made an additional 12 months of contributions in order to receive unemployment benefits again.
2. Individuals Not Entitled to Unemployment Benefits
  - 1) Seasonal workers or production based workers;

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- 2) Individual who have breached their employment contract or the Articles of Association of the labor unit;
- 3) Resigned for various reasons;
- 4) Have lost the capacity to work or become disabled;
- 5) Seasonal breaks of private sector factories; and
- 6) Individuals who have gained new employment while receiving unemployment benefits will have their remaining benefits stopped.

### **2.8.2. Article 46 Calculation of Unemployment Benefits**

Unemployment benefits shall equal to 60% of the average salary over the last six months prior to unemployment based on contribution payments as follows:

| Period of Contribution Payments | Period of Receipt of Unemployment Benefits |
|---------------------------------|--------------------------------------------|
| 12-36 months                    | 3 months                                   |
| 37-72 months                    | 6 months                                   |
| 73-144 months                   | 9 months                                   |
| 145 months and over             | 12 months maximum                          |

Unemployment benefits shall be paid on a monthly basis and only paid during periods of unemployment.

Example: Mr. L has an average insured monthly salary over the last six months equal to 1,500,000 kip, has paid contributions from 37 to 72 months, shall receive unemployment benefits for six months.

Calculation:  $60\% \times 1,500,000 \text{ kip} \times 6 \text{ months} = 900,000 \text{ kip}$ .

### **2.8.3. Article 49 Cessation of Unemployment Benefits**

Unemployment benefits shall cease to be paid in the following cases:

- 1) The period for receipt of unemployment benefits has expired;
- 2) Refusal to accept new employment without due reason;
- 3) Has gained new employment; and
- 4) In the event of death.

### **2.9. Article 50 Accumulation of Contributions and Insurance Period**

An insured individual, who has paid contributions into the National Social Security Fund who changes the place of employment or has temporarily suspended contribution payments, may continue pay contributions in order to accumulate old and new contributions for the benefits of receiving social security benefits.

An insured individual assigned to a State organization or business unit who has accumulated contributions, work years or insured years who is transferred to a new employment location who has not previously received benefits upon meeting retirement conditions may apply for retirement pensions through the accumulation of working years or insured years as follows:

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For continue paying the contribution in order to obtain retirement pension, the insured individual shall be treated on a case-by-case basis as follows:

- 1) An insured individual who is a Government employee, civil servant, military personnel or police officer who is transferred to a labor unity shall have the years worked at both places added together to total 15 years;
- 2) A worker in a labor unit transferred to work in a State organization, the working years or insured yeas at both places shall be added together to total 25 years;
- 3) An insured individual who is transferred a State organization or labor unit who meets the conditions for death benefits or sick leave benefits or insured years and contributions in order to calculate the death benefits or retirement pension in accordance with civil servant regulations or worker regulations;
- 4) An insured individual who has accumulated more working years or contributions in any system and validly certifiable may calculate retirement pensions under that system, except where individuals have neglected their duties and continued to work under a new system, the retirement pension shall be calculated under the system so assigned;
- 5) An insured individual who has not accumulated 10 years for retirement, but meets the conditions through working years or insurance period and such individual is willing to resign from a State organization or labor unit and has never received benefits and no longer makes contributions may wait in order to receive retirement pensions upon reaching retirement age;
- 6) An insured individual who made contributions in accordance with Decree 70/PM and 207/PM shall add their working years or insured years together to be considered for retirement pension under any system that has more working years or insured years.

In the event that an insured individual was previously entitled to retirement pensions under both systems, upon implementation of the Law on Social Security, the individual shall only be entitled to retirement pension under the relevant system;

- 7) The calculation or retirement pensions or other benefits the final insured monthly salary of Government employees, civil servants, military personnel and police officers or the average insured monthly salary over the last 6 months of workers of labor units shall be used for such calculations.

