

## Marshall Islands

Exchange rate: Currency is the US dollar (US\$).

### *Old Age, Disability, and Survivors*

#### **Regulatory Framework**

**First law:** 1967.

**Current law:** 1990 (social security), with amendment.

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

#### **Coverage**

Gainfully employed persons, including self-employed persons.

Exclusions: Certain casual workers.

#### **Source of Funds**

**Insured person:** 7% of earnings.

The maximum earnings for contribution calculation purposes are US\$5,000 a quarter.

**Self-employed person:** 14% of 75% of gross income.

The maximum earnings for contribution calculation purposes are US\$5,000 a quarter.

**Employer:** 7% of payroll; small business employers contribute 14% of twice the salary of the highest-paid employee.

The maximum earnings for contribution calculation purposes are US\$5,000 a quarter.

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

#### **Qualifying Conditions**

**Old-age pension:** Age 60 with one quarter of coverage for each year after June 30, 1968 (or since age 21, if later).

A minimum pension is paid with at least 12 quarters of coverage.

Early pension: Age 55 with at least 80 quarters of coverage.

Deferred pension: A deferred pension is possible.

**Disability pension:** Incapacity for usual work. Must have one quarter of coverage for each year after June 30, 1968 (or since age 21, if later), with at least 12 quarters of coverage including at least 6 quarters of coverage in the last 40 quarters before the disability began.

**Survivor pension:** The deceased had one quarter of coverage for each year after June 30, 1968 (or since age 21, if later), or at least 6 quarters of coverage in the 40 quarters before death.

Eligible survivors are a widow(er) of any age and orphans younger than age 18 (age 22 if a full-time student, no limit if disabled before age 22).

**Income test:** The pension is reduced by US\$1 for each US\$3 of earnings above US\$1,500 a quarter for pensioners who are younger than age 62.

Benefits are normally payable abroad to noncitizens for 6 months only; may be paid for longer under a reciprocal agreement.

**Lump-sum survivor benefit:** Paid when all eligible survivors no longer qualify for survivor benefits as a result of death, remarriage, or age.

#### **Old-Age Benefits**

**Old-age pension:** The pension is equal to 2% of indexed covered earnings, plus 14.5% of the first US\$11,000 of cumulative covered earnings, plus 0.7% of cumulative covered earnings in excess of US\$11,000 up to US\$44,000.

The minimum old-age pension is US\$128.99 a month.

**Early pension:** The pension is reduced by 0.5% for each month the pension is taken before age 60.

**Deferred pension:** The pension is increased by 0.5% for each month the pension is deferred after age 60.

#### **Permanent Disability Benefits**

**Disability pension:** The pension is equal to 2% of indexed covered earnings, plus 14.5% of the first US\$11,000 of cumulative covered earnings, plus 0.7% of cumulative covered earnings greater than US\$11,000 up to US\$44,000.

The minimum disability pension is US\$128.99 a month.

#### **Survivor Benefits**

**Survivor pension:** The widow(er) receives 100% of the deceased's pension.

**Orphan's pension:** Each eligible orphan receives 25% of the deceased's pension.

The minimum survivor pension is US\$128.99 a month.

The maximum survivor pension is 100% of the deceased's pension.

**Lump-sum survivor benefit:** A lump sum is paid equal to 4% of cumulative covered earnings, minus the sum of all survivor benefits already paid.

#### **Administrative Organization**

Marshall Islands Social Security Administration (<http://www.rmimissa.org>) administers the program.

## ***Sickness and Maternity***

### ***Regulatory Framework***

**First law:** 1991 (health fund).

**Current law:** 2002 (health fund administration).

**Type of program:** Social insurance program. Medical benefits only.

### ***Coverage***

Gainfully employed persons, including self-employed persons.

Exclusions: Certain casual workers.

### ***Source of Funds***

**Insured person:** 3.5% of earnings.

The maximum earnings for contribution calculation purposes are US\$5,000 a quarter.

**Self-employed person:** 10% of 3/4 of gross income.

The maximum earnings for contribution calculation purposes are US\$5,000 a quarter.

**Employer:** 3.5% of payroll; small business employers contribute 10% of twice the salary of the highest-paid employee.

The maximum earnings for contribution calculation purposes are US\$5,000 a quarter.

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

## ***Qualifying Conditions***

**Cash sickness and maternity benefits:** No cash benefits are provided.

**Medical benefits:** An insured employee or insured citizen.

### ***Sickness and Maternity Benefits***

**Sickness benefits:** No cash benefits are provided.

**Maternity benefits:** No cash benefits are provided.

### ***Workers' Medical Benefits***

General medical services are delivered through a public hospital and a private clinic in Majuro and through a public hospital in Ebeye.

### ***Dependents' Medical Benefits***

No information is available.

### ***Administrative Organization***

Ministry of Health Services administers the Social Security Health Fund.

Marshall Islands Social Security Administration (<http://www.rmimissa.org>) is responsible for the collection of contributions for the Social Security Health Fund.