

Brunei

Exchange rate: US\$1.00 =
1.35 Brunei dollars (B\$).

Old Age, Disability, and Survivors

Regulatory Framework

First and current laws: 1955 (old-age and disability pensions); 1992 (employees' trust fund); and 2009 (supplemental contributory pensions fund), implemented in 2010.

Type of program: Universal, provident fund, and mandatory individual account system.

Coverage

Universal: Residents of Brunei.

Provident fund: Public- and private-sector employees younger than age 55 who are citizens or permanent residents of Brunei.

Exclusions: Self-employed persons.

Special systems for military and police personnel, and prison wardens.

Mandatory individual account: Public- and private-sector employees younger than age 60 who are citizens or permanent residents of Brunei.

Voluntary coverage for self-employed persons.

Exclusions: Employees covered under the public service pension program.

Source of Funds

Insured person

Universal: None.

Provident fund: 5% of monthly basic salary. Additional voluntary contributions are possible.

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

Mandatory individual account: 3.5% of monthly basic salary. Additional voluntary contributions are possible.

Of the total employee and employer contributions to the mandatory individual account, 6/7 finances old-age benefits and 1/7 finances survivor benefits.

There are no minimum earnings used to calculate contributions.

The maximum monthly earnings used to calculate contributions are B\$2,800.

Self-employed person

Universal: None.

Provident fund: Not applicable.

Mandatory individual account: B\$17.50 a month.

Employer

Universal: None.

Provident fund: 5% of monthly payroll. Additional voluntary contributions are possible.

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

Mandatory individual account: 3.5% of monthly payroll or B\$17.50 a month, whichever is greater.

Of the total employee and employer contributions to the mandatory individual account, 6/7 finances old-age benefits and 1/7 finances survivor benefits.

There are no minimum earnings used to calculate contributions.

The maximum monthly earnings used to calculate contributions are B\$2,800.

Government

Universal: The total cost.

Provident fund: None; contributes as an employer.

Mandatory individual account: Any deficit; supplements the employee contribution for employees with monthly earnings of less than B\$500; B\$17.50 for self-employed persons.

The government pays B\$30 for each month an insured person was a provident fund member before January 1, 2010, regardless of the insured's salary. If the insured was younger than age 25 when he or she joined the provident fund, the contribution is calculated from age 25.

Qualifying Conditions

Old-age pension (pencen umur tua, universal): Age 60 with at least 10 years of residency immediately before the claim is made if born in Brunei; at least 30 years if born outside of Brunei.

Old-age benefit (provident fund): Age 55; at any age if emigrating permanently.

Early withdrawal: Age 50.

Housing withdrawal: Must have been a fund member for at least 10 years and have at least five years of contributions, or have an account balance of at least B\$40,000.

Old-age pension (mandatory individual account):

Age 60 with at least 35 years of continuous contributions.

Early withdrawals from the mandatory individual account are not possible.

Old-age settlement (mandatory individual account): Age 60 with less than 35 years of continuous contributions.

Disability pension (universal): Must be aged 15 or older; be assessed with a mental or physical disability, be blind, or suffer from Hansen's Disease; and be unable to work. Must have at least 10 years of residency in Brunei immediately before the disability began and receive suitable medical treatment and rehabilitation.

Dependent's supplement: Paid for the dependents of persons assessed with a mental disability, who are blind, or who suffer from Hansen's Disease.

Disability benefit (provident fund): Must be unable to work as the result of a physical or mental disability.

A medical board assesses the degree of disability.

Survivor benefit (provident fund): Paid to the next of kin or named survivors when a fund member dies.

Survivor pension (mandatory individual account): The deceased died before reaching the normal retirement age and had continuous contributions until the month of death.

Eligible survivors include a widow and children younger than age 21.

The widow's pension ceases upon remarriage and is redistributed to the remaining eligible survivors.

Survivor settlement (derivative benefit, mandatory individual account): The deceased died before reaching the normal retirement age but did not meet the contribution requirement for the survivor pension. The benefit is paid to named survivors.

