Social security systems around the globe
Introduction

We’re very pleased to present you our new brochure ‘Social security systems around the globe’. We hope that this publication will serve as an essential guide to the social security systems of countries around the world to help you make informed business decisions.

What’s new in this edition

This latest version of the brochure brings you information on 42 updated jurisdictions and three new countries. This means you’ll have the latest on social security rates and benefits across 53 countries at your fingertips.

In addition to this brochure, you’ll find high-level profiles and social security summaries for some 100 countries on our website. You can visit us there at: www.pwc.com/socialsecurity

On the website, you’ll also find a full directory of contacts for our global social security network. This connects you with experts in over 130 countries, all of whom meet our global standards, sharing a common training, methodology and working culture, and with access to the latest technologies and tools. These experts work closely together with our other service networks, including tax, immigration and employment, to bring you the most complete service possible.

All the information in the brochure was last updated on January 2014 unless stated otherwise. You’ll find the date of last update clearly indicated alongside the name of each country.

The world of social security never stands still, and neither do we. That’s why we’ll be sending you regular updates to our brochure as well as a quarterly social security update newsletter, to make sure you always have the latest information at hand.

Bart Elias
Social Security Leader – Europe, Middle East, Africa and India

Our people are always standing ready to bring you the answers you need. Please don’t hesitate to contact us.
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The Albanian social security system consists of social security insurance and health insurance, which together form the Social Security and Health Contribution scheme (SHC).

The Social Security and Health Contribution scheme is non-profit-making and intervenes in the following cases:

• employed persons – wage loss:
  – temporary inability to work due to illness;
  – maternity;
  – old age, disability and loss of the heads of the family;
  – accidents at work and occupational diseases;
  – unemployment.

• other economically active persons (employers and the self-employed) in relation to:
  – maternity;
  – old age, disability and loss of the heads of the family.

The following categories are subject to compulsory social security and health contributions in Albania:

• employees: employed persons who obtain regular income from royalties, immovable property or other, similar sources;

• self-employed individuals: self-employed individuals, self-employed partners of firms, self-employed persons who hire third parties.

Foreign individuals who work in Albania under a local employment contract are required to pay SHC in the same manner as local employees. However, foreign employees working under a foreign employment contract in Albania (with some exceptions) have the right to opt for the voluntary Social Security and Health Insurance scheme.
Contributions

1. Employee contributions

Albania applies a system of minimum and maximum thresholds in calculating social security contributions.

Employees in Albania are subject to a SHC rate of 11.2%, consisting of 9.5% for social contributions which are calculated on the gross salary but within the minimum and maximum salary boundaries, and 1.7% for health contributions which are calculated on the entire monthly salary (from 1 January 2014 and onwards).

The minimum and maximum monthly salary thresholds for the purposes of calculating social contributions are ALL 19,026 and ALL 95,130, respectively. As of 1 January 2014, the health contribution at the rate of 3.4% (i.e. 1.7% for the employees and 1.7% for the employer) is calculated on the total gross salary. Health contributions were previously calculated on the minimum (ALL 19,026) and maximum (ALL 95,130) gross salary limits set for social and health contribution purposes.

Although the lower limit for social contributions purposes is ALL 19,026, the minimum wage in Albania is ALL 22,000. As a result, in practice, employers and employees cannot pay SHC on salaries lower than ALL 22,000 and so the minimum amount of SHC payable by an employee is 11.2% of ALL 22,000 (i.e. ALL 2,464), and the maximum is 11.2% of ALL 95,130 (i.e.ALL 10,655).

2. Employer contributions

Employers in Albania are subject to SHC at the rate of 16.7%, applied to the employees’ monthly salaries, 15% of which is for social security and 1.7% is health insurance contributions. Considering the minimum and maximum thresholds, the minimum amount of social contributions that the employer pays for an employee on the minimum wage (i.e. ALL 22,000) is 16.7% of ALL 22,000 (i.e. ALL 3,674) and the maximum depends on its gross salary (15% of 95,130 plus 1.7% of the gross salary).

3. Self-employed individuals

Self-employed individuals, self-employed and self-employed persons who hire third parties (excluding self-employed persons in agriculture) are liable to pay compulsory SHC at the rate of 30%. The rate of 30% consist of 23% social contributions and of 7% health contributions calculated on the double of minimum salary for the purposes of social contributions.
1. Retirement
Retirement pension is a benefit to which an individual is entitled based on his contributions and once he has reached a given age. The normal retirement age in Albania is 65 for men and 60 for women. Claimants have to work and pay contributions for 35 years in order to be entitled to a full pension. The full monthly retirement pension consists of a basic pension and a supplement. The basic amount of the pension is paid to all claimants. The supplement paid to employed persons is 1% per annum multiplied by the average assessable insurance base the insurer has achieved by means of his contributions throughout his entire contribution history.

2. Survivor’s pension
Family benefits are paid to claimants that have lost their partner or children who have lost one or both of their parents.
When an insured person dies, his dependants are entitled to family benefit depending on the number of dependants.
Widow(er)s are entitled to 50% of the full pension that the deceased received or was to receive, and children are entitled to 25%. A child who has lost both of his parents is entitled to pension from both parents.

3. Sickness benefit
Employees absent from work due to illness are entitled to benefit covering the loss of income. Employers are under an obligation to continue paying salary for the first 14 days of sickness. After that, the salary is paid by the social security system for up to six months in total.
The payment is 70% of the average base estimated during the last calendar year if the employee has been insured up to ten years and 80% if insured for more than ten years.

4. Disability
Persons who are incapacitated for work and suffer from severe physical impairment (including blindness) are entitled to a disability pension.
The benefit for temporary disability as a result of an accident at work or occupational disease is 100% of the average daily wage over the last three years, which is paid over a benefit period not exceeding 12 months.
The benefit for permanent disability from work that has caused at least 67% incapacity for work is equal to 80% of the average wage of the last three years of work, but no less than the minimum standard of living fixed by the government.
The benefit for permanent partial disability at work of a person that has caused 33% or more incapacity for work varies in the range of 50% to 80% of the average salary of the last three years, depending on the degree of loss.

5. Unemployment
Replacement income is granted to an employee in the case of involuntary loss of employment.
However, being subject to the social security scheme is not sufficient to claim unemployment benefit. The first condition the employee needs to meet is that he/she has contributed to the social security system for no less than 12 months. In addition, he/she has to be certified as unemployed by the labour office and should not refuse to take qualifications or re-qualifications. The employee should also receive no other benefits from the social security scheme, with the exception of a partial invalidity pension.
Unemployment benefit is paid for up to 12 months. Persons attending training courses and retraining receive unemployment benefit during those courses if they do not get paid during that period, but not for more than six months after the one-year break-off date for unemployment benefit.

Unemployment benefit is a fundamental base providing a minimum subsistence level, indexed annually by the government in relation to the prices index for selected items.

6. Maternity benefit

Pregnant women are entitled to 365 days of maternity leave including a minimum of 35 days before and 42 days after childbirth. During her maternity leave, the insured employee is entitled to:

- 80% of her daily average assessed salary based on the last calendar year for the prenatal period and for 150 days after the birth;
- 50% of her daily average assessed salary based on the last calendar year for the period thereafter.

However this scheme is often subject to rules laid down by the Labour Code or in the company’s terms of employment.

7. Health benefit

The compulsory health insurance scheme aims to provide health care services to the entire population of Albania.

Health insurance is compulsory for all economically active persons with a permanent residence in Albania:

- employed;
- self-employed;
- unpaid family workers;
- other economically active persons.

Compulsory health insurance also covers the following categories of economically inactive persons, payment of whose contributions is financed from the state budget:

- persons who receive benefits from the Social Security Institution;
- persons who receive social assistance or disability benefit;
- persons registered as unemployed, job seekers in the National Employment Service;
- children under the age of 18;
- students under the age of 25, provided they have no income from economic activities;
- other categories defined by special laws.

Individuals not included in the compulsory health insurance scheme can join voluntarily. They have the same rights and obligations as individuals subject to compulsory insurance, if they fulfil the condition of waiting six months from the date of registration and pay contributions until the date they can claim benefit.
Competent authorities

The social security and health contributions are paid to the Albanian tax authorities by employers, including on behalf of their employees. The employer deducts the due amount of SHC from the employee's gross salary and pays it over to the tax authorities. The competent institution for processing and managing the SHC is the Albanian Social Security Institution.

Voluntary social security scheme

When an individual subject to compulsory SHC is no longer obliged to pay social and health contributions for one of a number of reasons, he/she can continue the insurance under a voluntary scheme. In addition, voluntary insurance is possible for students who are undergraduates, provided that the insured person pays contributions for the period prior to becoming entitled to benefits.

Social security and health contribution rates

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<tr>
<th></th>
<th>Social insurance rate</th>
<th>Health insurance</th>
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<tbody>
<tr>
<td>Employer</td>
<td>15%</td>
<td>1.7%</td>
</tr>
<tr>
<td>Employee</td>
<td>9.5%</td>
<td>1.7%</td>
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<tr>
<td>Total</td>
<td>24.5%</td>
<td>3.4%</td>
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Minimum percentage contribution according to insurance branch

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<th>in %</th>
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<td>Sickness insurance branch</td>
<td>0.3%</td>
</tr>
<tr>
<td>Maternity insurance branch</td>
<td>1.4%</td>
</tr>
<tr>
<td>Pension insurance branch</td>
<td>21.6%</td>
</tr>
<tr>
<td>Accidents and occupational</td>
<td>0.3%</td>
</tr>
<tr>
<td>Unemployment insurance branch</td>
<td>0.9%</td>
</tr>
<tr>
<td>Health insurance</td>
<td>3.4%</td>
</tr>
<tr>
<td>Total</td>
<td>27.9%</td>
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Contacts

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Algeria has an extensive statutory social security system based on solidarity. It intervenes in three events:

- wage loss (e.g. unemployment, retirement, incapacity for work): substitute income;
- social burdens (e.g. children, sickness): income supplements;
- no earned income (outside the claimant’s control): subsistence allowances.

The Algerian statutory social security system is divided into three schemes:

- scheme for salaried persons (individuals who are linked to their employer by an employment agreement);
- scheme for self-employed persons (individuals who work outside the scope of an employment agreement/office);
- scheme for civil servants (not further elaborated on in this profile).
Contributions

1. Salaried persons

Social security contributions are due by both employees and employers. Employee contributions are deducted from gross pay, whilst employer contributions are paid on top of gross pay. Contributions are due on total gross salary (in cash or kind), without any ceiling.

Employee social security contributions amount to 9% and employer social security contributions are 26%. Both are tax-deductible: employee contribution is deductible for IRG/salary purposes, employer contribution is deductible for CIT purposes.

Several abatement schemes are in place, one of which is structural, with others applying to certain target groups.

2. Self-employed persons

Social security contributions for self-employed persons are calculated on the basis of earned income (i.e. as determined by the tax administration) during the second calendar year preceding that for which contributions are due (i.e. called the ‘reference year’). For a main self-employed activity, contributions amount to 15% of the income, with a minimum contribution of DZD 32,400 and a maximum contribution of DZD 259,200.
Social security systems around the globe

Algeria

Benefits
for salaried persons

1. Health care

Health care covers both preventive and curative care required for maintaining and restoring a person's health (e.g. ordinary medical care, dental care, hospital care). All the medical dispensations that can be (partly or completely) reimbursed are listed in a so-called nomenclature of medical dispensations.

A number of conditions/criteria have to be met in order to access health care (e.g. register with a health insurance fund, pay a minimum amount of contributions and, in some cases, a qualifying period).

Refunds by the health insurance fund of the cost of medical treatment vary with the nature of the treatment, the status of the insured and the care provider's capacity. In most cases, the full amount is not refunded.

2. Sickness benefits

Sick pay offers benefits in kind and a daily cash benefit for employees.

