

Vanuatu

Exchange rate: US\$1.00 = 89.51 vatu.

Old Age, Disability, and Survivors

Regulatory Framework

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

Type of program: Provident fund system.

Coverage

All employees in regular employment, including members of cooperatives.

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

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

Voluntary coverage for persons without mandatory coverage, including self-employed persons.

Source of Funds

Insured person: At least 4% of monthly earnings (additional voluntary contributions are possible). Voluntarily insured persons pay 1,000 vatu to 10,000 vatu a month.

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

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

Employer: 4% of monthly payroll.

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

Government: None.

Qualifying Conditions

Old-age benefit: Age 55; at any age if emigrating permanently. If the member has withdrawn any amount and makes additional contributions after age 55, no withdrawal is allowed until two years after the date of the last withdrawal, unless the member retires or dies.

Disability benefit: Must have a permanent incapacity for any employment due to a physical or mental disability. Two registered medical practitioners assess the disability.

Survivor benefit and death benefit: Paid when the fund member dies before retirement.

If the fund member was married, eligible survivors for the survivor benefit and the death benefit are the spouse, the deceased's dependent parents, children, and the deceased son's widow. If the fund member was not married, any named survivor is eligible.

Old-Age Benefits

Old-age benefit: A lump sum of total employee and employer contributions plus interest is paid.

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

Permanent Disability Benefits

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

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

Survivor Benefits

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

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

Death benefit: A lump sum of 230,000 vatu is paid.

Administrative Organization

Ministry of Finance provides general supervision.

Provident Fund Board (<http://www.vnpf.com.vu>), managed by a six-member tripartite board with a general manager, administers the program.

Provident Fund Board appoints a commercial fund manager and sets the investment criteria.

Sickness and Maternity

Regulatory Framework

No statutory benefits are provided for sickness and maternity.

The 1983 Employment Act requires employers to:

- Provide 100% of wages for sick leave for up to 21 days a year if the employee has been in continuous employment with the employer for at least six months.

- Provide 66% of wages for mandatory maternity leave for six weeks before and six weeks after childbirth if the employee has been in continuous employment with the employer for at least six months. Employers are required to

allow a mother to interrupt work twice a day for an hour to feed a nursing child until the child reaches age 2.

- Provide medical care for workers and their dependents when they are living on the employer's property.

Unemployment

Regulatory Framework

No statutory benefits are provided for unemployment.

The 1983 Employment Act requires employers to provide one month of severance pay for each year of employment. Employees are eligible after 12 months of work.