Old-Age Benefits

Old-age pension (pencen umur tua, universal): B\$250 a month is paid.

Benefit adjustment: The pension is adjusted on an ad hoc basis.

Old-age benefit (provident fund): A lump sum of total employee and employer contributions plus accrued interest minus previous withdrawals is paid.

Early withdrawal: Up to 25% of accumulated assets may be withdrawn.

Housing withdrawal: Up to 45% of accumulated assets may be withdrawn once before age 55 to purchase or build a house.

Interest rate adjustment: Set by the Employees' Trust Fund Board annually based on the financial health of the fund, interest rates on savings accounts, and inflation rates.

Old-age pension (mandatory individual account): A monthly pension is paid based on the insured's account balance at retirement.

The minimum monthly old-age pension is B\$150.

Old-age settlement (mandatory individual account): A lump sum of the individual account balance is paid.

Permanent Disability Benefits

Disability pension (universal): B\$250 a month is paid.

Dependent's supplement: B\$188 a month is paid for a dependent spouse or a child aged 15 or older; B\$113 a month for a child younger than age 15.

Benefit adjustment: The pension is adjusted on an ad hoc basis.

Disability benefit (provident fund): A lump sum of total employee and employer contributions plus accrued interest minus previous withdrawals is paid.

Interest rate adjustment: Set by the Employees' Trust Fund Board annually based on the financial health of the fund, interest rates on savings accounts, and inflation rates.

Survivor Benefits

Survivor benefit (provident fund): A lump sum of total employee and employer contributions plus accrued interest minus previous withdrawals is paid.

Interest rate adjustment: Set by the Employees' Trust Fund Board annually based on the financial health of the fund, interest rates on savings accounts, and inflation rates.

Survivor pension (mandatory individual account): Up to B\$400 a month is paid for 15 years from the date of death. The pension is split equally among all eligible survivors.

Survivor settlement (derivative benefit, mandatory individual account): A lump sum of total employee and employer contributions plus accrued interest minus previous withdrawals is paid.

Administrative Organization

Employees' Trust Fund Department (<https://www.tap.com.bn/>) of the Ministry of Finance, under the supervision of the Employees' Trust Fund Board, administers contributions, benefits, and the investment of funds for the provident fund and mandatory individual account programs.

Department of Community Development of the Ministry of Culture, Youth, and Sports (<http://www.japem.gov.bn/>) administers the universal program.

Sickness and Maternity

Regulatory Framework

First and current laws: 1984 (labor act), 2009 (labor law), and 2011 (maternity leave).

Type of program: Universal (medical benefits), employment-related (cash maternity benefits), and employer-liability (cash sickness and maternity benefits) system.

Coverage

Universal (medical benefits): Residents of Brunei.

Employment related (cash maternity benefits): Employed citizens and permanent residents of Brunei.
Exclusions: Self-employed persons.

Employer liability (cash sickness and maternity benefits): Employed persons, including foreign workers.
Exclusions: Self-employed persons.

Source of Funds

Insured person

Universal (medical benefits): None.

Employment related (cash maternity benefit): None.

Employer liability (cash sickness and maternity benefits): None.

Self-employed person

Universal (medical benefits): None.

Employment related (cash maternity benefit): Not applicable.

Employer liability (cash sickness and maternity benefits): Not applicable.

Employer

Universal (medical benefits): None.

Employment related (cash maternity benefit): The total cost.

Employer liability (cash sickness and maternity benefits): The total cost (pays benefits directly to employees).

Government

Universal (medical benefits): The total cost.

Employment related (cash maternity benefit): The total cost.

Employer liability (cash sickness and maternity benefits): None.

Qualifying Conditions

Cash sickness benefit (employer liability): Must have worked for at least six months. Must provide a medical certificate from a registered medical practitioner.

Cash maternity benefit (employment related): Must be registered with the Employees' Trust Fund and have worked for at least 180 days in the last year before the maternity leave begins.