Benefits in kind include coverage of expenses such as: medical expenses, surgery, pharmaceutical, hospital, etc. These expenses are covered if a registered doctor has prescribed the treatment. The employee must send his/her medical file to the social security administration within three months of the first medical intervention.

Reimbursement is normally limited to 80% of the regulatory tariffs. One hundred per cent is paid in certain cases.

Sick employees are entitled to a daily indemnity when obliged to temporarily interrupt their employment.

During the first six months, employees are entitled if they have worked at least:

- nine days or 60 hours during the three preceding months; or
- 36 days or 240 hours during the 12 preceding months.

After the first six months, employees are entitled if they have worked at least:

- 36 days or 240 hours during the 12 preceding months; or
- 108 days or 720 hours during the three preceding years.

The compensation is equivalent to:

- 50% of the daily salary for the employee's position, between the first and 15th day following the interruption;
- 100% from the 16th day;
- 100% from the first day for long illnesses or in cases of hospitalisation.

The daily indemnity cannot be:

- less than eight times the net amount of the hourly minimum guaranteed salary (18.000 DZD – amount for 2012);
- greater than 1/30 of the monthly salary for the employee's position.

The social security administration must be informed of any illness that can give rise to a daily indemnity within two working days, not including the days determined for the leave entitlement. The employee or his representative must send in the sick note.
3. Accidents at work

All salaried persons are covered against accidents at work and accidents on the way to and from work. An accident at work is an accident occurring during and because of performance of the claimant’s labour contract and causing injury. Accidents on the way to and from work are accidents which occur on the normal route the person has to use to move from the threshold of his/her residence to work and vice versa.

A victim of an accident at work is entitled to reimbursement of the costs for hospital care, physiotherapy, medical, surgical, dental and pharmaceutical care as well as orthopaedic equipment. Care costs are reimbursed according to the applicable sickness insurance tariffs and the insurance institution has to pay the patient charge.

During periods of incapacity for work caused by an accident at work, victims are entitled to indemnities for loss of income (depending on their sickness status).

4. Family benefits

Family benefits comprise several allowances, of which ordinary family allowance is the most important.

Three persons are involved in the family benefit system: the beneficiary, the qualifying child and the ‘allottee’. The beneficiary opens up entitlement to family benefits through his/her employment. A qualifying child has to meet particular conditions (e.g. degree of kinship with the beneficiary, conditions with regard to education and age). The allottee is the person who receives the benefit.

The amount of the family benefits depends on the family revenue.

5. Maternity benefits

Pregnant women are entitled to maternity leave during the prenatal and postnatal periods.

Social security protection offers benefits in kind to mothers on maternity leave.

Benefits in kind include reimbursement of the expenses linked to pregnancy and birth. Medical and pharmaceutical expenses are covered on the basis of 100% of regulatory tariffs. Hospitalisation expenses for the mother and the child are reimbursed on the same basis for a maximum period of eight days.

In addition, mothers who must stop working because of pregnancy are entitled to a daily indemnity of 100% of the daily salary for their position (average of the actual salary), for a maximum of the subsequent 14 weeks. The mother must stop working at least one week before confinement.

To obtain these benefits and indemnities, a registered doctor or qualified medical auxiliaries must have assisted at the birth.

During the first six months, employees are entitled if they have worked at least:

• nine days or 60 hours during the three preceding months; or
• 36 days or 240 hours during the 12 preceding months.
6. Unemployment

Replacement income is granted in the case of involuntary loss of salaried employment.

However, it is not enough for claimants to just be subject to the social security scheme for salaried persons. They must also prove a sufficient number of worked days or assimilated working days (e.g. invalidity, holiday) during a particular reference period preceding the application. Both the required number of working days and the duration of the reference period depend on the applicant’s age.

In order to be entitled to unemployment benefits, granting number of special conditions also have to be met (e.g. not in receipt of salary, no carrying out work, unemployment outside the claimant’s control, available for the labour market, fit for work, resident in Algeria). In addition, claimants must comply with certain formalities (e.g. register as a ‘job seeker’).

7. Retirement

Retirement pension is a benefit to which claimants are entitled based on career and reaching a given age.

The normal retirement age in Algeria is 60. Claimants have to work 15 years in order to be entitled to a full pension. However, it is possible to take early retirement from age 50 if the claimant has worked for 20 years and without any age condition in case of activity during 32 years.

The pension is calculated on the basis of a real, fictitious (for assimilated periods) or lump-sum active income (capped at a certain amount). The amount of the pension is fixed on the basis of the claimant’s family situation.

Retirement pension can only be combined with work under strict conditions.
Competent authorities

1. Salaried persons
Contributions paid by employers and employees are collected by the National Office for Social Security for salaried persons (CNAS), which then distributes them among the different institutions responsible for paying allowances and benefits.

2. Self-employed persons
Self-employed persons join and pay social contributions to a social insurance fund for self-employed people overseen by the National Institute for Social Insurances of Self-employed Persons (CASNOS). Social insurance funds are also in charge of paying benefits to self-employed persons.

Under certain conditions, company directors can be self-employed in Algeria.
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General background

The Austrian social security system is based on the principle of ‘statutory compulsory social security’. All employees employed in Austria are basically subject to the Austrian compulsory social security system. It covers sickness, accidents, pension and unemployment.

Employees of a foreign employer having no permanent establishment in Austria are anyhow subject to the Austrian social security system if their main place of work is Austria and they are not subject to a social security within EU or a country having a bilateral soc. sec. agreement.

Employees subject to Austrian social security have to be registered prior starting work and deregistered at termination. Not to comply these registration requirements result in severe penalties and high surcharges.

Covered persons

The Austrian compulsory social security system is divided into six social security schemes for:

- dependent employees (blue and white-collar workers) → Austrian General Social Insurance Act ('ASVG');
- the self-employed → Austrian Commercial Social Insurance Act ('GSVG');
- farmers → Austrian Farmers Social Insurance Act ('BSVG');
- civil servants → Austrian Social Insurance Act ('B ‑KUVG');
- notaries public → Austrian Notaries Social Insurance Act ('NVG');
- freelancers → Austrian Freelancer Social Insurance Act ('FSVG').

Only the first two groups of workers (dependent and self-employed employees) are dealt with in detail below owing to the vast range of contributions for the other three groups, which must be checked in each individual case.
1. Salaried employees

Social security contributions are partly paid by the employee and partly by the employer. Employees’ portions are withheld monthly from their salary. Both portions are paid by the employer to the competent social security institution.

The contribution basis is employee’s monthly gross salary and special payments paid to the employee. For both kinds of salary, the maximum contribution basis has to be considered. This is the applicable ceiling up to which contributions are levied. In 2014 the ceiling for monthly salary is EUR 4,530 (per month) and for special payments is EUR 9,060 (per annum). For salary income exceeding this cap, no social security contribution is due.

For a white-collar employee, the employee’s portion for current salary in 2014 is 18.07% and the employer’s portion is 21.83%. For non-current salary (special payments), the rates are 17.07% (employee) and 21.33% (employer).

For a blue-collar employee, the employee’s portion for current salary in 2014 is 18.20% and the employer’s portion is 21.70%.

For non-current salary important exceptions are: daily and overnight allowances, mileage allowances, severance payments, contributions to an employee pension Provision Fund, company pensions, pension lump sums. For aged employees, a portion of their social security contributions is not payable after reaching a certain age (e.g. accident insurance after age 60).

In Austria, in addition to social security contributions, employers are obliged to pay various other payroll-related costs to various social security authorities. Please find below a short summary of the current Austrian payroll-related costs for salaried employee:

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<th>Taxable basis</th>
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<th>Recipient</th>
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<tr>
<td>Social security</td>
<td>Employer/employee</td>
<td>Maximum contribution basis</td>
<td>21.83%/18.07%</td>
<td>Social Security Institution</td>
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<tr>
<td>Employee (pension) provision fund ('MVK')</td>
<td>Employer</td>
<td>Gross salary</td>
<td>1.53%</td>
<td>Social Security Institution/Pension Provision Fund</td>
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<tr>
<td>Employer contribution to family allowance fund ('DB')</td>
<td>Employer</td>
<td>Gross salary</td>
<td>4.5%</td>
<td>Tax Office</td>
</tr>
<tr>
<td>Surcharge to contribution to family allowance fund ('DZ')</td>
<td>Employer</td>
<td>Gross salary</td>
<td>approx. 0.4%</td>
<td>Tax Office</td>
</tr>
<tr>
<td>Municipal Tax</td>
<td>Employer</td>
<td>Gross salary</td>
<td>3.00%</td>
<td>Municipal Office</td>
</tr>
<tr>
<td>U-Bahn ('underground') Tax</td>
<td>Employer</td>
<td>Gross salary</td>
<td>EUR 2.00 per week</td>
<td>Municipal Office Vienna</td>
</tr>
</tbody>
</table>
2. Self-employed persons

Self-employed persons (two different groups: those with a trade licence and ‘new self-employed persons’, depending on their occupation) have to pay monthly social security contributions, which cover health insurance and pension insurance. The different groups of self-employed persons are stipulated by Austrian Law and meet different requirements.

In 2014, the maximum contribution basis for current income for both groups is EUR 5,285 a month and EUR 63,420 per annum. Furthermore, the respective rates for current income in 2014 are 18.5% (pension insurance) and 7.65% (health insurance).

There are different values for the minimum social security contributions when beginning in self-employment and during the first three years, which are not gone into in detail in this overview. Currently (2014), the accident insurance contribution is EUR 8.67 a month.
Both, white and blue-collar workers are entitled to continued payment of wages in case of illness by the employer if the incapacity for work is not due to gross negligence or a deliberate act on the part of the employee. The period during which the employee is entitled to this full pay depends on his/her seniority. For up to five years’ employment, the period is six weeks; up to 15 years, it is eight weeks; up to 25 years, it is ten weeks, and it increases thereafter to 12 weeks.

1. Sickness

All employees in Austria are covered by compulsory statutory sickness insurance as a general principle. This means that there is no voluntary opt-out. There are local insurance authorities depending on the location of the employer’s registered office.

Sickness insurance covers both preventive and curative care required for maintaining and restoring health (e.g. ordinary medical care, dental care, hospital care). Benefits take the form of cash benefits and benefits in kind in the case of maternity, rehabilitation measures and paid sick leave.

In special cases, stays at health spas are also covered by statutory sickness insurance. All treatment that is dispensed and that is subject to (part or complete) reimbursement must be medically necessary and whether it is covered will depend on the relevant insurance authority.

In addition to statutory sickness insurance, each employee may take out private sickness insurance.

Up to the Austrian monthly marginal employment limit ‘Geringfügigkeitsgrenze’—EUR 395.31 in 2014) the employee does not have to contribute to the statutory social security insurance. Only the employer has to pay 1.4% to the accident insurance.

If the monthly income limit exceeds this limit (EUR 395.31 in 2014), the employer and the employee must pay social insurance contributions. The contribution basis is the employee’s gross salary. Currently the employee has to pay 3.87% and the employer 3.87%.

2. Accident

Austrian statutory accident insurance covers work accidents and occupational diseases. Work accidents include accidents which happen during working time or on the way to work. Occupational diseases are diseases caused by negative impacts during working time (e.g. noise, allergies, working with poisonous substances, etc.). The benefits may be in cash or in kind (accident benefits).

The employer pays 1.4% of the monthly contribution basis for each employee. There is no employee contribution.
3. Pension

Statutory pension insurance

Austrian statutory pension insurance basically covers cases of old age, death and disability due to illness, and also surviving dependants. Rehabilitation measures can also be offered. Generally, the normal retirement age in Austria is 65 for men and 60 for women. Under the current law, the retirement age for women will increase starting in 2024 until equal retirement ages are reached for men and women in 2034.

There are many different kinds of pension in Austria depending on the age of the employee and the number of insurance months. The amount of pension also depends on these factors and must be calculated by the relevant pension insurance fund in each individual case.

