

## Moldova

Exchange rate: US\$1.00 equals 11.16 lei.

### Old Age, Disability, and Survivors

#### Regulatory Framework

**First laws:** 1956 (state pensions) and 1964 (pensions and allowances for collective farmers).

**Current laws:** 1995 (public employment); 1998 (social insurance pensions), with 2004 amendment; 1999 (social insurance system), with amendments; 2000 (social insurance); and 2001 (pension calculations).

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

Republics, local authorities, and employers may provide supplementary benefits out of their own budgets.

#### Coverage

Employed citizens, agricultural workers, and certain self-employed persons.

Special systems for armed forces personnel and for employees of the Ministry of Internal Affairs.

#### Source of Funds

**Insured person:** 4% of covered earnings.

There are no minimum earnings for contribution purposes.

The maximum earnings for contribution purposes are equal to three average monthly wages in the industrial sector (2,015 lei in 2007).

The insured's contributions also finance cash sickness and maternity benefits.

**Self-employed person:** An annual flat-rate contribution of 2,138 lei, regardless of income. Agricultural landowners contribute a flat rate 576 lei.

The self-employed person's contributions also finance cash sickness and maternity benefits, work injury benefits, unemployment benefits, and family allowances.

**Employer:** 25% of payroll (industrial sector); 20% of payroll (agricultural sector).

The contribution rate for employers who are without arrears in the payment of social insurance contributions may be reduced by 2%, subject to conditions.

There are no minimum or maximum earnings for contribution purposes.

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

**Government:** Ad hoc flat-rate payments to offset price increases as a result of government reductions in food and fuel subsidies. The total cost of social pensions and pensions for judges, prosecutors, and other specified professional categories.

#### Qualifying Conditions

**Old-age pension:** Age 62 with at least 30 years of coverage (men) or age 57 with at least 30 years of coverage (women).

Age 54 with at least 30 years of coverage, including at least 10 years in hazardous or arduous conditions (men) or age 49 with at least 30 years of coverage, including at least 7 years and 6 months in hazardous or arduous conditions (women).

Age 54 with at least 30 years of coverage for women who have given birth to and reared five or more children.

Civil servants who satisfy the coverage qualifying period (at least 30 years of coverage, but including at least 15 years as a civil servant) may receive the pension 5 years before the normal pensionable age.

Partial pension: At the normal pensionable age the insured must have at least 15 years of coverage.

Early pension: There is no early pension.

Deferred pension: Paid with more than 35 years of coverage. There is no age limit for deferral.

The old-age pension is not payable abroad.

**Social pension (old-age):** Paid to citizens of pensionable age who do not satisfy the qualifying conditions for the old-age pension.

Social pensions are not payable abroad.

**Disability pension:** To receive a full pension the insured must be assessed with a Group I disability (an incapacity for any work and requiring constant attendance), Group II disability (an incapacity for any work but not requiring constant attendance), or Group III (incapacity for usual work).

The required coverage period varies according to the insured's age when the disability began: at least 1 year if younger than age 23, 2 years if aged 23 to 26, 3 years if aged 26 to 31, or 5 years if older than age 31.

If the coverage period is less than a year, the insured may receive a social pension.

The degree of loss of working capacity is assessed by the Medical Fitness Examining Committee.

The disability pension is not payable abroad.

For a work-related disability, work injury benefits supplement the disability pension provided under Old Age, Disability, and Survivors.

**Social pension (disability):** Paid to disabled persons whose disability began in childhood and to disabled children younger than age 16 (Groups I, II, or III) who are not eligible for a contributory disability pension.

Social pensions are not payable abroad.

**Survivor pension:** The insured was a pensioner or met the requirements for the old-age (partial or full) pension or disability (Groups I, II, or III) pension.

Eligible survivors include widow(er)s and orphans. The surviving spouse must be of pensionable age (or within 5 years of retirement) or disabled (Group I or II) at the time of the insured's death; married to the deceased for at least 15 years; or caring for a child younger than age 3 and not employed. Children must be younger than age 18 (age 23 if a student, no limit if disabled).

The survivor pension is not payable abroad.

**Social pension (survivors):** Paid to survivors who are not eligible for a contributory survivor pension.

Social pensions are not payable abroad.

### Old-Age Benefits

**Old-age pension:** The pension is based on the number of years of coverage, the effective date of retirement, and average monthly earnings plus 2% of wages for each year of coverage exceeding 30 years.

Insurable earnings for benefit calculation purposes must not exceed three times the average monthly wage.

The minimum monthly pension is 406.06 lei (April 2007); 361.50 lei for agricultural workers (April 2007).