Cash maternity benefit (employer liability): Must have worked for at least 180 days in the last year before the maternity leave begins.

Medical benefits (universal): There is no minimum qualifying period.

Sickness and Maternity Benefits

Sickness benefit (employer liability): 100% of the employee's gross monthly wages is paid for up to 14 days a year (up to 60 days a year if hospitalized).

Maternity benefit (employment related): 100% of the employee's gross monthly wages is paid for five weeks after the employer-liability maternity benefit ceases. The employee is entitled to two additional weeks of unpaid leave.

Maternity benefit (employer liability): 100% of the employee's gross monthly wages is paid for eight weeks, beginning up to four weeks or 28 days before the expected date of childbirth. The employee is entitled to one additional week of unpaid leave.

Workers' Medical Benefits

The government provides free health care, including out-patient and inpatient care provided by registered physicians and in approved hospitals.

Dependents' Medical Benefits

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

Administrative Organization

Department of Labour (<http://www.labour.gov.bn/>) in the Ministry of Home Affairs (<http://www.moha.gov.bn/>) enforces the law.

Employers pay benefits directly to employees.

Ministry of Health (<http://www.moh.gov.bn/Pages/Home.aspx>) registers physicians and approves hospitals to provide health care services to residents.

Work Injury

Regulatory Framework

First and current law: 1957 (workmen's compensation).

Type of program: Employer-liability system.

Coverage

Employees who are citizens or permanent residents of Brunei with monthly earnings of less than B\$750.

Exclusions: Self-employed persons, security personnel, and home-based workers.

Source of Funds

Insured person: None.

Self-employed person: Not applicable.

Employer: The total cost (pays insurance premiums or provides benefits directly to employees).

Government: None; contributes as an employer.

Qualifying Conditions

Must be assessed with a work injury or occupational disease. Accidents that occur while commuting to and from work are covered. Occupational diseases are covered for certain occupations, according to a schedule in law. For an occupational disease, the employee must have developed a recognized disease during the 12 months after ceasing employment.

Temporary Disability Benefits

66.7% of the employee's average monthly earnings in the six months before the disability began is paid after a four-day waiting period for up to five years. If the disability lasts more than 14 days, the benefit is paid retroactively for the first four days.

The maximum monthly temporary disability benefit is B\$130.

Permanent Disability Benefits

For a total (100%) disability, a lump sum of 60 times the employee's average monthly earnings in the six months before the disability began or B\$36,000, whichever is less, is paid.

The minimum permanent disability benefit is B\$9,600.

Constant-attendance supplement: A lump sum of 25% of the permanent disability benefit is paid if the employee is assessed with a total disability and requires the constant attendance of others to perform daily functions.

Partial disability: For an assessed degree of disability of less than 100%, a lump sum of the full permanent disability benefit multiplied by the assessed degree of disability is paid, according to a schedule.

If temporary disability benefits are paid for more than six months before the determination of a total or partial permanent disability, the amount of temporary disability benefits paid after the six-month period is deducted from the permanent disability benefit.

Workers' Medical Benefits

The employer pays for the examination and treatment of the insured by a registered physician and in approved hospitals.

Survivor Benefits

A lump sum of 48 times the employee's average monthly earnings in the last six months before death or B\$28,000, whichever is less, is paid.

The minimum survivor benefit is B\$9,600 if the survivor was totally dependent on the deceased.

Eligible survivors include the deceased's dependent family members, including the spouse, children, parents, brothers, and sisters.

If there are no eligible survivors, the employer must pay for the employee's funeral.

Administrative Organization

Workmen's Compensation, Health and Safety Section, of the Department of Labour (<http://www.labour.gov.bn/>) enforces the law. The Department of Labour is part of the Ministry of Home Affairs.

Individual employers insure work injury liability through private carriers or pay compensation directly to employees or dependent survivors.

An arbitrator settles disputes regarding the determination and provision of benefits.