The monthly employer contribution is 12.55% of the contribution basis and the employee’s contribution is 10.25%.

Employee Pension Provision Fund (‘MVK’)

The occupational Employee Pension Provision Fund (called ‘MVK’) is a system of severance payments (i.e. an extraordinary remuneration paid upon termination of employment) levied on the employer company and applies to all employment commencing on or after 1 January 2003 and subject to the Austrian Labour Act. Both white-collar workers and blue-collar workers are eligible for a severance payment.

Contributions to MVK are an employer’s tax. Monthly contributions have to be paid for each employee subject to the fund at a rate of 1.53% of the monthly contribution basis. This is the uncapped employment income subject to compulsory social security. The first month of employment is exempt from contributions. Also exempt is employment which started before 1 January 2003 and employment not subject to Austrian labour law.

MVK contributions are registered monthly and electronically together with contributions to the social security institution and paid together with them to the social security institution by the 15th of the subsequent month. The social security institution forwards the MVK contributions to the relevant employee Pension Provision Fund.

In addition to these mandatory pension schemes, employees can take out private pension insurance.

4. Unemployment

Basically, Austrian employees are covered by unemployment insurance (exceptions are possible). Contributions are shared between the employer and the employee (each pays 3% of the contribution basis – included in the general social security contributions). The employer must withhold the employees’ shares from their salaries and pay both contributions to the relevant regional health insurance fund, which in turn forwards them to the local office.

Accordingly, in order to qualify for unemployment benefit, the employee needs to meet the following conditions:

- available to go to the local employment office;
- unemployed and able and willing to work;
- fulfills the requirements for receiving benefit.
After paying contributions for a certain period of time (52 weeks within the last two years), unemployed employees are entitled to cash benefits. They are calculated on the basis of the pay the employee received in the last six months before becoming unemployed. Supplementary payments are granted to support children, grandchildren, parents and grandparents. However, the benefits may not exceed 80% of the employee’s most recent salary. Benefit is paid for several months and, under certain circumstances, is followed by emergency benefit (‘Notstandshilfe’) for a specific period.

Generally, if the employment relationship is terminated voluntarily by the employee, there is a qualifying period of four weeks before being eligible for benefit.

5. Additional benefits

**Maternity allowance**

Under the Maternity Protection Act (‘MSchG’), (expectant) mothers are not allowed to work for a period of eight weeks either side of giving birth. During these 16 consecutive weeks (the maternity protection period), they are entitled to maternity allowance (‘Wochengeld’) in an amount corresponding to their recent salary. It is paid by the health insurance fund. Where special circumstances and medical indications apply, these periods may be extended.

**Family allowance and children’s nursing allowance**

Following the protection period, both mothers and fathers are entitled to parental leave (‘Karenz’) until the child is two. During this period, the mother or father is entitled to family allowance and children’s nursing allowance. They enjoy special protection against termination of their employment by their employers.

Furthermore, the employer is not obliged to pay wages and the employee is not obliged to work during the protection term and maternity leave. Both allowances must be applied for from the appropriate Austrian Social Security Authorities by the employee personally.

**Other allowances**

Employees can also agree with their employer on unpaid leave for further training or education during their employment for a minimum of two months and a maximum of one year. During this time, the employer does not need to pay wages and the employee can receive further training allowances (‘Weiterbildungsgeld’).
Competent authorities

1. Salaried employees

Social security contributions are recorded electronically each month with the relevant Social Security Institution by the employer for each employee. They have to be paid monthly to the appropriate institution by the 15th day of the subsequent month.

2. Self-employed persons

The social security contributions mentioned (health, accident and pension) must be paid by self-employed persons to the responsible social security institution on a quarterly basis.

Most important competent authorities:

- Various Social Security Authorities in each Austrian province ('GKK');
- Austrian Federal Pension Fund ('PVA');
- Social Security Institution for Farmers ('SVB');
- Austrian General Accident Social Security Institution ('AUVA');
- Social Security Institution for Notaries Public;
- Social Security Institution for Railways and Mines ('VAEB');
- Social Security Institution for Civil Servants.

Voluntary social security scheme

Individuals not subject to the compulsory Austrian social security scheme may contract government insurances (health and/or pension) on a voluntary basis. They have to be resident in Austria and there are other conditions that must be checked case by case.
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Belarus has an extensive statutory social security system based on solidarity.

The Belarusian social security scheme intervenes upon three events:

- wage loss (e.g. unemployment, retirement, incapacity for work): substitution income;
- social charges (e.g. children, sickness): income supplements;
- no professional income (independent of the person's own will): assistance allowances.

The Belarusian statutory social security system is divided into three systems:

- system for salaried persons (individuals who are linked to their employer by employment agreements or civil law contracts on supply of services, works or creation of intellectual property objects);
- system for self-employed persons (individuals who perform their professional activities outside the scope of an employment agreement/statute);
- system of pension coverage for persons of certain professions (individuals having jobs listed in the legislation, including those working in especially hard working conditions, in the sphere of aviation, medical and pedagogical workers, artists, sportsmen, etc. — not elaborated in this social security country profile.)
1. Salaried persons

Social security contributions are paid both by the employee and by the employer. The employee's contributions are withheld by the employer and deducted from his/her gross remuneration, whilst the employer's contributions are paid on top of the gross remuneration (i.e. salary fund).

Generally, social security contributions are chargeable at flat rates of 34% (including 28% for pension coverage and 6% for other social security benefits) by the employer and 1% for pension coverage by the employee.

Social security contributions are charged on the amount of employees' gross remuneration not exceeding four times average salary in Belarus calculated for the month preceding the month for which contributions shall be made (cap for January 2014 is approximately EUR 1,781).

Foreign nationals are not obliged to participate in Belarusian social security scheme. Therefore, neither foreign nationals themselves nor their local employers are obliged to pay social security contributions unless foreign nationals decide to be covered by a Belarusian social security system. Shall they decide to benefit from local social security system, they can be provided either with complete coverage (pension coverage plus other social security benefits) or partial coverage (only social security). In that case social security contributions at rates of 35%, 29% or 6% shall be paid depending on the extent of social protection chosen by a particular employee.

Additionally, employers are obliged to pay contributions for the mandatory insurance against accidents at work and occupational diseases for every employee (including foreign nationals) at a general rate of 0.6%. Correcting coefficients may be applied depending on the level of occupational risk.

2. Self-employed persons

Self-employed persons, including individual businesspeople, private notaries public, lawyers, etc., are liable for pension insurance at the rate of 29% and social insurance at the rate of 6%, payable on their computed income.

Social security contributions are charged on the amount of income determined by self-employed persons and it is not necessarily shall be equal to the amount of income actually received. However, the basis for social security contributions determined by self-employed persons cannot be less than the minimum amount of salary established in Belarus (in January 2014 minimum monthly salary is approximately EUR 126).
Benefits for salaried persons

1. Health care
Belarusian nationals have a constitutionally guaranteed right to receive in public healthcare institutions free of charge medical care according to the minimum healthcare standards. The same applies to foreign nationals temporarily living in Belarus.

There is no mandatory health insurance of employees in Belarus, though employers are allowed to provide their employees with a voluntary health insurance policy as a part of a social package.

2. Retirement
The retirement pension is a benefit to which a person is entitled based on age and working experience.

The normal retirement age in Belarus is 60 years for men and 55 years for women. In order to qualify for a full pension, men have to work at least 25 years and women at least 20 years. Moreover, some categories of workers (e.g. those working in hard or unhealthy conditions, miners, persons disabled from childhood, mothers having many children, etc.) can go on retirement earlier and/or having less working experience.

The right to employment pension is granted in case of payment of social security contributions for the period of no less than 10 years.

General amount of a retirement pension is 55% of average salary of a person. Each year of working experience over 25 years for men and 20 years for women adds 1% to the amount of a retirement pension. Pension may be increased by up to 20% in that way. Also a person is entitled to an increase of the amount of a retirement pension by 1% for each two months of work within a period starting from the moment when he/she has reached the retirement age and before he/she has applied for a pension.

Average salary used for the retirement pension purposes (and other types of pensions, i.e. disability pensions, survivor’s pensions) is not equal to actual average salary that a person gained. Average salary of a person for the pension purposes is calculated on the basis of average salary of employees in Belarus. For that reason increase of income of a person from which pension contributions are made is not in direct proportion to increase of the amount of a future pension.

3. Sickness benefits
When a person gets ill, in addition to health care, he/she shall also be entitled to benefits covering the income losses.

Generally, sickness benefits are paid for the whole period of sickness but no longer than for 120 calendar days in succession or 150 calendar days within last 12 month in case of repeated sickness. The employer shall pay to the employee 80% of his/her average salary for first the 12 days of sickness and 100% of average salary for the following days.

4. Disability
Employees recognised disabled by a special medical commission are entitled to a disability pension regardless of the reason of disability.

Depending on degree of disability disabled persons can be referred to one of three groups. The amount of disability pension is equal to 75% of average salary for disabled persons of the I Disability Group, 65% of average salary for disabled persons of the II Disability Group and 40% of average salary for disabled persons of the III Disability Group. Disability pension is paid during the whole period when a person is considered disabled irrespective of the fact whether such person works or not.
Belarus

In order to qualify for disability pension a person needs to have the required length of labour experience which can be from 1 to 15 years depending on age of a person recognised disabled. If a person does not have required labour experience, he/she can apply for a social disability pension. This pension amounts to 110% of living-wage for disabled persons of the I Disability Group, 95-85% of living-wage for disabled persons of the II Disability Group and 75% of living-wage for disabled persons of the III Disability Group (living-wage in Belarus as of January 2014 is approximately EUR 79.6).

5. Maternity benefits

Pregnant women are entitled to a maternity leave of 18 weeks and an allowance during that leave.

The maternity allowance is set for the period from 30 weeks of pregnancy to 126 calendar days.

Amount of maternity allowance constitutes 100% of average monthly salary determined for six calendar months preceding the month when the right to benefits appeared. The minimum amount constitutes 50% of the living-wage (cap for January 2014 is approx. EUR 38.8). The maximum amount constitutes three-time amount of state average salary for the month preceding the month when maternity allowance began (cap for January 2014 is approx. EUR 1,336). Maternity allowance is transferred to a woman as a single payment when she is going on a maternity leave.

6. Family benefits

There are several types of family allowances in Belarus of which the child benefit and the allowance related to childbirth are the most important.

Child benefits are paid monthly to a father or a mother who takes care of a child until he/she reaches the age of three years. Child benefits are equal (depending on the number of children):

- to 35 % of the amount of state average salary (approximately EUR 156 as of January 2014) for the first child;
- to 40 % of the amount of state average salary for the second and each following child if a family has a child under 18 years old (approximately EUR 178 as of January 2014).

If a parent receiving child benefits starts working on a half-time or full-time basis, child benefits are reduced by 50%.

Childbirth allowance is paid to a mother or a father after a child’s birth. This allowance is equal to approximately EUR 797 as of January 2014 for the first child and equal to approximately EUR 1115 as of January 2014 for the second and each following child if a family has a child under 18 years old.

7. Unemployment

A replacement income is granted to a person in case of involuntary loss of salaried employment.