An insured individual who is undergoing long-term studies at home or abroad the final insured monthly salary or the average insured monthly salary over the last 6 months prior to commencing studies shall be used as a basis for calculations.

### **III. Contribution Payments to the National Social Security Fund**

#### **1. Rate of Contributions**

##### **1.1. Article 55 Contributions by Government [Employees], Civil Servants, Military Personnel and Police Officers**

Contributions by Government employees, civil servants, military personnel and police officers are determined as follows:

1. The Government pays contributions equal to 8.5% of the total salary each month in order to contribute to social security benefits for Government employees, civil servants, military personnel and police officers; and

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2. Government employees, civil servants, military personnel and police officers pay contributions equal to 8% of the total salary per month.

### **1.2. Article 56 Contributions by Employers and Workers of Labor Units**

Contributions by employers and workers of labor units are determined as follows:

1. Employers which are labor units shall pay contributions equal to 6% of the monthly salary or wages each month in order to contribute to social security benefits for workers of labor units;
2. Workers of labor units shall pay contributions equal to 5.5% of of the monthly salary or wages each month;
3. The self employed and voluntary members shall pay contributions equal to 9% of the minimum wage and the maximum insured monthly salary ceiling announced by the Government periodically.

### **1.3. Medical Treatment Contributions of Pensioners and Disabled Individuals**

Medical treatment contributions of pensioners, disabled individuals, caregivers of category 1 disabled individuals in care homes and family members (husband or wife, children, mother or father) shall pay contributions equal to half of the periodic medical treatment costs.

## **2. Method of Contributions Payments**

### **2.1 Contribution Payment by Government Employees and Civil Servants**

2.1.1. All ministries, central organizations, provincial and city organizations shall list all salaries of Government employees and civil servants showing the basic salaries, rank salaries, services benefits, position allowances and other technical allowances in order to calculate contributions of 8% and 8.5% on a monthly basis and submit such to the National Social Security Fund no later than the 15<sup>th</sup> day of the following month.

The list of 8% and 8.5% contributions of military personnel and police officers shall be submitted to the National Social Security Fund periodically.

2.1.2. The Office of National Social Security Fund summarizes the budget plans from 8% and 8.5% contributions through the approval of the National Social Security Fund Management Commission for proposal to the Ministry of Labor and Social Welfare, in order to request the Ministry of Finance to summarize and enter them into the budget plan and submit them to the Government and the National Assembly for consideration in each fiscal year.

Local 8% contributions may be deducted from the central provincial treasury and transferred into the account of the National Social Security Fund on a monthly basis.

### **2.2. Contributions by Labor Unit Employers and Workers**

Labor units shall compile a list of the number of workers, a list of salaries of all workers, a list of 6% contributions of the salaries of all workers in the name of the employer and list of 5.5% contributions of the salaries of each worker on a monthly basis and transferred into the account of the National Social Security Fund.

The level of contributions shall be calculated based on the insured salaries or wages, but the periodic salary ceiling shall be periodically.

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Labor units who are in arrears for the payment of contributions which results in insured individuals losing their rights to social security benefits, the relevant labor unit shall be responsible for such loss of rights and continue to pay contributions in accordance with regulations.

Labor units that cease the payment of contributions shall have dissolved the labor unit, become bankrupt or suffered an event of force majeure certified in accordance with laws and regulations.

### **2.3. [Deduction of] Contributions for Medical Treatment Pensioners and Disabled Individuals**

Contributions for the medical treatment of pensioners and disabled individuals, caregivers and individuals who receive family allowances which are deducted from the benefits of the individual shall be deducted directly and transferred into the Medical Treatment Fund on a monthly, quarterly or annual basis.

### **2.4. Contributions by the Self Employed and Voluntary Members**

The self employed and voluntary members shall make contributions equal to 9% on a monthly or quarterly basis based on the minimum wage announced by the State as a starting point and the maximum ceiling determined periodically and paid into the account of the National Social Security Fund.

