

## Laos

Exchange rate: US\$1.00 = 8,400 kip.

### Old Age, Disability, and Survivors

#### Regulatory Framework

**First laws:** 1999 (employees in enterprises), implemented in 2001; and 2008 (public-sector employees).

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

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

Note: A funeral grant is paid under Sickness and Maternity.

#### Coverage

Employees of private-sector and state-owned enterprises, civil servants, and police and military personnel.

Voluntary coverage for self-employed persons.

#### Source of Funds

**Insured person:** 2.5% of gross monthly covered earnings; 8% for civil servants, and police and military personnel.

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

The legal monthly minimum wage is 1,100,000 kip.

The maximum monthly earnings used to calculate contributions are 4,500,000 kip.

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

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

The legal monthly minimum wage is 1,100,000 kip.

The maximum monthly earnings used to calculate contributions are 4,500,000 kip.

**Employer:** 2.5% of gross monthly covered payroll.

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

The legal monthly minimum wage is 1,100,000 kip.

The maximum monthly earnings used to calculate contributions are 4,500,000 kip.

**Government:** 8.5% of monthly payroll as an employer for civil servants, and military and police personnel.

#### Qualifying Conditions

**Old-age pension:** Age 60 (men) or age 55 (women) with at least 15 years of contributions (25 years for civil servants, and police and military personnel). Age 55 (men) or age 50

(women) for persons working in hazardous or arduous occupations.

**Old-age grant:** Age 60 (men) or age 55 (women) with less than 15 years of contributions (25 years for civil servants, and police and military personnel).

**Disability pension:** Must have an assessed loss of work capacity of at least 41% and at least 12 months of contributions in the last 24 months.

Earnings test: The pension is reduced if the insured continues to work.

Constant-attendance allowance: Must have an assessed loss of work capacity of at least 81% and be receiving care.

The National Social Security Fund's Medical Committee assesses the loss of work capacity.

**Disability grant:** Must have an assessed loss of work capacity of less than 41% and at least 12 months of contributions in the last 24 months.

The National Social Security Fund's Medical Committee assesses the loss of work capacity.

**Survivor pension:** The deceased had at least five years of contributions.

Eligible survivors include a widow (aged 55 or older) or a nonworking widower (aged 60 or older), orphans up to age 18 (no limit if disabled), or a dependent father (aged 60 or older) or mother (aged 55 or older) without any income.

The widow(er)'s pension ceases upon remarriage or employment.

**Survivor grant:** Paid if the deceased had at least three months of contributions.

#### Old-Age Benefits

**Old-age pension:** For private-sector employees and self-employed persons, the pension is the insured's total pension points multiplied by the estimated average monthly covered earnings of all insured persons in the calendar year before retirement multiplied by 2%.

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

For civil servants, and police and military personnel, a percentage of the last covered earnings is paid depending on the period during which the employee began working for the National Revolutionary Movement: from 80% to 100% for persons who began working before 1954, from 75% to 90% for persons who began working from 1955 to 1974, and from 70% to 80% for persons who began working after 1975.

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

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

### **Permanent Disability Benefits**

**Disability pension:** 90% of the insured's average monthly covered earnings in the last six months multiplied by the assessed loss of work capacity is paid.

Earnings test: 25% of the full disability pension is paid if the insured is employed.

Constant-attendance allowance: 70% of the disability pension is paid.

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

**Disability grant:** 10 times the insured's average monthly covered earnings in the last six months multiplied by the assessed loss of work capacity is paid.

### **Survivor Benefits**

#### **Survivor pension**

*Spouse's pension:* 30% of the deceased's last monthly covered earnings, or the old-age or disability pension the deceased received or was entitled to receive, is paid to an eligible widow(er).

*Orphan's pension:* 20% of the deceased's last monthly covered earnings, or the old-age or disability pension the deceased received or was entitled to receive, is paid to each eligible orphan.

The maximum combined orphan's pension is 60% of the deceased's last monthly covered earnings, or the old-age or disability pension the deceased received or was entitled to receive.

*Dependent parent's pension:* 30% of the deceased's last monthly covered earnings, or the old-age or disability pension the deceased received or was entitled to receive, is paid to each eligible parent.

The maximum combined dependent parent's pension is 50% of the deceased's last monthly covered earnings, or the old-age or disability pension the deceased received or was entitled to receive.

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

**Survivor grant:** A lump sum is paid that varies depending on the length of the contribution period: from five times the deceased's average monthly covered earnings with

three to 12 months of contributions, up to 30 times the deceased's average monthly earnings with at least 44 years of contributions.

### **Administrative Organization**

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

National Social Security Fund (<http://www.nssf.gov.la/>) administers the program and collects contributions.

### **Sickness and Maternity**

#### **Regulatory Framework**

**First laws:** 1999 (employees in enterprises), implemented in 2001; and 2008 (public-sector employees).

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

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

#### **Coverage**

Employees of private-sector and state-owned enterprises, civil servants, and police and military personnel.