As a rule, unemployment benefits are paid during 26 weeks after registration of a person as unemployed. Depending on a number of worked days amount of unemployment benefits can vary as follows:

- if a person had a full-time employment for 12 calendar weeks during 12 months preceding to the registration as unemployed, he/she is entitled to unemployment benefits in the amount of 70% of salary at the last place of employment for the first 13 weeks after the registration as unemployed and 50% of salary for the remaining 13 weeks. However, the maximum monthly amount of unemployment benefits is limited to two basic units, i.e. approximately EUR 20 (as of January 2014);
- if a person had an employment for less than 12 calendar weeks during 12 months preceding to the registration as unemployed, he is entitled to monthly unemployment benefits in the amount of approximately EUR 10 for the first 13 weeks after the registration as unemployed and approximately EUR 7.4 for the remaining 13 weeks (as of January 2014);
- if a person seeks employment for the first time, monthly unemployment benefits he/she will receive amount to approximately EUR 8.4 for the first 13 weeks after the registration as unemployed and approximately EUR 7 for the remaining 13 weeks (as of January 2014).
8. Survivor's benefits

Children, spouses, parents, grandparents of a deceased breadwinner are entitled to a survivor’s pension provided they were dependant of a deceased person and are legally not able to work, i.e. they are under 18 years old, disabled or of a retirement age.

Dependants qualify for a survivor’s pension if a deceased breadwinner had minimum required labour experience which can be from 1 to 15 years depending on age of a person deceased. The amount of a survivor’s pension is equal to 40% of average salary of a deceased breadwinner for each of dependants entitled to a survivor's pension.

Burial allowance is paid to those who bear expenses for burial of persons covered by a social security scheme, children of persons covered by a social security scheme and unemployed persons registered in the placement service. As of January 2014 burial allowance is equal to approximately EUR 445.

9. Accidents at work and occupational diseases

All salaried persons are covered against accidents at work and occupational diseases by the mandatory insurance that must be concluded by and at the expense of employers.

Accident at work is an accident causing injury or death to the employee occurred during and because of the execution of his/her labour agreement or on the way to or from work on a vehicle provided by the employer.

There is a list with diseases acknowledged as occupational diseases. If an occupational disease occurred is on the List of Occupational Diseases and a victim works in a sector in which he is exposed to a risk that may cause this disease, his disease shall be recognised as an occupational disease. The burden of proof does not lie with a victim as there is an irrefutable assumption in his/her favour. In order to get an indemnity the disease should be reflected in the above mentioned List.

A victim of an accident at work or an occupational disease is entitled to the reimbursement of the costs for hospital care, physiotherapy, medical, surgical, dental and pharmaceutical care as well as orthopedic equipment, occupational training (retraining).

During the period of incapacity for work caused by an accident at work or an occupational disease the victim is entitled to indemnities for his/her loss of income:

- disability pension;
- sickness allowance;
- compensation of difference between previous average salary and actual salary of a victim who is temporarily transferred to an easier and less paid work.

In case of a death of a victim payment of a disability pension and a burial allowance is possible.
Competent authorities

With regard to both salaried and self-employed persons, social security contributions are paid to the Social Security Fund of the Ministry of Labour and Social Security of the Republic of Belarus.

Payments into the compulsory scheme against accidents at work and occupational diseases are made to the Belarusian Republic’s Unitary Insurance Company ‘Belgosstrakh’.

Voluntary social security scheme

Belarusian nationals working outside Belarus are entitled to obtain voluntary pension coverage. In order to do that, they have to register with a local social security authority.

Social security contributions payable by individuals on their own are chargeable at 29% rate on the amount of income as determined by individuals themselves. In other words, a Belarusian national is not obliged to make social security contributions on the basis of the whole amount of salary received outside Belarus.

However, the minimum basis for payment of social security contributions is equal to minimum salary rate established in Belarus (approximately EUR 126 as of January 2014).
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Belgium has an extensive statutory social security system based on solidarity. It intervenes in three events:
- wage loss (e.g. unemployment, retirement, incapacity for work): substitute income;
- social burdens (e.g. children, sickness): income supplements;
- no earned income (outside the claimant’s control): subsistence allowances.

The Belgian statutory social security system is divided into three schemes:
- scheme for salaried persons (individuals who are linked to their employer by an employment agreement);
- scheme for self-employed persons (individuals who work outside the scope of an employment agreement/office);
- scheme for civil servants (individuals who are subject to the status of public servants) – not gone into in this country profile.
Contributions

1. Salaried persons

Social security contributions are due by both employees and employers. Employee contributions are deducted from gross pay, whilst employer contributions are paid on top of gross pay. Contributions are due on total gross salary (in cash or kind), without any ceiling.

Employee social security contributions amount to 13.07% and employer social security contributions are approximately 35%. Both are tax-deductible. For blue-collar workers, an additional 10.27% is due on an annual basis and contributions are calculated on 108% of salary.

Insurance against industrial accidents is not included in the above. Employers mandatorily need to take out a separate insurance and pay a separate fee to the insurance company of their choice in this respect.

Several reduction schemes are in place, one of which is structural; others apply to certain target groups.

2. Self-employed persons

Social security contributions for self-employed persons are calculated on the basis of earned income (as determined by the tax administration) during the third calendar year preceding that for which contributions are due (i.e. called the ‘reference year”). The earned income taken into account for determining contributions is capped (for 2013, at EUR 81,648.49). Therefore, the maximum contribution for self-employed workers is EUR 15,905.32 a year, or EUR 3,976.33 per quarter.

The earned income taken into account for determining contributions is capped (for 2014, at EUR 81,902.81). Therefore, the maximum contribution for self-employed workers is EUR 15,954.68 a year, or EUR 3,988.67 per quarter.

As of 1 January 2015, the social security contributions for self-employed persons will be calculated based upon the earned income of the current year instead of the income of the reference year:

- provisional contributions will be due based upon the earned income of the (former) reference year;
- these provisional contributions can be increased or decreased in case certain conditions are met;
- these provisional contributions will be regularized as of the moment the definitive earned income of the year concerned are known by the tax administration, which will result in a refund or an additional payment.

Social security contributions for a main self-employed activity are the following (amounts for 2014 – administrative charges not included):

- 22% of the portion of income up to EUR 55,576.54;
- the contribution due on the portion of income between EUR 55,576.54 and EUR 81,902.81 amounts to 14.16%.

Social security systems around the globe
1. Health care

Health care covers both preventive and curative care required for maintaining and restoring a person’s health (e.g. ordinary medical care, dental care, hospital care). All medical care dispensed that can be (partly or completely) reimbursed is listed in a so-called nomenclature of medical care.

A number of conditions/criteria have to be met in order to access health care (e.g. registration with a health insurance fund, payment of a minimum amount of contributions and, in some cases, a six-month qualifying period).

Refunds by health insurance funds of the costs of medical treatment vary according to the nature of the treatment, the status of the insured and the care provider’s capacity. In most cases, they are not refunded entirely.

2. Sickness benefits

In addition to health care, claimants are also entitled to benefits covering loss of income upon falling ill.

Salaried persons entitled to sickness benefits must satisfy certain conditions (e.g. minimum coverage period over a period of six months and payment of sufficient social security contributions).

Incapacity consists of two periods:

- Primary incapacity for work (maximum one year): during the first period of up to 30 days of primary incapacity, white-collar-workers* receive guaranteed salary paid by their employer but, as from the 31st day, they receive an indemnity based on a percentage of their salary, up to a maximum of EUR 78.96 a day (as at 1 September 2013, for incapacity for work as of 1 April 2013). The percentage varies according to the claimant’s family situation as of the 7th month of incapacity of work. *For blue-collar worker, this is slightly different. However, these 2 statutes will probably be aligned in the near future.

- Invalidity period (after one year of primary incapacity): benefits are granted according to the claimant’s family situation and any loss of sole income; they are based on a percentage of salary, which varies according to the claimant’s family situation, with a maximum of EUR 85.54 a day (amount on 1 September 2013 for invalidity as of 1 April 2013).

3. Accidents at work

All salaried persons are covered against accidents at work and accidents on the way to and from work. An accident at work is an accident occurring during and because of the performance of the claimant’s labour contract and causing injury, as well as an accident which occurs outside of the performance of the claimant’s labour contract but is caused by a third party because of the performance of the labour contract. Accidents on the way to and from work are those occurring on the normal route the claimant has to use to travel from the threshold of his/her residence to work and vice versa.

Every employer should contract an insurance against accidents at work with a competent insurance institution. The Fund for Accidents at Work (FAO - FAT) supervises the insurance institutions technically as well as medically. In some cases (ship-owners, seamen, employees for whom no insurance for accidents at work has been contracted), the FAO - FAT itself acts as an insurance company. The FAO - FAT also pays the supplementary allowances.

Victims of accidents at work are entitled to reimbursement of the costs of hospital care, physiotherapy, medical, surgical, dental and pharmaceutical care and orthopaedic equipment. Care costs are reimbursed according to the applicable sickness insurance tariffs and the insurance institution has to pay the patient fee.
During periods of incapacity for work caused by accidents at work, victims are entitled to indemnities for loss of income:

- period of temporary incapacity for work: percentage of the claimant’s average daily salary, which corresponds to 1/365 of the basic salary, capped EUR 40,927.18 (current amount);
- period of permanent incapacity for work (starts at the time of consolidation): an annual allowance, depending on salary and degree of incapacity for work.

4. Occupational diseases

There is a list with diseases acknowledged as occupational diseases.

Claimants who have a disease on the list and work in a sector in which they are exposed to a risk likely to cause the disease, it is deemed an occupational disease. The burden of proof does not lie with the victim, there being an irrefutable assumption in his favour.

For non-listed occupational diseases, the victim has to prove exposure to a risk and the causal link between exposure and the disease.

Victims are entitled to a disability allowance from the Fund for Occupational Diseases amounting to a percentage of a capped salary of EUR 40,927.18 (current amount), and to other allowances (e.g. reimbursement of medical expenses, survivor’s allowance).

5. Family benefits

Family benefits comprise a number of allowances, of which ordinary family allowance is the most important.

Three persons are involved in the family benefits system: the beneficiary, the qualifying child and the ‘allottee’. The beneficiary opens up entitlement to family benefits through his employment. A qualifying child has to meet particular conditions (e.g. degree of kinship between him/her and the beneficiary, conditions with regard to education and age). The allottee is the person who receives the family benefits.

Ordinary family benefit is determined by the rank of the child compared to other qualifying children educated within the same family. The monthly amounts are the following (per 30 June 2013):

<table>
<thead>
<tr>
<th>Child Type</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>First child</td>
<td>EUR 90.28</td>
</tr>
<tr>
<td>Second child</td>
<td>EUR 167.05</td>
</tr>
<tr>
<td>Third and successive children</td>
<td>EUR 249.41</td>
</tr>
</tbody>
</table>

6. Maternity benefits

Expectant mothers are entitled to maternity leave of 15 weeks and an allowance during that leave.

Two periods can be distinguished:

- the prenatal rest period: six weeks before the presumed date of confinement (five are optional and may be transferred until after the birth);
- the postnatal rest period: nine weeks after giving birth (to which can be added the five remaining weeks of prenatal rest).

During maternity leave, salaried women are entitled to 82% of their normal gross salary for the first 30 days and 75%, capped at EUR 107.91 (as of 1 September 2013) a day for the remainder. Payment is made by the claimant’s health insurance fund.

Fathers are also entitled to ten days paternity leave, to be taken during the four months following the birth.
7. Unemployment

Replacement income is paid to those that are dismissed from salaried employment involuntarily.

However, it is not enough just to be subject to the social security scheme for salaried persons to claim unemployment benefit. Claimants must also prove a sufficient number of worked days or equivalent (e.g. invalidity, holiday) during the ‘reference period’ prior to applying. Both the required number of working days and the length of the reference period depend on the claimant’s age when applying.

Entitlement is also subject to certain specific conditions (e.g. not in receipt of salary, not performing work, unemployment outside the claimant’s control, available for the labour market, fit for work, resident in Belgium). There are nonetheless exceptions to these conditions.

In addition, claimants must comply with certain formalities (e.g. register with a pay-out institution, register as a ‘job seeker’).

The unemployment benefit is calculated in function of a percentage of the (capped) average daily salary, the family situation of the unemployed person, the duration of the unemployment and the work history.

8. Retirement

Retirement pension is a benefit to which claimants are entitled based on career and reaching a given age.