The self employed and voluntary members who contribute to the social security fund shall be 18 to 60 years of age.

### **2.4 Collection and Accumulation of Contributions**

The total contributions at the rate of 8.5% by the Government and 8% contributions by Government employees, civil servants, military personnel and police officers and 6% contributions by labor unit employers and 5.5% contributions by workers and 9% contributions by the self employed and voluntary members at the level of the minimum wage or ceiling shall be collected and accumulated in the National Social Security Fund and shared between each social security fund at the following rates:

| Social Security Support Fund                                  | Rates for Contribution Accounts                                              |                       |                                     |
|---------------------------------------------------------------|------------------------------------------------------------------------------|-----------------------|-------------------------------------|
|                                                               | Government employees, civil servants, military personnel and police officers | Employers and workers | Self employed and voluntary members |
| Medial treatment fund                                         | 1.5                                                                          | 1.5                   | 1.5                                 |
| Labor accidents and occupational disease fund                 | 0.5                                                                          | 0.5                   | -                                   |
| Short-term maternity, miscarriage, sick leave and death fund  | 2.5                                                                          | 2.5                   | 2.5                                 |
| Long-term for pensions, disability and family allowances funs | 12                                                                           | 5                     | 5                                   |
| Unemployment funs                                             |                                                                              | 2                     | -                                   |
| Total:                                                        | 16.5                                                                         | 11.5                  | 9                                   |

#### **IV. Receipt of Social Security Benefits**

##### **1. Article 64 Social Security Registration**

Social security registration of the target groups shall be implemented as follows:

- 1) All ministries, central, provincial city organizations, labor units shall create lists of Government employees, civil servants, workers of labor units and their family members on a periodic basis in the determined standard forms;
- 2) The lists of Government employees, civil servants, workers of labor units and family members shall be submitted for registration to the National Social Security Fund.

Provincial and city lists shall be submitted for registration to the Provincial and City Social Security Service Centers.

- 3) The provision of information of insured individuals and family members
  - Insured individuals shall submit new or deleted information of family members who are the husband, wife, children, mother and father being officially certified and submitted to the National Social Security Fund periodically in order to be entitled to social security benefits within 3 days.
  - Insured individuals who receive and short-term or long-term benefits who travel abroad for a period of 3 months or more shall submit their own details to the Office of the National Social Security Fund themselves within 3 months through electronic communications methods, such as by telephone, through the website of the Office of the National Social Security Fund in order to certify their status for receipt of the relevant social security benefits.

In the event that a recipient of family allowances is employed, generates income, remarries or passes away social security payments will cease.

- An insured individual who is a foreign worker who receives short-term or long-term benefits who returns to his own country after termination of the employment contract shall notify the Office of the National Social Security Fund within 3 months through electronic communications methods, such as by telephone, through the website of the Office of the National Social Security Fund in order to continue receive the relevant social security benefits by payment into its account through the commercial banking system of the Lao PDR.

##### **2. Article 67 Applications for Receipt of Social Security Benefits**

###### **2.1. Application for Receipt of long-term Social Security Benefits by Government Employees and Civil Servants**

Applications for long term social security benefits, such as retirement pensions, disability benefits and family allowances shall be submitted using the standard application form and supporting documents to the Labor and Social Welfare Division, the Provincial Labor and Social Welfare Division or the Central Social Security Organization, depending on the location of the applicant within 60 business days for consideration of the application for the relevant social security benefit which will be completed within 30 business days of receipt of the correct and complete application and supporting documents.

Applications for disability benefits applications and the central and local levels shall be submitted to the Social Security Division for study and inspection of fulfillment of the conditions and submitted to the Minister of Labor and Social Welfare for approval.



