

## Armenia

Exchange rate: US\$1.00 = 365 drams.

### Old Age, Disability, and Survivors

#### Regulatory Framework

**First laws:** 1956 and 1964.

**Current law:** 2002 (state pensions), implemented in 2003.

**Type of program:** Social insurance and social assistance system.

#### Coverage

Employed and self-employed persons.

Special systems for military personnel, police, judges, public prosecutors, and their family members.

#### Source of Funds

**Insured person:** 3% of net monthly earnings.

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

The insured's contributions also finance sickness and maternity, work injury, and unemployment benefits.

**Self-employed person:** 15% of annual income from 60,000 drams to 1,200,000 drams. If annual income is greater than 1,200,000 drams, the annual contribution is 180,000 drams plus 5% of income greater than 1,200,000 drams. (Farmers are exempt from contributions.)

The self-employed person's contributions also finance sickness and maternity and unemployment benefits.

**Employer:** If the employee's monthly income is less than 20,000 drams, a monthly contribution of 7,000 drams is paid; if the employee's monthly income is 20,000 drams to 100,000 drams, a monthly contribution of 7,000 drams plus 15% of income greater than 20,000 drams is paid; if the employee's monthly income exceeds 100,000 drams, a monthly contribution of 19,000 drams plus 5% of income greater than 100,000 drams is paid. (If collective farmers are employers, they contribute for employees.)

The employer's contributions also finance sickness and maternity, work injury, and unemployment benefits.

**Government:** The total cost of the social pension and subsidies as needed.

The government's contributions also finance sickness and maternity, work injury, and unemployment benefits.

#### Qualifying Conditions

**Old-age pension:** Age 63 (men) or age 62.5 (women) with at least 25 years of covered employment. The retirement age for women is rising gradually to age 63 by 2011.

Age 59 with at least 25 years of covered employment of which at least 20 years were in arduous or hazardous work; age 55 with at least 25 years of covered employment of which at least 15 years were in extremely arduous or hazardous work.

Covered employment includes years as a university student, years of service in the armed forces, and periods receiving unemployment benefits.

Benefits are payable abroad under reciprocal agreement.

**Social pension (old-age):** Age 65 (men and women) with less than 5 years of covered employment.

Benefits are payable abroad under reciprocal agreement.

**Disability pension:** Paid for a total or partial disability with at least 5 years of covered employment. The pension is paid according to three degrees of disability: total incapacity for work and requiring constant attendance (Group I); total incapacity for work but not requiring constant attendance (Group II); or partial incapacity for work (Group III).

Covered employment includes years as a university student, years of service in the armed forces, and periods receiving unemployment benefits.

A specialized medical committee assesses the degree of disability.

Benefits are payable abroad under reciprocal agreement.

**Social pension (disability):** Must be assessed with a disability and have less than 5 years of covered employment.

Benefits are payable abroad under reciprocal agreement.

**Survivor pension:** The pension is paid to a surviving spouse; a person who is not employed at the time of deceased's death, not receiving any pension, and who cares for the deceased's children, brothers, sisters, or grandchildren younger than age 8; or full orphans younger than age 18 who are not receiving any other pension.

Covered employment includes years as a university student, years of service in the armed forces, and periods receiving unemployment benefits.

Benefits are payable abroad under reciprocal agreement.

#### Old-Age Benefits

**Old-age pension:** The monthly pension is 100% of the basic pension plus a bonus pension (450 drams for each full calendar year of covered employment multiplied by a personal coefficient).

There is no legal minimum pension, but the basic pension is 8,000 drams.

There is no maximum pension.

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Benefit adjustment: Benefits are adjusted on an ad hoc basis according to available resources.

**Social pension:** 8,000 drams a month is paid.

Benefit adjustment: Benefits are adjusted on an ad hoc basis according to available resources.

### **Permanent Disability Benefits**

**Disability pension:** If assessed with a total incapacity for work and requiring constant attendance (Group I), the monthly pension is 140% of the basic pension plus a bonus pension (450 drams for each full calendar year of covered employment multiplied by a personal coefficient). If assessed with a total incapacity for work but not requiring constant attendance (Group II), the monthly pension is 120% of the basic pension plus a bonus pension (450 drams for each full calendar year of covered employment multiplied by a personal coefficient).

Partial disability: If assessed with a partial incapacity for work (Group III), the monthly pension is 100% of the basic pension plus a bonus pension (450 drams for each full calendar year of covered employment multiplied by a personal coefficient).

The basic pension is 8,000 drams a month.

There is no maximum pension.

Benefit adjustment: Benefits are adjusted on an ad hoc basis according to available resources.

**Social pension:** If assessed with a total incapacity for work and requiring constant attendance (Group I), the monthly pension is 140% of the basic pension; if assessed with a total incapacity for work but not requiring constant attendance (Group II), the monthly pension is 120% of the basic pension.

The basic pension is 8,000 drams a month.

Partial disability: If assessed with a partial incapacity for work (Group III), the monthly pension is 100% of the basic pension.

Benefit adjustment: Benefits are adjusted on an ad hoc basis according to available resources.