The normal retirement age in Belgium is 65. Claimants must work 45 years to be entitled to a full pension. In 2014, an employee needs to be 61 years old and have a work experience of 39 years to take early retirement.

It is nevertheless possible to take early retirement as from the age of 60 if the claimant has worked for 40 years. Note that the limits for early retirement will be increased in phases to age 62 and a working life of 40 years in 2016.

Pensions are calculated on the basis of a real, fictitious (for assimilated periods) or lump-sum earned income (capped at a certain amount). The amount of the pension also depends on the claimant’s family situation.

Pensioners may only engage in gainful employment under strict conditions.
**Competent authorities**

1. **Salaried persons**

Contributions paid by employers and employees are collected by the National Office for Social Security (RSZ/ONSS) for salaried persons, which then distributes them among the different institutions responsible for paying allowances and benefits.

2. **Self-employed persons**

Self-employed persons join and pay social contributions to a social insurance fund for the self-employed under the oversight of the National Institute for the Social Insurances of Self-employed Persons (RSVZ/INASTI). Social insurance funds also have the task of paying benefits to self-employed persons.

Under certain conditions, company directors are deemed to be self-employed in Belgium.

**Voluntary social security scheme**

It is not possible to remain subject to the Belgian statutory social security scheme on a voluntary basis.

Citizens of Member States of the EEA or Switzerland who work outside those countries may nevertheless join the Overseas Social Security Office (OSSO), which is a public social security institution guaranteed by the Belgian State. Citizens of other countries can also join up to the OSSO if they are employed by a company whose registered office is in Belgium or by the Belgian State, Regions or Communities.

The Belgian OSSO scheme is contribution-based and consists of a general scheme (pension, allowance in case of illness, maternity or disability and deferred health care insurance) and supplementary insurance contracts (health care, occupational accidents and accidents in private life). Participation in the general scheme is a precondition for taking out supplementary insurance.

The OSSO scheme can be joined on an individual basis or via the worker’s employer. There is a monthly contribution, fixed between statutory minimum and maximum amounts (as desired).
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Bosnia and Herzegovina consists of two entities: the Federation of Bosnia and Herzegovina; and Republika Srpska and Brčko District, which constitute a separate administrative unit. Each entity has a separate social security contribution system and different regulations on social security contributions. The information below mainly relates to the social security system of the Federation of Bosnia and Herzegovina (FBiH).

FBiH has an extensive statutory social security system based on solidarity.

The social security scheme in FBiH intervenes upon three events:

- wage loss (e.g. unemployment, retirement, incapacity for work): substitute income;
- dependent burdens (e.g. children, sickness): income supplements;
- limited allowance necessary for fulfilment of minimal existential needs.

The following persons are subject to FBiH's statutory social security contributions:

- salaried persons (individuals linked to an employer by an employment agreement);
- self-employed persons;
- persons engaged under a project agreement.
Contributions

Compulsory social security contributions are:

- contributions for retirement and disability insurance:
  - regular contributions;
  - additional contributions, for extended insurance periods;
- contributions for health insurance;
- contributions for unemployment insurance.

1. Salaried persons

Social security contributions are due by both employees and employers. Employee contributions are deducted from gross pay, whilst employer contributions are paid on top of gross pay. Contributions are due on the total gross salary (in cash or in kind), without any ceiling.

The rates are 31% for employees and approximately 10.5% for employers. Both are tax-deductible.

2. Self-employed persons

Social security contributions for self-employed persons are calculated on the basis of the average monthly salary in FBiH multiplied by a coefficient fixed separately for different types of self-employed activity.

They are calculated at the following rates:

- 23% for retirement and disability insurance;
- 16.5% for health insurance; and
- 2% for unemployment insurance.

Self-employed persons are obliged to calculate and pay SSC on generated income by themselves and they are gaining benefits from the paid contributions (pension and health insurance).

3. Persons engaged under a project agreement

The social security contributions for persons engaged under a project agreement are calculated at the following rates:

- 4% on income for basic health insurance;
- 6% on income for retirement and disability insurance.

Persons engaged under a project agreement are engaged by a legal entity which is obliged to withhold and pay due SSC from the total income paid. Person engaged is also not gaining any benefit from SSC paid.

Additional contributions for extended insurance period

- additional contributions for retirement and disability insurance are calculated at the following rates: 2% for employees who are assigned to the working position where 12 months of effective work counts as 14 months;
- 3% for employees who are assigned to the working position where 12 months of effective work counts as 15 months;
- 6% for employees who are assigned to the working position where 12 months of effective work counts as more than 15 months.
**Benefits**

for salaried persons

1. **Health care**

Health care covers both preventive and curative care required for maintaining and restoring health (e.g. general medical care, dental care, hospital care, medicines from a pre-set list of essentials).

Supplementary charges are made for some additional care costs.

To access health care, patients have to be registered with the FBiH tax authorities and pay a minimum amount of contributions.

2. **Sickness benefit**

Upon falling ill, in addition to health care, claimants are entitled to benefits covering loss of income. Salary continues to be paid for first 42 days of sickness. After that, it is paid by the Health Insurance Fund.

While on sick leave, employees are entitled to a minimum of 80% of their salary. In some situations (pregnancy, occupational illness and transplants), sick pay cannot be less than full pay.

3. **Accidents at work**

All salaried persons are covered against accidents at work and accidents on the way to and from work. An accident at work is an accident causing injury and occurring during and due to performance of the employee's labour contract. Accidents on the way to and from work are those occurring on the normal route the claimant has to use to travel from the threshold of his residence to his work and vice versa.

Victims of accidents at work are entitled to replacement income and a refund of the costs of hospital care, physiotherapy, medical, surgical, dental and pharmaceutical care, and orthopaedic equipment.
4. Maternity benefits

Expectant and new mothers are entitled to one year's maternity leave and an allowance during that period.

Two periods can be distinguished:

- the prenatal rest period – during pregnancy if prescribed by a doctor or for four weeks before the estimated date of birth. These four weeks are optional and may be kept over till after the birth;
- the postnatal rest period: a maximum of one year after giving birth.

During maternity leave, salaried female workers may be entitled to benefit instead of their income. The amount of benefit varies from canton to canton within FBiH.

5. Unemployment benefit

Replacement income is paid to those who involuntarily lose their salaried employment.

However, it is not enough just to be subject to the social security scheme for salaried persons to claim unemployment benefit. At the time employment is terminated, claimants must have been employed for at least eight continuous months or for eight months with interruptions within the last 18 months.

Unemployment benefit is 40% of the average net salary paid in FBiH in the last three months preceding termination of the claimant's employment.

Claimants are entitled to unemployment benefit for:

- three months if they were employed for more than eight months and less than five years;
- six months if employed for more than five and less than ten years;
- nine months if employed for more than ten and less than 15 years;
- 12 months if employed for more than 15 and less than 30 years;
- 18 months if employed for more than 30 and less than 35 years; and
- 24 months if employed for more than 35 years.

6. Retirement

Retirement pension is a benefit entitlement which is based on working life and achievement of a given age.

The normal retirement age in FBiH is 65. Claimants must work at least 20 years in order to be entitled to a full pension. Regardless of age, a full pension may be claimed by those who have worked for 40 years, regardless of their age.

However, it is possible to take early retirement from age 60 if the claimant has worked for 35 years.

The pension is calculated on the basis of a real income for assimilated periods. Retirement pension can only be combined with work under strict conditions.
Competent authorities

Contributions paid by employers and employees, and by self-employed persons, are collected by three separate funds: the Retirement and Disability Fund, the Health Insurance Fund and the Employment Fund.

Social security contributions paid for persons engaged under a project agreement are paid to a special solidarity fund and persons engaged do not obtain any benefit from contributions paid.

Voluntary social security scheme

It is possible to obtain voluntary social security coverage in FBiH. First of all, the individual should not be subject to compulsory coverage in FBiH.

In order to get voluntary social security coverage in FBiH, individuals must report and pay compulsory social security contributions. The minimum basis is the minimum gross salary in FBiH.
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General background

The general Brazilian social security system (‘RGPS – Regime Geral de Previdência Social’) managed by the National Social Security Institute (INSS) is essentially regulated by the Federal Constitution (1988) and specific laws.

The social security system is financed by Brazilian society, directly and indirectly, by resources originating from the Federal Government, States, the Federal District and Cities.

Thus, all companies and employees must pay a monthly contribution to the INSS whose system provides retirement annuities, sickness, accident and disability compensation, maternity leave allowances, pension for death, family allowance, pension due to reclusion, professional rehabilitation, medical care, dental care and other hospital services. Employee and employer contributions are deductible for income tax purposes.

Covered persons

The individuals mandatorily covered by the Brazilian social security system are:

- employees – regular employees under an employment contract with a Brazilian company;
- domestic employees;
- individual contributors – self-employed individuals who render services to other individuals or to companies; statutory directors;
- rural workers.

Individuals who are not workers may also opt to be affiliated to the Brazilian social security system as voluntary contributors.
Contributions

Companies that hire employees, including foreign individuals, will be subject to the following social security charges:

a) payment of contributions to the social security system (INSS) on the total compensation paid, due or credited to employees, at a flat rate equivalent to 20% (financial institutions must contribute with additional 2.5%);

b) payment of the following corporate charges, calculated according to the payroll:

- SESI (‘Serviço Social da Indústria’ – Industry Social Service) 1.5%
- SESC (‘Serviço Social do Comércio’ – Commerce Social Service) 1.0%
- SEST (‘Serviço Social do Transporte’ – Transportation Social Service) 0.2%
- SENAI (‘Serviço Nacional de Aprendizagem Industrial’ – National Service of Industrial Learning) 1.0%
- SENAC (‘Serviço Nacional de Aprendizagem no Comércio’ – National Service of Commerce Learning) 0.6%
- SENAT (‘Serviço Nacional de Aprendizagem no Transporte’ – National Service of Transport Learning) 0.6%
- INCRA (‘Instituto Nacional de Colonização e Reforma Agrária’ - National Institute of Colonization and Land Reform) 0.2%
- SEBRAE (‘Serviço Brasileiro de Apoio às Micro e Pequenas Empresas’ - Brazilian Service of Support for Micro and Small Companies) 0.6%
- Education Salary 2.5%
- Work accident insurance – RAT (from 1% to 3% multiplied by a factor ranging from 0.5 to 2) 6.0%

The RAT (percentage ranging from 1% to 3%) corresponds to a percentage that measures the risk related to the company's economic activity, based on which it is charged a contribution to finance social security benefits related to the degree of incapacity for work. As of January 2010, besides the RAT, companies have also started being classified by the FAP (Accident Prevention Factor), which measures the company's performance within its economic activity in relation to work accidents occurring over a certain period. The FAP is a multiplier varying from 0.5 to 2 and is applied to the RAT. Accordingly, the RAT may vary from 0.5% to 6%.

Employees are also required to pay (monthly contributions) to the INSS ranging from 8 to 11% of their salaries – with a set ceiling of R$ 482.93 per month (applicable to FY 2014).

The contributions to the social security system (INSS) on total compensation paid, due or credited to employees at a flat rate equivalent to 20%, as described above under item (a), do not apply for IT and communication companies and other specific industries.

As a general rule, in the latter cases, a reduced social security contribution has been introduced on gross revenue, excluding cancelled sales, unconditional discounts and revenue from exports due to a specific program of the Brazilian government aiming to reduce payroll costs. Please be aware that item (b) above is still due by those companies.
1. Old-age pension (retirement)
Available to insured individuals who have reached age 65 (60 for women). In order to claim, the individual must have made at least 180 monthly contributions to the Brazilian social security scheme.

2. Invalidity pension (retirement)
Insured individuals considered permanently and fully incapacitated for work by a social security expert due to sickness or accident will be entitled to benefit. The individual must have made contributions to the Brazilian social security scheme for at least 12 months in the case of not specified sickness. For an accident related situation, professional or occupational sickness or diseases specified by the authorities there is no grace period. If the individual returns to work, retirement payments cease.