There is no maximum monthly pension established by law.

**Partial pension:** Paid with at least 15 years but less than 30 years of coverage. The full monthly benefit is reduced in proportion to the number of years less than the required number of years of coverage.

**Deferred pension:** The pension is increased by 2% of wages for each year of deferral.

**Social pension (old-age):** 70.88 lei a month is paid (April 2007).

**Benefit adjustment:** Benefits are adjusted in April according to increases in consumer prices and average earnings in the previous year.

### Permanent Disability Benefits

**Disability pension:** The pension is based on monthly average covered earnings, the number of years of coverage, and a coefficient related to the group of assessed disability.

The coefficient for a Group I disability is 0.42; Group II, 0.35; and Group III, 0.2.

The minimum monthly pension (April 2007) is 288.87 lei (Group I), 278.96 lei (Group II), or 196.43 lei (Group III).

There is no maximum monthly pension established by law.

Covered earnings for benefit calculation purposes must not exceed twice the average monthly national wage in the year before the claim.

**Social pension (disability):** A Group I disabled person receives 93.13 lei a month; Group II, 79.37 lei; Group III, 46.77 lei. A Group I disabled person whose disability began in childhood receives 475.74 lei a month; Group II, 191.69; Group III, 126.11 lei. A disabled child younger than age 16 receives 475.74 lei a month (Group I) or 191.69 lei a month (Group II or III).

Persons who provide care for a disabled child (Group I) younger than age 16 receive 250.00 lei a month; persons who provide care for a person whose disability (Group I) began in childhood receive 250.00 lei a month; persons who provide care for a blind disabled person (Group I) receive 250.00 lei a month.

**Death grant:** 700 lei is paid for the death of an insured person; 600 lei for a noninsured person.

**Benefit adjustment:** Benefits are adjusted periodically according to changes in the cost of living.

### Survivor Benefits

**Survivor pension:** The minimum pension is equal to 50% of the deceased's pension for one survivor, 75% for two, or 100% for three or more.

The survivor pension ceases on remarriage.

**Full orphan's pension:** The minimum orphan's pension is equal to 50% of the deceased's minimum old-age pension.

There is no maximum survivor pension established by law.

**Social pension (survivors):** 69.46 lei is paid for one orphan. The pension is doubled for full orphans.

**Benefit adjustment:** Benefits are adjusted periodically according to changes in the cost of living.

### Administrative Organization

Ministry of Social Protection, Family, and Children (<http://mpsfc.gov.md>) provides general coordination and supervision.

National Office of Social Insurance (<http://www.cnas.md>) and local social security departments administer the program.

### Sickness and Maternity

#### Regulatory Framework

**First law:** 1993.

**Current laws:** 1995 (health protection); 1997 (prenatal care); 1999 (family planning); and 1999 (social insurance system), with amendments.

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

## Coverage

**Cash sickness and maternity benefits:** Salaried citizens; agricultural workers; self-employed persons; elected or appointed officials in government, parliament, and the judicial system; disabled persons; and unemployed persons.

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

## Source of Funds

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

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

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

**Government:** See source of funds under Old Age, Disability, and Survivors, above. The total cost of medical benefits.

## Qualifying Conditions

**Cash sickness and maternity benefits:** Insured persons residing in Moldova.

**Child care allowance (medical leave):** Paid to provide care for a sick child younger than age 7; younger than age 16 for a disabled child with a short-term incapacity that is not the result of, or related to, the assessed disability.

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

## Sickness and Maternity Benefits

**Sickness benefit:** The benefit depends on the length of the coverage period. If the insured has less than 5 years of coverage, the benefit is equal to 60% of the insured's average earnings; with 5 to 8 years, 80%; or for more than 8 years, 100%. The benefit is paid from the first day of sickness for up to 4 months; may be extended in certain cases for up to 30 days.

Average earnings are based on the insured's earnings in the last 6 months before the incapacity began; if the earnings period is less than 6 months, average earnings are based on the full calendar months worked within the period; if less than a calendar month is worked, average earnings are based on the total hours worked; if no earnings have been received within the last 6 months, the benefit is calculated according to a reference wage established for each particular job.

**Sick childcare allowance (medical leave):** The allowance is calculated in the same way as the sickness benefit, above.

**Death grant:** 700 lei is paid.

**Maternity benefit:** The benefit is equal to 100% of the insured's average earnings. The benefit is paid from the 30th week of pregnancy and is paid for 126 days. Additional

leave of 14 days is provided for multiple births or for complications resulting from the pregnancy or childbirth.

For the adoption of a child, the benefit is paid for 56 days after the date of adoption.