### **Survivor Benefits**

**Survivor pension:** 100% of the basic pension is paid plus 50% of the bonus pension (450 drams for each year the deceased was in covered employment multiplied by a personal coefficient) for one eligible survivor; 90% for two eligible survivors; 120% for three; or 150% for four or more.

The basic pension is 8,000 drams a month.

The survivor pension paid to a spouse ceases on remarriage.

**Full orphan's pension:** The pension is 500% of the basic pension plus 50% of the bonus pension (450 drams for each full calendar year of covered employment of both deceased

parents) for one eligible full orphan; 500% of the basic pension plus 90% of the bonus pension for two full orphans; 500% of the basic pension plus 120% of the bonus pension for three full orphans; or 500% of the basic pension plus 150% of the bonus pension for four or more full orphans.

The basic pension is 8,000 drams a month.

There is no maximum survivor pension.

Benefit adjustment: Benefits are adjusted on an ad hoc basis according to available resources.

### **Administrative Organization**

Ministry of Labor and Social Affairs (<http://www.mss.am>) is responsible for policy.

State Social Security Service (<http://www.social.am>) administers the program.

### **Sickness and Maternity**

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#### **Regulatory Framework**

**First law:** 1912.

**Current laws:** 2005 (temporary disability insurance) and 2005 (social benefits).

**Type of program:** Social insurance (cash benefits) and universal (medical benefits) system.

#### **Coverage**

**Cash sickness and maternity benefits:** All employed and self-employed persons.

**Medical benefits:** All persons residing in Armenia.

#### **Source of Funds**

##### **Insured person**

*Cash benefits:* See source of funds under Old Age, Disability, and Survivors.

*Medical benefits:* None.

##### **Self-employed person**

*Cash benefits:* See source of funds under Old Age, Disability, and Survivors.

*Medical benefits:* None.

##### **Employer**

*Cash benefits:* See source of funds under Old Age, Disability, and Survivors.

*Medical benefits:* None. (The total cost of optional employer-operated health care facilities.)

##### **Government**

*Cash benefits:* See source of funds under Old Age, Disability, and Survivors.

*Medical benefits:* The total cost of medical benefits is paid by central and local governments.

### **Qualifying Conditions**

**Cash sickness benefits:** There is no minimum qualifying period.

**Cash maternity benefits:** Must be in insured employment.

**Childbirth or adoption lump sum:** There is no minimum qualifying period.

**Medical benefits:** Must reside in Armenia.

### **Sickness and Maternity Benefits**

**Sickness benefit:** If the insured has been in covered employment for at least 8 years, the benefit is 100% of average earnings in the last 3 months before the incapacity began; if in covered employment for less than 8 years, 80% of earnings is paid.

The benefit is also paid to an insured parent to provide care for a sick child.

**Maternity benefit:** The benefit is 100% of average earnings (regardless of the number of years of covered employment) divided by 30.4 (average number of days in a month) and multiplied by the number of days of maternity leave. The benefit is paid for 140 days (70 days before and 70 days after the expected date of childbirth); 155 days if there are complications resulting from childbirth; 180 days for multiple births.

**Child-care leave benefit:** 18,000 drams a month is paid until the child is age 2.

**Childbirth or adoption lump sum:** A lump sum of 50,000 drams is paid for the first child, 50,000 drams for the second child, and 430,000 drams for each subsequent child. The sum is paid during the 6 months after childbirth or adoption.

**Benefit adjustment:** Benefits are adjusted on an ad hoc basis according to available resources.

### **Workers' Medical Benefits**

Government health providers provide medical services directly to patients, including preventive, general, and specialist care; hospitalization; laboratory services; dental care; maternity care; and transportation.

**Cost sharing:** Patients pay part of the cost of appliances. Medicine is free if provided while the patient is hospitalized or for pensioners receiving only the basic pension. The government fully or partially covers certain medical treatments.

### **Dependents' Medical Benefits**

Government health providers provide medical services directly to patients, including preventive, general, and

specialist care; hospitalization; laboratory services; dental care; maternity care; and transportation.

**Cost sharing:** Patients pay part of the cost of appliances. Medicine is free if provided while the patient is hospitalized or for children with a disability younger than age 16, for all infants until age 1, and for pensioners receiving only the basic pension. The government fully or partially covers certain medical treatments.

### **Administrative Organization**

**Cash benefits:** State Social Security Service (<http://www.social.am>) administers the program.

**Medical benefits:** Ministry of Health (<http://www.moh.am>) develops and implements health policy.

State Health Agency (<http://www.pag.am>) purchases publicly financed services from health care provider organizations and monitors the effective use of state financial resources.

### **Work Injury**

#### **Regulatory Framework**

**First laws:** 1955 and 1974.

**Current laws:** 2002 (state pensions), implemented in 2003, and 1998 (civil code).

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

#### **Coverage**

All employed persons.

Exclusions: Self-employed persons.

#### **Source of Funds**

##### **Insured person**

*Cash benefits:* See source of funds under Old Age, Disability, and Survivors.

*Medical benefits:* None.

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

##### **Employer**

*Cash benefits:* See source of funds under Old Age, Disability, and Survivors.