3. Retirement due to period of contribution
This is available after 35 years of contributions (30 for women). The individual may claim full or proportional benefit. Proportional benefit may be claimed by men aged 53 who have contributed to the social security scheme for at least 30 years, and by women aged 48 years old who have contributed for at least 25 years. The benefit is not available to voluntary contributors who have contributed to the social security scheme with minimum monthly contributions equivalent to 11% of the minimum wage.

4. Special retirement
This is available to insured individuals who have worked under certain dangerous or unhealthy working conditions. It may be claimed after 15, 20 or 25 years, depending on the work conditions. The individual must have made at least 180 contributions to the social security scheme.

5. Sickness insurance benefit
This is granted when the individual becomes incapacitated for work by an accident or sickness for more than 15 days (consecutive). The first 15 days must be paid by the employer. The social security authorities will only pay benefits as from the 16th day. The individual must have contributed to the social security scheme for at least 12 months to be entitled; an exception is made in the case of accidents and certain specific diseases.

6. Accident insurance benefit
This is granted to employees who, due to an accident, have reduced working capacity and cannot perform the same activity. It is also granted to employees who used to receive sickness insurance benefits. There is no grace period.

The benefit is not available to individual and voluntary contributors.
7. Maternity allowance
This is due to insured individuals (women) at the time of childbirth or adoption. The benefit for childbirth lasts 120 days and may start up to 28 days before the delivery date. The benefit for adoption is due to men or women for the period of 120 days.

In case of death of the beneficiary, the benefit will be paid, for the last period, to the surviving spouse or partner who has the quality of insured.

As a general rule, there is no grace period. Sole contributors, voluntary contributors and domestic servants must prove at least ten months of contributions.

The Brazilian companies may opt to extend the childbirth benefit for additional 60 days. In this latter case, the company will have a fiscal incentive during the extension period. The prorogation is applicable in case of adoption too.

8. Family allowance
This is available to insured employees who receive monthly earnings of up to R$ 1,025.81 to assist in upkeep of the family. The benefit is granted according to the children's ages (under 14, or invalids of any age). There is no grace period.

9. Prison insurance benefit
This relates to assistance given to dependents of insured prisoners during the cloister period. There is no grace period. Certain specific conditions must be met.

10. Death pension
This benefit is granted to the worker’s family upon death. There is no grace period. Certain specific conditions may extinguish this benefit.

11. Disability benefit
The disability benefit was established by Complementary Law 142/2013 and states the following:

Individuals with disabilities (intellectual, mental, physical, hearing or visual) are subject to different conditions regarding retirement benefit.

Retirement due to age
The retirement age limit is 60 years old for men and 55 years old for women.

Retirement due to time of contribution
The time of contribution will vary depending on the disability level:
- severe disability: men - 25 years of contribution (women - 20 years);
- moderate disability: men - 29 years of contribution (women - 24 years);
- mild disability – men - 33 years of contribution (women - 28 years).

To claim the retirement benefit due to age or time of contribution, the disabled individuals should have made at least 180 monthly contributions to the Brazilian Social Security scheme.
Voluntary social security scheme

Any individual over 16 years old who is not engaged in gainful activity and thus not mandatorily covered can join the Brazilian Social Security system as voluntary contributor.
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Bulgaria has an extensive social security system based on solidarity.

Two events can trigger a claim to social security in Bulgaria:
- wage loss (e.g. unemployment, incapacity for work, retirement) – substitute income;
- social burdens (e.g. children) – income supplements.

The Bulgarian statutory social security system is divided into three schemes:
- scheme for salaried persons (individuals who are linked to their employer by an employment agreement);
- scheme for self-employed persons (individuals who work outside the scope of an employment agreement);
- scheme for civil servants (individuals who work in a public office) – not covered in this profile.
1. Salaried persons

Social security contributions are due by the employee, the employer and the State. The State contributes at the rate of 12%.

Employee contributions are deducted from gross pay, whilst employer contributions are paid on top of gross pay.

Generally, employers pay 17.9% and 12.9% is withheld from employees’ pay. Some minor variations may apply. Both types of contribution are tax-deductible. Part is paid to the State insurance fund, part to private pension funds.

Compulsory social security contributions are due on gross pay (within certain minimum and maximum thresholds) less any allowed statutory deductions.

The minimum base per month varies and depends on the employer’s business and the employee’s occupation and grade. The compulsory social security base is capped; for 2014, the maximum is BGN 2,400 (approx. EUR 1,227) a month.

2. Self-employed persons

Self-employed persons pay social security contributions at a standard rate of 25.8% (or 29.3% if they opt for making contributions to the General Illness and Maternity fund). The State also makes a 12% contribution for them.

The social security basis for self-employed persons ranges from BGN 420 (approx. EUR 215) to BGN 2,200 (approx. EUR 1,227) for 2014.
1. Health care benefits

Health care covers both preventative and curative care required for maintaining and restoring patients’ health (e.g. general medical care, dental care and hospital care). Only part of the service is paid for by health care contributions. Patients pay the balance in cash or through voluntary health insurance.

A number of conditions and criteria have to be met in order to access health care (e.g. registration with a health insurance fund, payment of a minimum amount of contributions).

Doctor’s visits are subject to a fixed charge of BGN 2.90 (approx. EUR 1.45) (there are exceptions for pensioners, children and pregnant women).

2. Sickness benefits

The ill can claim health care plus benefits covering loss of income.

Salaried persons must satisfy certain conditions to claim sickness benefit (e.g. minimum coverage period of at least six months and payment of sufficient contributions). There is no qualifying period for under 18s. Their contributions are paid by the State.

Sickness benefit is based on ‘insurance income’, which is calculated on the basis of the individual's daily gross wage or average daily insurance income in the 18 calendar months before incapacity began. Benefit is 80% of the insurance income, which is paid from the fourth day of sickness until the claimant is able to return to work or is assessed as permanently disabled. During the first three days of sickness, the employer pays 70% of the insurance income. Benefit is also paid to quarantined patients for the entire period of temporary incapacity.

Depending on the specific case, sanatorium (health resort) treatment may be provided as well.

Benefit is also paid to carers looking after family members. The period for which benefit is paid depends on certain criteria, such as the age of the family member and the period of recovery or confinement.

Invalidity (long-term incapacity for work (over six months) or invalidity above 50%) triggers various benefits or pensions according to special rules and criteria.

3. Accidents at work and occupational diseases

All salaried persons are covered against accidents at work and occupational diseases.

An accident at work is any sudden impairment to health occurring during or in relation to work performed in the interests of the employer and resulting in temporary or permanent reduced capacity for work or death.

An occupational disease is defined as any illness occurring exclusively or primarily as a result of harmful factors in a working environment or working process and which is included on a special list.
Employees who suffer accidents at work are entitled to monetary compensation for the temporary reduction in their capacity to work, sanatorium treatment and medical care, examinations and treatment. They are also entitled to monetary compensation for prophylactics (regular health checks), rehabilitation and support devices (e.g. wheelchairs) needed as a result of the harm caused to them, and a pension for any resulting disability.

In the event of death as a result of a work accident or occupational disease, the deceased's spouse, dependent children and parents are entitled to a one-off allowance and survivor's pension.

The daily monetary benefit for temporary reduced capacity for work as a result of a work accident or occupational disease is 90% of the relevant insurance income.

4. Family benefits

Families and pregnant women with an average monthly income per family member for the last 12 months that does not exceed BGN 350 (approx. EUR 175) for 2014 are entitled to a number of family benefits. The family benefits for this group in 2014 are as follows:

- for pregnant women, a one-off allowance of BGN 150 (approx. EUR 75);
- monthly family allowance for raising children until they leave school, but no later than age 20 – BGN 35 (approx. EUR 17) for the first child; BGN - 50 (approx. EUR 25) for the second child and BGN 35 (approx. EUR 17) for third and subsequent children;
- a monthly family allowance for raising children to age one – BGN 100 (approx. EUR 50) if the mother is not insured and does not receive other monetary compensation during her maternity leave;
- a lump-sum allowance for students (primary and secondary school) to cover part of the expenses for the start of the school year – BGN 150 (approx. EUR 75).

There are also family benefits which are not means tested, such as:

- for giving birth to a child – a lump sum of BGN 250 (approx. EUR 125) for the first child, BGN 600 (approx. EUR 300) for the second and BGN 200 (approx. EUR 100) for the third and subsequent children;
- BGN 1,200 (approx. EUR 600) for giving birth to twins, if there is already an older sibling in the family, otherwise the regular allowances for the first and second children apply;
- for raising a child to age one if the mother is a university student (on a regular course of study) – a lump sum of BGN 2,880 (approx. EUR 1,440);
- there is an additional one-off allowance for children assessed as having long-term disability of 50% or over 50% (if established by age two) – BGN 100 (approx. EUR 50).
5. Maternity benefits

Pregnancy and childbirth benefits

Employed insured women are entitled to an allowance instead of salary during pregnancy and childbirth if they have been insured for 12 months (12 months also for self-employed women).

The daily allowance for pregnancy and childbirth is 90% of the relevant insurance income for the period of 18 months preceding the month of childbirth.

Employees are entitled to a prenatal and postnatal leave of 410 days for each child, 45 days of which must be taken before childbirth.

Child-care benefit

Once prenatal and postnatal leave have been used up, if the child does not attend child-care, the employee is entitled to additional child-care leave until the child reaches the age of two (this applies for the first, second and third child), and six months for any fourth and subsequent child.

Claimants are entitled to child-care benefit if they have contributed for this kind of benefit for 12 months.

During the additional child-care leave, the employee is entitled to a monthly allowance, which is BGN 340 (approx. EUR 174) in 2014.

6. Unemployment benefit

Employees contributing to the 'Unemployment Fund' for at least nine of the last 15 months before termination of their employment are entitled to unemployment benefit.

Further qualifying requirements include:
- employees must register as unemployed with the National Employment Agency;
- they cannot be in receipt of a pension;
- they may not perform work for which they are subject to compulsory social security contributions.

Daily unemployment benefit is 60% of the relevant insurance base for the last 24 months preceding the month in which employment terminated. The minimum daily benefit for 2013 is BGN 7.20 (approx. EUR 3.60).

7. Retirement pension

Entitlement to retirement pension is based on the claimant's length of service and age.

Pensions are currently paid to women aged 60 years and eight months with a minimum of 34 years and eight months of service and to men aged 63 and eight months with a minimum of 37 years and eight months of service. As of 31 December 2011, the retirement age is being raised by four months each calendar year until it reaches 63 for women and 65 for men.

In addition, as of 31 December 2011, the service threshold is also increasing by four months each calendar year until it reaches 37 years for women and 40 for men.
1. Pension

Additional voluntary pension insurance is through private voluntary insurance funds.

Anyone aged 16 or over can take out a voluntary pension scheme through a pension fund. The contributions confer entitlement to the following pensions:

- personal old-age pension, which may be paid as a lump sum or annuities based on the funds accumulated in the retiree's individual account;
- survivor's pension – paid to the insured’s heirs in the case of death, which also may be paid as a lump sum or annuities.

Policyholders can make withdrawals from the funds accumulated in their accounts prior to retirement.

2. For unemployment and/or vocational qualifications

It is possible to pay contributions into a private voluntary insurance fund for unemployment and/or vocational qualifications, conferring the following rights:

- a monetary allowance in the event of unemployment;
- an allowance for additional education/qualifications.

Policyholders can make advance withdrawals of funds accumulated in their accounts.