Average earnings are based on the insured's earnings in the last 6 months before the expected date of childbirth; if the earnings period is less than 6 months, average earnings are based on the full calendar months worked within the period; if less than a calendar month is worked, average earnings are based on the total hours worked; if no earnings have been received within the last 6 months, the benefit is calculated according to a reference wage established for each particular job.

## Workers' Medical Benefits

Medical care is provided by the state. Free hospital treatment is provided for a limited number of days.

Cost sharing: The insured makes a minimal contribution toward the cost of some medical care.

There is no limit to duration.

## Dependents' Medical Benefits

Medical care is provided by the state. Free hospital treatment is provided for a limited number of days.

Cost sharing: The insured makes a minimal contribution toward the cost of some medical care.

There is no limit to duration.

## Administrative Organization

Ministry of Health (<http://www.ms.md>), with local authorities and the trade unions, supervises the provision of medical care.

Ministry of Health, National Agency of Health Insurance (<http://www.atchisinau.com.md>), and local health departments administer medical services provided through clinics, hospitals, and other facilities.

## Work Injury

---

### Regulatory Framework

**First law:** 1991 (labor protection).

**Current laws:** 1993 (occupational diseases); 1997 (work injury); 1999 (work injury and occupational diseases insurance), with 2001 and 2004 amendments; 2001 (work injury allowances); and 2005 (disability assessment).

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

Local authorities and employers may provide supplementary pension benefits out of their own budgets.

Note: For a work-related disability, work injury benefits supplement the disability pension provided under Old Age, Disability, and Survivors, above.

### Coverage

**Cash and medical benefits:** Employed persons, members of cooperatives, students, and persons undergoing professional training.

Voluntary coverage for self-employed persons.

### Source of Funds

**Insured person:** None.

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

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

**Government:** None.

### Qualifying Conditions

**Work injury benefits:** The worker must be insured and the assessed disability must be work related. Work-related activities include vocational training; participation in social, cultural, or sporting events organized by the employer; or travel between different places of work (including abroad) if related to work.

### Temporary Disability Benefits

**Temporary disability benefit:** The benefit varies according to the insured's assessed degree of disability. The benefit for a Group I or Group II disability is based on the difference between the level of disability benefit provided under Old Age, Disability, and Survivors, above, and 2/3 of the insured's average earnings in the last 6 months before the disability began. For a Group III disability, the benefit is a percentage of the Group II amount corresponding to the degree of loss of working capacity.

A Group I disability is classified as an incapacity for any work and requiring constant attendance; Group II, an incapacity for any work but not requiring constant attendance; and Group III, an incapacity for usual work.

The benefit is paid from the first day of the incapacity until recovery or the award of a disability pension, for up to a maximum of 180 days.

The degree of loss of working capacity is assessed by the Medical Fitness Examining Committee.

**Employment transfer reimbursement:** Paid if the insured is no longer capable of working in the usual job and is transferred by the employer to another job that results in a loss of earnings. The difference between the insured's average monthly wage in the last 6 months and the insured's average wage received in the new position of employment is paid for 90 days.

### Permanent Disability Benefits

**Permanent disability pension:** The pension is paid according to the insured's income before 1999 and three groups of assessed disability: Group I is classified as an incapacity for any work and requiring constant attendance; Group II, an incapacity for any work but not requiring constant attendance; and Group III, an incapacity for usual work.

The degree of loss of working capacity is assessed by the Medical Fitness Examining Committee.

**Death grant:** A lump sum is paid depending on the category and number of dependents but must not exceed 24 national average monthly wages.

### Workers' Medical Benefits

Medical services are provided directly to patients by government health providers and include general and specialist care, hospitalization, laboratory services, and transportation, plus the full cost of appliances and medicines.

### Survivor Benefits

**Survivor pension:** At least 50% of the deceased's pension is paid for one survivor, 75% for two, and 100% for three or more.

**Partial pension:** If the deceased did not qualify for a pension, the monthly benefit is reduced in proportion to the number of years below the required number of years of coverage.

The survivor pension ceases on remarriage.

The maximum pension must not exceed 24 times the national average monthly wage.

**Full orphan's pension:** At least 50% of the deceased's minimum old-age pension is paid.

**Partial pension:** If the deceased did not qualify for a pension, the monthly benefit is reduced in proportion to the number of years less than the required number of years of coverage.

The maximum pension must not exceed 24 times the national average monthly wage.

### Administrative Organization

Enterprises and employers pay temporary disability benefits for their employees.

Ministry of Social Protection, Family, and Children (<http://mpsfc.gov.md>) provides general coordination and supervision and coordinates pensions and medical benefits.