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Applications and Supporting Documents shall be submitted as follows:

1) Application Documents for Retirement Pensions

- An application letter from the Department of Organization-Personnel of the relevant ministry or organization;
- A notification from the Ministry of Home Affairs regarding the approval of retirement pension;
- Decision of the relevant ministry and organization regarding the approval of the retirement pension;
- History of the civil servant;
- History of the employee;
- History prior to a retirement;
- Salary payment cessation document;
- List of newly retired employees.

2) Application Documents for Disability Benefits

- An application from the Department of Organization-Personnel of the relevant ministry or organization;
- A Letter certifying the occurrence of a labor accident, occupational disease, other accident or general illness;
- Certification from the Medical Examination Board regarding the evaluation of the level and category of disability;
- Certification from the Medical Council;
- A letter certifying the salary level of the insured individual;
- A list showing the salary history of the individual;
- A list of employees receiving disability benefits.

3) Applications for Family Allowances

- An application from the Department of Organization-Personnel of the relevant ministry or organization;
- Death certificate of the insured individual;
- A letter certifying that the family members of the deceased insured individual meet the conditions for receipt of family allowances;
- A letter certifying the salary level of the insured individual;
- A list of the salary history of the insured individual.

## **2.2 Applications for Long-term Social Security Benefits by Workers of Labor Units**

Applications for long term social security benefits by workers of labor units shall be made by the worker by submitting the application and supporting documents to the Provincial and City National Social Security Fund Service Center for submission to the Labor and Social Welfare Division or the Office of the National Social Security Fund within 90 business days for submission to Social Security Division to study and consider the determined conditions and submission to the Minister of Labor and Social Welfare for Approval within 30 business days.

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Late applications for social security benefits may be considered on a case by case basis and back-payments will be made from the month of approval.

Insured individual who are workers of labor units who submit late applications for long-term social security benefits exceeding 6 months shall be considered for benefits from the date of application.

Applications and supporting documents by workers of labor units shall be submitted in writing.

## **2.3. Consideration of Social Security Benefits Payment Withdrawals**

Long-term social security benefits acceptance documents of insured individuals approved at the local level shall be delivered to the Provincial and City Social Security Fund Service Office, central level approvals shall be delivered to the Office of the National Social Security Fund in order to receive payment of the relevant benefits.

## **2.4. Applications for Short-Term Social Security Benefits**

Applications for short-term social security benefits, such as maternity, miscarriage benefits, sick leave benefits, lump-sum payments and unemployment benefits shall be submitted by the relevant parties with supporting documents to the Provincial and City Social Security Fund Service Center for local applications and to the Office of the National Social Security Fund for centralized applications within 60 business days and shall be considered within 30 business days from the date of complete and correct application and supporting documents.

Where necessary, applications may be considered later and multiple benefits will not be made.

Application documents for short-term social security benefits are as follows:

- An application from the Department of Organization-Personnel of the relevant ministry or organization or labor unit;
- Certificates and decisions relating to the death, sickness, loss of capacity to work, childbirth of miscarriage, lump-sum payments and unemployment benefits;
- Salary payment history of the insured individual.

## **V. General Provision**

### **1. Implementation**

**1.1.** The Department of Social Security, the National Social Security Fund, the Division of Labor and Social Welfare at provincial and city levels, Social Security Offices of the Ministry of National Security and the Ministry Public Security in cooperation with the relevant authorities shall be directly responsible for disseminating and implementing these Guidelines in an effective manner.

**1.2** Organization-personnel Departments of ministries and organizations at the central level, and the National Treasury of the Ministry of Finance, the Provincial and City Organization Committees, the National Medical Treatment Fund, hospitals, Government employees, civil servants, military personnel, police officers, pensioners, disable individuals, labor units, workers, the self-employed and voluntary members are to cooperate and implement these Guidelines in a strict manner.

### **2. Effectiveness**

## U n o f f i c i a l   T r a n s l a t i o n

These Guidelines are effective from 1 August 2015 and replace Guidelines No 2434/MLSW, Dated 29 July 2014.

Minister

[Signature and seal]

Onechanh THAMMAVONG

Unofficial Translation