Competent authorities

All contributions are paid to the National Revenue Agency.
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Canadian social plans are comprised of three main elements:

1. The Canada Pension Plan (CPP), or the Quebec Pension Plan (QPP)

The Canada Pension Plan (CPP) is a contributory, earnings-related social insurance programme. It ensures a measure of protection to a contributor and his or her family against the loss of income due to retirement, disability and death. Every person in Canada over the age of 18 who earns a salary must pay into this programme. The contributions are split between employer and employee. Self-employed individuals must pay both portions.

For individuals working in the province of Quebec, the Quebec Pension Plan (QPP) is the programme that the contributions are made to. It covers the same benefits as the CPP programme and had the same contribution limits historically.

2. Old Age Security (OAS)

Another program and benefit available to Canadians is the Old Age Security (OAS) pension.

3. Employment Insurance (EI)

Finally, the Employment Insurance (EI) program offers temporary financial assistance to Canadians. EI benefits include regular (unemployment) benefits, maternity and parental benefits, sickness benefits, and compassionate care benefits. One of the most common types of benefits that the EI program offers is regular benefits. EI regular benefits are offered to people who have lost their employment through no fault of their own (for example, because of a shortage of work or because they were employed in seasonal work) and who are ready, willing, and capable of working each day but unable to find work.
With very few exceptions (e.g., due to a totalisation agreement), every individual in Canada over the age of 18 who earns compensation as an employee or self-employed individual must pay into the CPP/QPP, OAS, and EI systems.

With respect to who can apply for CPP/QPP benefits, the following conditions must be met: you must have worked in Canada, made at least one valid contribution to the plan and you must be at least 60 years old.

The eligibility criteria with respect to OAS and EI will be elaborated on later on in this document.
Contributions

1. CPP/QPP

Generally, CPP/QPP contributions are determined based on remuneration and taxable benefits paid or provided to employees (pensionable earnings).

There is an annual exemption of $3,500. Individuals who earn less than this do not need to contribute to CPP/QPP.

The rates indicated below apply to all of Canada, with the exception of Quebec. As of 2013, the QPP participation rate has increased by 0.075% for both employees and employers.

**Employee:** 4.95% (5.1% for QPP) of pensionable earnings. The maximum annual contribution for 2014 is $2,425.50 ($2,535.75 for QPP) and maximum pensionable earnings are $52,500.

**Employer:** 4.95% (5.1% for QPP) of pensionable earnings. The maximum annual contribution amount for 2014 is $2,425.50 ($2,535.75 for QPP) and maximum pensionable earnings are $52,500.

**Self-employed person:** 9.90% of pensionable earnings. The maximum contribution for 2014 is $4,851.00 ($5,071.50 for QPP).

CPP/QPP contributions are not deductible for federal or provincial income tax purposes, but they are creditable against taxes payable. The employer’s matching contribution is not taxable to the individual.

**Voluntary CPP/QPP Contributions**

Individuals who are not otherwise required to contribute can make voluntary contributions to the CPP/QPP programme in certain circumstances.

2. OAS

The Old Age Security (OAS) pension is a monthly payment available to most Canadians aged 65 or older. You must apply to receive benefits. If you meet the eligibility requirements explained below, you may be entitled to receive the Old Age Security pension even if you are still working or have never worked. This is not a contribution-based program. The Old Age Security program is financed from Government of Canada general tax revenues.

3. EI

**Employee:** 1.92% of insurable earnings. The maximum annual contribution is $913.68 and the maximum insurable earnings are $48,600.

**Employer:** 2.632% of insurable earnings. The maximum annual contribution is $1,279.15 and the maximum insurable earnings are $48,600.
**Canada**

### EI (Quebec only)

**Employee:** 1.53% of insurable earnings. The maximum annual contribution is $743.58 and the maximum insurable earnings are $48,600.

**Employer:** 2.142% of insurable earnings. The maximum annual contribution is $1,041.01 and the maximum insurable earnings are $48,600.

### Quebec Parental Insurance Plan (QPIP)

In Quebec, the federal EI programme is supplemented with the QPIP. It provides for the payment of additional benefits to an employee who takes maternity, paternity, adoption or parental leave. For Quebec employees, the EI participation rate is reduced due to the QPIP programme.

There is an annual exemption of $2,000. Individuals who earn less than this do not need to contribute to the QPIP.

**Employee:** 0.559% of insurable earnings. The maximum annual contribution is $385.71 and the maximum insurable earnings are $69,000.

**Employer:** 0.782% of insurable earnings. The maximum annual contribution is $539.58 and the maximum insurable earnings are $69,000.

Contributions to EI and QPIP are generally based on most elements of an individual's compensation package, including non-cash amounts (insurable earnings).

EI contributions are not deductible for federal or provincial income tax purposes, but they are creditable against taxes payable. The employer's matching contribution is not taxable to the individual.
Benefits

1. CPP/QPP

The following benefits are provided for via the CPP/QPP programmes:

• retirement pension;
• disability benefits (including benefits for disabled contributors and benefits for their dependent children);
• survivors’ benefits (including death benefit, survivors’ pensions and children’s benefit).

The primary purpose of disability benefits is to replace a portion of employment earnings for people who recently paid into the programme.

Benefits eligibility

An individual will qualify for a CPP/QPP retirement pension if he/she has made at least one valid contribution to the CPP/QPP, and is at least 60 years old.

Disability benefit is available to individuals who contributed recently to CPP while they worked, and then became unable to work at any job on a regular basis because of a disability. There are also benefits for children if at least one parent qualifies for the CPP/QPP disability benefit.

There are three types of survivor benefits, payable in respect of contributors. Contributions need to have been made into the system for a minimum of three years in order for survivors to be able to receive benefits.

• Death benefit is a one-time, lump-sum payment made to the deceased contributor’s estate.
• The survivor’s pension is paid to the person who, at the time of the death, is the legal spouse or common-law partner of the deceased contributor.
• The children’s benefit is paid to a dependent natural or adopted child of the deceased contributor. The child must be either under the age of 18, or between the ages of 18 and 25 and in full-time attendance at a school or university.

2. OAS

The following benefits are provided for via the OAS program:

• Old Age Security pension;
• Guaranteed Income Supplement (monthly benefit paid to eligible residents of Canada who receive a basic, full or partial Old Age Security pension and who have little or no other income);
• Allowance for the Survivor (designed to recognise the difficult circumstances faced by many survivors and by couples living on the pension of only one person).

Benefits eligibility

Old Age Security (OAS) pension eligibility is determined based on age, legal status and number of years an individual has lived in Canada. It is not a contribution based program. For individuals living in Canada:

• must be age 65 or older;
• must live in Canada and be a Canadian citizen or legal resident of Canada at the time the pension application is approved;
• must have lived in Canada for at least ten years after turning 18.
For individuals living outside Canada:
- must be age 65 or older;
- must have been a Canadian citizen or legal resident of Canada the day before they left Canada;
- must have lived in Canada for at least 20 years after turning 18.

If the conditions outlined in these scenarios are not met, an individual may still be eligible for an OAS pension based on the totalisation agreements that Canada has entered into with various countries.

3. EI

There are several types of Employment Insurance (EI) benefits available to Canadians, depending on their situation.

- **Employment Insurance Regular Benefits** are available to individuals who lose their jobs through no fault of their own (for example, due to shortage of work, seasonal layoffs, or mass layoffs) and who are available for and able to work, but cannot find a job.

- **Employment Insurance Maternity and Parental Benefits** provide support to individuals who are pregnant, have recently given birth, are adopting a child, or are caring for a newborn.

- **Employment Insurance Sickness Benefits** are for individuals who are unable to work because of sickness, injury, or quarantine.

- **Employment Insurance Compassionate Care Benefits** are available to people who have to be away from work temporarily to provide care or support to a family member who is gravely ill with a significant risk of death.

- **Employment Insurance Fishing Benefits** provide support to qualifying, self-employed fishers who are actively seeking work.

**Benefits eligibility**

Individuals may be entitled to receive EI regular benefits if:
- premiums have been paid into the EI Account;
- loss of employment through no fault of their own;
- they have been without work and without pay for at least seven consecutive days in the last 52 weeks;
- they have worked for the required number of insurable hours in the last 52 weeks or since the start of their last EI claim, whichever is shorter;
- they are ready, willing, and capable of working each day; and
- they are actively looking for work (must keep a written record of employers contacted, including when they were contacted).

Individuals may **not** be entitled to receive EI regular benefits if:
- they voluntarily left their employment without just cause;
- they were dismissed for misconduct; or
- they are unemployed because of direct participation in a labour dispute (strike, lockout, or other type of dispute).
Maternity, paternity, adoption or parental leave are also available in Quebec based on the QPIP program that is administered separately by the province of Quebec. The table enclosed indicates the maximum number of benefit weeks and percentage of average weekly earnings for each type of benefit, depending on the plan chosen.

When an application is filed for benefits under the Québec Parental Insurance Plan, a choice must be made between two options, the basic plan or the special plan. This choice will determine the length of leave and the percentage replacement of income.

<table>
<thead>
<tr>
<th>Type of benefits</th>
<th>Basic plan</th>
<th>Special plan</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Max weeks</td>
<td>% of avg</td>
</tr>
<tr>
<td>Maternity (exclusively for the mother)</td>
<td>18</td>
<td>70%</td>
</tr>
<tr>
<td>Paternity (exclusively for the father)</td>
<td>5</td>
<td>70%</td>
</tr>
<tr>
<td>Parental (may be shared between the parents)</td>
<td>7</td>
<td>70%</td>
</tr>
<tr>
<td>Adoption (may be shared between the adoptive parents)</td>
<td>12</td>
<td>70%</td>
</tr>
</tbody>
</table>
Competent authorities

With respect to the administration of the various Canadian social programs, the appropriate Canadian authorities depend on which system is concerned (e.g., OAS, CPP, QPP, QPIP, or EI). Service Canada handles CPP, OAS and EI issues, the Quebec Social Security Bureau (Régie des rentes du Québec) handles QPP issues and Emploi et Solidarité Québec is the resource with respect to QPIP. These agencies administer these programs and the federal and Quebec income tax authorities collect the contributions from the employees and employers via payroll remittances to fund the programs.


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China’s social security law was promulgated by the central government. However, its administration and specific details are governed by local authorities. For example, employer and employee contribution rates and caps for each benefit generally vary among local jurisdictions. Moreover, administration of the social security system also falls within the remit of local social security bureaux.

Chinese social security contribution is mandatory for local Chinese employees and their employers.

Under the new social security law effective from 1 July 2011, foreigners employed in China are required to make Chinese social security contributions as well. In practice, this requirement is applicable to foreigners holding a Chinese employment permit.

Foreigners from countries which have entered into totalisation agreements with China may be exempted from certain Chinese social security contributions in accordance with the specific coverage of those agreements.

Currently, China has only entered into totalisation agreements with Germany and the Republic of Korea (both covering pensions and unemployment) plus Denmark (pensions only).
Generally, social security contributions are assessed on employment income, and the maximum employment income assessed is capped at three times the average city salary of the prior year.

Social security contribution rates and caps vary according to local jurisdiction and are subject to change annually.

In Beijing, for instance, the current employee social security contribution amounts to approximately 10.2% and that due by employers is approximately 32.8% of the capped employment income amounting to RMB 15,669 (amount for 2013).

Employers are required to manage the monthly employee contribution payroll withholding and have the funds covering both the monthly employer and employee contributions available for settlement to the local social security bureau. Monthly contribution methods depend on the local jurisdiction. For example, they may be paid by direct debit from the employer’s designated bank account or together with the monthly individual income tax settlement.