*Medical benefits:* None. (The total cost of optional employer-operated health care facilities.)

##### **Government**

*Cash benefits:* See source of funds under Old Age, Disability, and Survivors.

*Medical benefits:* The total cost is paid by central and local governments.

### **Qualifying Conditions**

**Work injury benefits:** There is no minimum qualifying period.

### **Temporary Disability Benefits**

The daily benefit is 100% of the insured's average monthly earnings in the last 3 months and is paid from the first day of incapacity until recovery or the award of a permanent disability pension.

A specialized medical committee assesses the degree of disability.

Benefit adjustment: Benefits are adjusted on an ad hoc basis according to available resources.

### **Permanent Disability Benefits**

**Permanent disability pension:** A Group I (total incapacity for work and requires constant attendance) monthly pension is 140% of the basic pension plus a bonus pension (450 drams for each full calendar year of covered employment). A Group II (total incapacity for work but does not require constant attendance) monthly pension is 120% of the basic pension plus a bonus pension (450 drams for each full calendar year of covered employment multiplied by a coefficient).

Partial disability: A Group III (partial incapacity for work) monthly pension is 100% of the basic pension plus a bonus pension (450 drams for each year of covered employment).

A specialized medical committee assesses the degree of disability.

The basic pension is 8,000 drams a month.

There is no maximum pension.

Benefit adjustment: Benefits are adjusted on an ad hoc basis according to available resources.

### **Survivor Benefits**

**Survivor pension (orphan's pension):** 100% of the basic pension is paid plus 50% of the bonus pension (450 drams for each year the deceased was in covered employment multiplied by a coefficient) for one eligible survivor; 100% of the basic pension plus 90% of the bonus pension for two eligible survivors; 100% of the basic pension plus 120% of the bonus pension for three eligible survivors; or 100% of the basic pension plus 150% of the bonus pension for four or more eligible survivors.

The basic pension is 8,000 drams a month.

**Full orphan's pension:** 500% of the basic pension is paid plus 50% of the bonus pension (450 drams for each full calendar year of covered employment of both deceased parents) for one eligible full orphan; 500% of the basic pension plus 90% of the bonus pension for two full orphans; 500% of the basic pension plus 120% of the bonus pension for

three full orphans; or 500% of the basic pension plus 150% of the bonus pension for four or more full orphans.

The basic pension is 8,000 drams a month.

Benefit adjustment: Benefits are adjusted on an ad hoc basis according to available resources.

### **Administrative Organization**

**Temporary disability benefits:** State Social Security Service (<http://www.social.am>) administers the programs.

Enterprises and employers pay benefits to their employees.

**Permanent disability and survivor pensions:** Ministry of Labor and Social Affairs (<http://www.mss.am>) is responsible for policy.

**Medical benefits:** State Health Agency (<http://www.pag.am>) purchases publicly financed services from health care provider organizations and monitors the effective use of state financial resources.

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### **Unemployment**

#### **Regulatory Framework**

**First law:** 1921.

**Current law:** 1991 (employment), implemented in 1992.

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

#### **Coverage**

All employed and self-employed persons.

#### **Source of Funds**

**Insured person:** See source of funds under Old Age, Disability, and Survivors.

**Self-employed person:** See source of funds under Old Age, Disability, and Survivors.

**Employer:** See source of funds under Old Age, Disability, and Survivors.

**Government:** See source of funds under Old Age, Disability, and Survivors.

#### **Qualifying Conditions**

**Unemployment benefits:** Must be unemployed as a result of enterprise reorganization, staff reduction, or the cancellation of a collective agreement.

The insured must have at least 12 months of covered employment before unemployment began; have at least 12 months of covered employment between two periods of unemployment; be seeking to rejoin the labor force after a lengthy period of unemployment; or be seeking a first job. The insured must be registered at an employment office and be able and willing to work.

### **Unemployment Benefits**

The basic benefit is 60% of the national minimum wage.

The national monthly minimum wage is 30,000 drams

The benefit is paid for up to 12 months.

Benefit adjustment: Benefits are adjusted on an ad hoc basis according to available resources.

### **Administrative Organization**

State Social Security Service (<http://www.social.am>) provides financing of unemployment programs.

State Employment Service (<http://www.employment.am>) implements the program through regional centers.

### **Family Allowances**

#### **Regulatory Framework**

**First law:** 1944.

**Current law:** 2005 (social benefits).

**Type of program:** Universal and social assistance system.

#### **Coverage**

Families with children.

### **Source of Funds**

**Insured person:** None.

**Self-employed person:** None.

**Employer:** None.

**Government:** The total cost.

### **Qualifying Conditions**

**Family allowances:** The beneficiary must be employed at the time of the child's birth. Benefits are paid for children up to age 18.

### **Family Allowance Benefits**

**Cash benefits:** Each child younger than age 18 receives 13,500 drams (basic sum) plus 5,500 drams to 6,500 drams (supplementary sum) a month.

Benefit adjustment: Benefits are adjusted on an ad hoc basis according to available resources.

### **Administrative Organization**

Ministry of Labor and Social Affairs (<http://www.mss.am>) is responsible for the program.