

## Vanuatu

Exchange rate: US\$1.00 = 95.01 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 and persons working abroad for firms registered in Vanuatu.

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:** 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 (non-citizens only; citizens must relinquish citizenship to withdraw). If the member has withdrawn any amount and makes additional contributions after age 55, no withdrawal is allowed until two years after the date of the last withdrawal, unless the member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. The

disability must be assessed by two registered medical practitioners and approved by the Medical Board committee.

**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, children, the deceased's dependent parents, 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 accrued 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 accrued 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 accrued 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 up to 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

**First and current law:** 1983 (labor law).

**Type of program:** Employer-liability system.

#### Coverage

Employed persons.

### **Source of Funds**

**Insured person:** None.

**Self-employed person:** None.

**Employer:** The total cost.

**Government:** None.

### **Qualifying Conditions**

**Cash sickness and maternity benefits:** Must have at least six months of continuous employment with the same employer.

**Medical benefits:** Must reside on the employer's property.

### **Sickness and Maternity Benefits**

**Sickness benefit:** 100% of the employee's normal wages is paid for up to 21 days a year.

**Maternity benefit:** 66% of the employee's normal wages is paid for six weeks before and six weeks after childbirth. 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.

### **Workers' Medical Benefits**

**Medical benefits:** Necessary first aid treatment and transportation to the nearest hospital or clinic is provided.

### **Dependents' Medical Benefits**

Medical benefits for dependents are the same as those for employees. Dependents must reside with the employee on the employer's property.

### **Administrative Organization**

Department of Labour, under the Ministry of Internal Affairs, administers the program.

### **Unemployment**

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#### **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.