Voluntary coverage for self-employed persons.

#### **Source of Funds**

**Insured person:** 1.25% of gross monthly covered earnings (cash benefits) plus 0.75% of gross monthly covered earnings (medical benefits).

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

The legal monthly minimum wage is 1,100,000 kip.

The maximum monthly earnings used to calculate contributions are 4,500,000 kip.

**Self-employed person:** 2.5% of gross monthly covered earnings (cash benefits) plus 1.5% of gross monthly covered earnings (medical benefits).

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

The legal monthly minimum wage is 1,100,000 kip.

The maximum monthly earnings used to calculate contributions are 4,500,000 kip.

**Employer:** 1.25% of gross monthly covered earnings (cash benefits) plus 0.75% of gross monthly covered earnings (medical benefits).

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

The legal monthly minimum wage is 1,100,000 kip.

The maximum monthly earnings used to calculate contributions are 4,500,000 kip.

**Government:** 2.5% of gross monthly covered earnings plus 1.5% of gross monthly earnings (medical benefits).

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

The legal monthly minimum wage is 1,100,000 kip.

The maximum monthly earnings used to calculate contributions are 4,500,000 kip.

### **Qualifying Conditions**

**Cash sickness benefit:** Must have at least three months of contributions in the last six months, provide a hospital-issued medical certificate, and be registered with that hospital.

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

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

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

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

### **Sickness and Maternity Benefits**

**Sickness benefit:** 70% of the insured's average monthly covered earnings in the last six months is paid for up to six months; 60% if extended for six months.

**Maternity benefit:** 80% of the insured's average monthly covered earnings in the six months before employment ceased is paid for 105 days (120 days for twins).

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

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

### **Workers' Medical Benefits**

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

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

### **Dependents' Medical Benefits**

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

### **Administrative Organization**

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

National Social Security Fund (<http://www.nssf.gov.la/>) administers the program and collects contributions.

### **Work Injury**

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#### **Regulatory Framework**

**First laws:** 1999 (employees in enterprises), implemented in 2001; and 2008 (public-sector employees).

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

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

#### **Coverage**

Employees of private-sector and state-owned enterprises, civil servants, and police and military personnel.

Exclusions: Self-employed persons.

#### **Source of Funds**

**Insured person:** None.

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

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

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

The legal monthly minimum wage is 1,100,000 kip.

The maximum monthly earnings used to calculate contributions are 4,500,000 kip.

**Government:** 0.5% of gross monthly covered earnings as an employer for civil servants, and military and police personnel.

#### **Qualifying Conditions**

Must be assessed with a work injury or occupational disease and have at least one month of contributions. Accidents that occur while traveling to and from work are covered.

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

#### **Temporary Disability Benefits**

See the sickness benefit under Sickness and Maternity.

## Permanent Disability Benefits

**Permanent disability pension:** For an assessed loss of work capacity of at least 41%, the pension is the insured's average monthly covered earnings in the last six months before the disability began multiplied by the percentage of assessed loss of work capacity.

Earnings test: 50% of the permanent disability pension is paid if the insured is employed.

Caregiver's benefit: 70% of the full permanent disability pension is paid for a person with an assessed loss of work capacity of at least 81%.

The National Social Security Fund's Medical Committee assesses the loss of work capacity.

**Disability grant:** For an assessed loss of work capacity of less than 41%, a lump sum of 12 times the insured's average monthly covered earnings in the last six months before the disability began multiplied by the insured's assessed loss of work capacity is paid.

The National Social Security Fund's Medical Committee assesses the loss of work capacity.

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

## Workers' Medical Benefits

See medical benefits under Sickness and Maternity.

## Survivor Benefits

See survivor benefits under Old Age, Disability and Survivors and the funeral grant under Sickness and Maternity.

## Administrative Organization

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

National Social Security Fund (<http://www.nssf.gov.la/>) administers the program.

## Unemployment

### Regulatory Framework

**First laws:** 1999 (employees in enterprises), implemented in 2001; and 2008 (public-sector employees).

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

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

## Coverage

Employees of private-sector and state-owned enterprises, civil servants, and police and military personnel.

Exclusions: Self-employed persons.

## Source of Funds

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

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

The legal monthly minimum wage is 1,100,000 kip.

The maximum monthly earnings used to calculate contributions are 4,500,000 kip.

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

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

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

The legal monthly minimum wage is 1,100,000 kip.

The maximum monthly earnings used to calculate contributions are 4,500,000 kip.

**Government:** None; contributes as an employer.

## Qualifying Conditions

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

## Unemployment Benefits

60% of the insured's average monthly covered earnings in the last six months before unemployment is paid for up to three months with less than three years of contributions, six months with three to five years of contributions, nine months with six to 11 years of contributions, or 12 months with at least 12 years of contributions.

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

## Administrative Organization

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

National Social Security Fund (<http://www.nssf.gov.la/>) administers the program and collects contributions.