

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).

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 used to calculate contributions are US\$5,000 a quarter.

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

The maximum earnings used to calculate contributions 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 used to calculate contributions 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 younger than age 21 on June 30, 1968).

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: The pension may be deferred.

Retirement is not necessary.

Earnings test: The pension may be reduced if the pensioner continues to work from age 60 to 62.

Old-age grant: Age 60 and does not meet the coverage requirements for the old-age pension.

Old-age benefits are payable abroad to noncitizens for up to six months; may be paid for longer under reciprocal agreement.

Disability pension: Must have an incapacity for usual work and at least one quarter of coverage for each year after June 30, 1968 (or since age 21, if younger than age 21 on June 30, 1968), with at least 12 quarters of coverage including at least six quarters of coverage in the last 40 quarters before the disability began.

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

One or more doctors appointed by the Social Security Administration assesses the degree of disability at least once every three years.

The pension is suspended if the pensioner recovers or fails to report for a required medical examination.

Disability grant: Must be assessed with an incapacity for usual work and not meet the coverage requirements for the disability pension.

Disability benefits are payable abroad to noncitizens for up to six months; may be paid for longer under reciprocal agreement.

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

Eligible survivors include 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).

Earnings test: The survivor pension may be reduced if the survivor continues to work.

Survivor grant: Paid when all eligible survivors no longer qualify for a survivor pension as a result of death, remarriage, or age.

Survivor benefits are payable abroad to noncitizens for up to six months; may be paid for longer under reciprocal agreement.

Old-Age Benefits

Old-age pension: The monthly pension is 8.3% of the sum of 2% of the insured's indexed covered earnings plus 14.5% of the first US\$11,000 of cumulative covered earnings plus 0.7% of cumulative covered earnings from US\$11,001 to US\$44,000.

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

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

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

Earnings test: The pension is reduced by US\$1 for every US\$3 of earnings above US\$1,500 a quarter until the quarter in which the insured reaches age 62.

Old-age grant: A lump sum of 4% of the insured's cumulative covered earnings is paid.

Benefit adjustment: Benefits may be adjusted once every two years. The increase must not exceed the increase in the consumer price index in the last two years.

Permanent Disability Benefits

Disability pension: The monthly pension is 8.3% of the sum of 2% of the insured's indexed covered earnings plus 14.5% of the first US\$11,000 of cumulative covered earnings plus 0.7% of cumulative covered earnings from US\$11,001 to US\$44,000.

The minimum monthly disability pension is US\$128.99.

Earnings test: The pension is reduced by US\$1 for every US\$3 of earnings above US\$1,500 a quarter until the quarter in which the insured reaches age 62.

Disability grant: A lump sum of 4% of the insured's cumulative covered earnings is paid.

Benefit adjustment: Benefits may be adjusted every two years. The increase must not exceed the increase in the consumer price index in the last two years.

Survivor Benefits

Spouse's pension: 100% of the old-age or disability pension the deceased received or was entitled to receive is paid.

The minimum monthly spouse's pension is US\$128.99.

Earnings test: The pension is reduced by US\$1 for every US\$3 of earnings above US\$1,500 a quarter until the quarter in which the survivor reaches age 62.

Orphan's pension: 25% of the old-age or disability pension the deceased received or was entitled to receive is paid to each eligible orphan.

The minimum monthly orphan's pension is US\$128.99.

Earnings test: The pension is reduced by US\$1 for every US\$3 of earnings above US\$1,500 a quarter.

All survivor pensions combined must not exceed 100% of the old-age or disability pension the deceased received or was entitled to receive.

Survivor grant: A lump sum is paid of 4% of the deceased's cumulative covered earnings minus the sum of all survivor benefits already paid.

Benefit adjustment: Benefits may be adjusted every two years. The increase must not exceed the increase in the consumer price index in the last two years.

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 system. 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 used to calculate contributions are US\$5,000 a quarter.

Self-employed person: 7% of 75% of gross income.

The maximum earnings used to calculate contributions are US\$5,000 a quarter.

Employer: 3.5% of payroll; small business employers contribute 7% of twice the salary of the highest-paid employee.

The maximum earnings used to calculate contributions are US\$5,000 a quarter.

Government: None; contributes as an employer.

Qualifying Conditions

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

Medical benefits: There is no minimum qualifying period.

Sickness and Maternity Benefits

Sickness and maternity benefits: No statutory cash benefits are provided.

Workers' Medical Benefits

General medical services are delivered through public hospitals in Majuro and Ebeye. Referrals to the Philippines and Hawaii are covered for patients with life-threatening conditions.

Dependents' Medical Benefits

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

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.