National Office of Social Insurance (<http://www.cnas.md>) and local social security departments provides coordination and supervises the Work Injury Fund.

Local government health departments of the Ministry of Health (<http://www.ms.md>) administer medical services provided through clinics, hospitals, and other facilities.

## **Unemployment**

---

### **Regulatory Framework**

**First and current laws:** 1997; 1999; 2002, with 2003 and 2005 amendments; 2003; 2004; and 2005.

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

### **Coverage**

Citizens aged 16 to 62 (men) or aged 16 to 57 (women) with a permanent address in Moldova and who are capable of work, including self-employed persons.

### **Source of Funds**

**Insured person:** None.

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

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

**Government:** Subsidies as required.

### **Qualifying Conditions**

**Unemployment benefit:** The insured must be registered at an employment office and be willing and able to work. Benefits may be reduced, postponed, suspended, or terminated if the insured is discharged for violating work discipline, leaving employment without good cause, violating conditions for a job placement or vocational training, or filing fraudulent claims.

Claimants must register as unemployed, have at least 6 months of previous covered employment in the last 24 months before the date of registration, and not have taxable income according to the law. A self-employed person is also covered if their license to operate a business is revoked.

### **Unemployment Benefits**

30% of the national average wage is paid for laid-off workers actively seeking work; 40% of the national average wage is paid for workers who were laid off because of ill health, for lack of qualifications, or for refusing to relocate to a new place of employment; 50% of the national average wage is paid for workers laid off because of the closure of the place of employment.

If employed previously for up to 5 years, the benefit is paid for a maximum of 6 months; if employed previously for 5 to 10 years, the benefit is paid for a maximum of 9 months; with more than 10 years of employment, the benefit is paid for a maximum of 12 months.

**Benefit adjustment:** Benefits are adjusted every January according to changes in the average national wage of the previous year.

## **Administrative Organization**

Ministry of Economy and Trade's State Employment Agency administers the program.

## **Family Allowances**

---

### **Regulatory Framework**

**First law:** 1977.

**Current laws:** 1992 (children), with 2003 amendment; 1993 (children and family protection), with 2003 and 2005 amendments; 1999 (social insurance benefits), with amendments; 2002 (family allowances), with amendments; and 2004 (temporary disability allowances), implemented in 2005, with amendments.

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

### **Coverage**

Families with children residing in Moldova.

### **Source of Funds**

**Insured person:** None.

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

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

**Government:** None.

### **Qualifying Conditions**

**Family allowance (social insurance):** Paid for children younger than age 16 (age 18 if a student). Other qualifying conditions vary according to benefits. For children older than 18 months, the benefit is means tested. The average monthly income for each family member, including children, must not exceed 18 lei; for families with at least three children, 27 lei; for single mothers, 54 lei.

**Disabled child allowance:** Paid for a child younger than age 16 assessed as disabled by the Medical Fitness Examining Committee.

**Single mother allowance:** Paid to a single mother.

**Birth grant:** Paid for each live birth, regardless of family income.

**Child-rearing allowance:** Paid for a child up to age 3. The allowance is paid to an insured person who is on child-rearing leave or to another eligible person (a parent, grandparent, or other relative or guardian, regardless of family income). The allowance is also paid to noninsured persons.

**Children under guardianship (social assistance):** Means-tested assistance is paid for children aged 3 to 16.

## **Family Allowance Benefits**

### **Family allowances (social insurance)**

The amount of social insurance benefits paid depends on the insured's monthly average earnings in the last 6 months.

*Family allowance:* For an insured person's child up to age 3, the allowance is equal to 20% of the insured's average income, but not less than 100 lei; for a noninsured person's child up to age 1.5, 100 lei is paid. For an insured person's child aged 3 to 16 and for a noninsured person's child aged 1.5 to 16, 50 lei a month is paid if average per capita family income does not exceed 54 lei.

*Disabled child allowance:* 250 lei a month is paid for a severely disabled child (including children disabled from birth) until age 16.

*Single mother allowance:* 50 lei a month is paid, if average per capita family income does not exceed 54 lei.

*Birth grant:* 1000 lei is paid.

*Child-rearing allowance:* 20% of the insured's average monthly earnings is paid, but must be no less than 100 lei.

**Children under guardianship (social assistance):** Up to 200 lei a month is paid, depending on family income. The average per capita family income in the previous 6 months must not exceed 54 lei.

### **Administrative Organization**

Ministry of Social Protection, Family, and Children (<http://mpsfc.gov.md>) provides general coordination and supervision.

Local departments of social security administer benefits to nonworking parents.

Enterprises and employers award benefits and provide payments to their own employees.