### Contribution rates and bases in Shanghai, Beijing and Guangzhou

<table>
<thead>
<tr>
<th>City</th>
<th>Employee</th>
<th>Employer</th>
<th>Employee</th>
<th>Employer</th>
<th>Employee</th>
<th>Employer</th>
<th>Employee</th>
<th>Employer</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Shanghai</td>
<td>Beijing</td>
<td>Guangzhou</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Pension</td>
<td>8%</td>
<td>21%</td>
<td>8%</td>
<td>20%</td>
<td>8%</td>
<td>12%</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Medical</td>
<td>2%</td>
<td>11%</td>
<td>2% + RMB 3</td>
<td>10%</td>
<td>2%</td>
<td>8%</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Unemployment</td>
<td>0.5%</td>
<td>1.5%</td>
<td>0.2%</td>
<td>1%</td>
<td>0.5%</td>
<td>0.9%, 1.2%, 1.5%</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Maternity</td>
<td>0%</td>
<td>1.0%</td>
<td>0%</td>
<td>0.8%</td>
<td>0%</td>
<td>0.85%</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Work-related injury</td>
<td>0%</td>
<td>0.5%</td>
<td>0%</td>
<td>0.3% - 1%</td>
<td>0%</td>
<td>0.5% - 1.5%</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

2013 monthly salary base cap for contributions

- **Shanghai**: 15,108
- **Beijing**: 17,379
- **Guangzhou**: 12,645 for pension, 15,939 for other insurance

Note: the monthly salary base cap for contributions is subject to change annually (2014 annual update for Guangzhou has not been announced yet).
Benefits

1. Pension
Employee contributions accrue to the individual, whereas employer contributions are accumulated in a social pool.

Generally speaking, individuals who have contributed to the pension fund for an aggregate of 15 years are entitled to receive retirement benefit upon reaching the normal retirement age of 60 for men and 55 for women (these may differ for certain categories such as those in high-risk industries). The amount of retirement benefit also depends on local rules.

2. Medical insurance
Both employers and employees are required to make monthly medical insurance contributions. Individual participants can claim reimbursement of expenses incurred for medical treatment at designated hospitals. However, the reimbursable amount is subject to a floor and a ceiling. In some local jurisdictions, individuals can make withdrawals from the funds accrued in their own accounts.

3. Unemployment insurance
Employers are required to contribute to the unemployment insurance fund. However, only employees in certain local jurisdictions are also required to make monthly contributions.

In general, unemployed individuals are entitled to receive unemployment benefit for a maximum of 12 to 24 months (depending on the actual case) if contributions have been made for them for a period of no less than 12 months. Additional conditions include that the individual did not terminate his/her employment voluntarily, and has already completed unemployment registration and is in search of new employment.

4. Maternity insurance
Only employers are required to make monthly maternity insurance contributions. Female employees are entitled to receive maternity benefit equal to the previous year's average employee salary from their employer plus a reimbursement of maternity expenses. To qualify for these benefits, the female employee's employer must already have made monthly fund contributions for her for three months and the relevant medical treatment must be in compliance with China's birth control policy. Additionally, male employees may also be entitled to reimbursement of expenses incurred for maternity medical treatment under certain circumstances.

5. Work-related injury insurance
Similar to maternity insurance, only employers are required to make monthly work-related injury insurance contributions. The required monthly amount may vary according to industry in some local jurisdictions. Coverage generally includes work-related injury and occupational illness compensation.
Competent authorities

The competent authorities are the local social security bureaux.

Voluntary social security scheme

Self-employed individuals, part-time employees who do not participate in the social security schemes through their employers, and unemployed individuals can participate in the pension and medical insurance schemes on a voluntary basis.
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Croatia has an extensive statutory social security system based on solidarity. Social security entitlements are triggered by three events:

- wage loss (e.g. unemployment, retirement, incapacity for work): substitute income;
- social burdens (e.g. children, sickness): income supplements;
- no earned income (outside the claimant’s control e.g. disability): subsistence allowances;
- various circumstances as prescribed by the law may be cause for provision of specific services and cause for cost coverage/reimbursement/compensation.

The Croatian statutory social system is divided into three major insurance basis groups based on which individuals can be insured:

- work and/or social status (e.g. employment, assignment, unemployment, etc.);
- special conditions (e.g. school pupils, students, etc.);
- statutory health insurance coverage of foreigners in Croatia (e.g. foreigners, their family members, etc.).
Contributions

Compulsory social security contributions are paid for:
1. pension insurance. These are categorised in pillar I contributions (based on generation solidarity) and pillar II contributions (based on individual capitalised savings);
2. health insurance, which ensures the right to health protection (including also health protection in case of work-related injury and professional disease) and monetary compensation for prescribed circumstances;
3. unemployment insurance the general intention of which is to cover the risk of unemployment;
4. stimulation of employment of disabled individuals.

Contribution base: there are various insurance bases.

This summary provides overview of compulsory social security contributions which are commonly due in case of dependently employed individuals.

Contributions are due on total gross salary (in cash and in kind), by employers and employees.

Employee’s contributions are deducted from gross pay.

The employee’s rate is 20% and is aimed at financing the pension insurance (15% for pillar I and 5% for pillar II). Both first and second pillar pension contributions are capped at a monthly level. A 2014 monthly cap of HRK 47,646.00 can be used, but only for regular monthly payments, e.g. salary.

A 2014 annual cap of HRK 571,752.00 is also applicable, to first pillar contributions only. Once the annual cap is reached, first pillar contributions are no longer paid.

Employer’s contributions are paid on top of gross pay and the rate is 15.2% (13% for health insurance contributions, 0.5% for contributions for health protection while at work and 1.7% for unemployment insurance for employers with less than 20 employees/1.6% for unemployment insurance and 0.1% for stimulation of employment of disabled individuals for employers with more than 20 employees).

There is no monthly or annual cap on employer contributions.
This summary gives basic overview of benefits to which Croatian mandatory social security system entitles its insurees.

1. Pension insurance benefits

Benefits arising from mandatory pension insurance which is based on generations solidarity are:

- retirement pension;
- early retirement pension;
- disability pension;
- family pension;
- vocational rehabilitation; and
- refunds of travel expenses incurred when claiming one of the benefits.

2. Health insurance benefits

Health insurance offers the right to:

- health care services;
- monetary compensation in prescribed circumstances;
- benefits related to work-related injuries and professional disease.

a) Health care

Health care entitlement includes the right to:

- primary health care;
- specialist and conciliar health care;
- hospital health care;
- the right to drugs as laid down in the health insurance fund’s pharmaceuticals list;
- the right to dental-prosthetic care and implants;
- the right to orthopaedic and other aids; and
- the right to medical care abroad.

Medical care costs can be covered fully or partially.

b) Monetary compensation

The right to monetary compensation covers:

- substitute income in case of temporary incapability for work or being prevented from working due to medical reasons e.g. sick leave, tending to a reasons sick family member, maternity/parental – related situations, injury/illness related to participation in the Croatian homeland war;
- refunds of travel costs in relation to claiming medical care rights under compulsory medical insurance.

c) Benefits specific to work-related injuries and professional disease.

These benefits include the entitlement to:

- substantive income due to prevention from work;
- funeral cost coverage; and
- specific health protection.
3. Maternity/Parental benefits

Maternity/Parental benefits are envisaged for parents, other child-cares in loco parentis and may, depending on actual circumstances include the following:

- maternity leave;
- parental leave;
- entitlement to part time work;
- child nursing break;
- leave of a pregnant worker/worker who gave birth/child nursing worker due to specific work-place circumstances;
- free days for prenatal check;
- leave of absence or part time work for the purpose of caring for a child with a developmental handicap;
- unpaid leave up to the child's third year of age;
- maternity work exemption;
- parental work exemption;
- entitlement to substitute income;
- one-off monetary support for a new-born child.

4. Unemployment

Claimants of substitute income in circumstances of unemployment must have worked for at least nine months in a two-year period preceding the moment of unemployment.

Level of substitute income is calculated by application of specific rules and may vary depending on the length of unemployment period.
Competent authorities

- National Pension Insurance Institute
- National Health Insurance Institute
- National Employment Agency

Voluntary social security scheme

All individuals, regardless of age, can be included in the open-end voluntary pension funds which are part of the voluntary pension insurance system (pillar III). Membership in the closed-end voluntary pension funds is granted on the basis of appropriate relationship of the individual with the fund sponsor, e.g. it is granted only to the employees of the sponsoring company. Individuals can contribute to voluntary pension funds whether or not they pay into the compulsory pension insurance scheme.

Voluntary medical insurance in Croatia is divided into three subcategories:

- supplementary;
- additional;
- private.

Supplementary medical insurance covers (part of the) the full cost of medical care provided under compulsory medical insurance.

Additional medical insurance affords a higher standard of medical care and a wider range of coverage than are provided under compulsory medical insurance.

Supplementary and additional voluntary medical insurances are paid on top of compulsory health insurance contributions.

The aim of private medical insurance is to cover medical care for individuals who reside in Croatia and are not liable to contribute under Croatia's Compulsory Health Insurance Act and Health Insurance Law for Foreigners.
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General background

The Czech Republic has an extensive statutory social security system. There are two compulsory state schemes with separate legislation and separate conditions: the State health insurance scheme and the State social security scheme.
1. Covered persons by the Health Insurance Scheme

The health insurance scheme provides medical coverage.

- It covers all holders of Czech ID cards/permanent residence permits, regardless of whether they perform any working activity.
- It also covers employees employed by Czech companies.

That means that all employees employed by Czech companies and all holders of Czech ID cards/permanent residence permits have to pay health insurance contributions. Self-employed persons are subject to the health insurance scheme if they hold a Czech ID card/permanent residence permit.

Most secondees working for Czech companies (inbound/outbound) must pay Czech health insurance contributions unless otherwise provided by EU regulation or under a bilateral social security treaty. The rules on participation in the Czech health insurance scheme are complex and each secondee’s situation should be reviewed individually.

2. Covered persons by the Social Security Scheme

The social security scheme includes contributions for pension, unemployment and sickness.

**Employees**

Social security (all three parts) is obligatory for employees employed by Czech companies.

**Self-employed persons**

Two parts of the social security scheme – pension and unemployment – are obligatory for self-employed persons doing business based on a licence granted under Czech law (mainly self-employed persons operating in the Czech Republic).

Special coverage rules apply to self-employed persons with other income in addition to that from the self-employment (e.g. employment income, retirement pension, etc.). Such cases need to be reviewed individually.

The sickness scheme is voluntary for the self-employed.

Most secondees working for Czech companies (inbound/outbound) must pay Czech social security unless otherwise provided by EU regulation or under a social security treaty. The rules on participation in the Czech social security scheme are complex and each secondee’s situation should be reviewed individually.
Contributions

There is a maximum annual cap to the assessment base for calculating contributions to the social security scheme (CZK 1,245,216 in 2014).

The cap for social security applies to both employees and the self-employed.

No cap applies to the health insurance scheme for 2014.

There was a second pension pillar introduced in the Czech Republic as of 1 January 2013. It is based on the following principles: contributions to 1st pillar (state pensions) are decreased by 3% and this 3% + additional 2% from assessment base are paid to - for this purpose - newly established insurance companies. The individual can decide whether he joins this 2nd pillar. However the individuals over 35 are not allowed to join the 2nd pillar.

**Employees**

Compulsory contributions are calculated on gross pay, including most benefits and allowances.

Income that is subject to income tax is generally subject to contributions to the social security and health insurance schemes.

The rates (in 2014) are:
- employer social security 25%
- employee social security (if employee does not contribute to the second pillar) 6.5%
- employer health insurance 9%
- employee health insurance 4.5%

**Self-employed persons**

The self-employed themselves determine the amount of the annual assessment base for premium payments, but it may not be less than 50% of taxable profit. This applies to both health insurance and social security.

Contributions are paid in the form of monthly advances/pre-payments, followed by an annual reconciliation, where the result can be underpayment or overpayment on the contributor's annual health insurance/social security liability.

In 2014, social security contributions are 29.2% (if the person does not contribute to the second pillar) of the assessment base for pension and unemployment coverage. Health insurance contributions amount to 13.5% of the assessment base.

Sickness contributions by voluntarily participating self-employed persons amount to 2.3% of the assessment base.
1. Benefits provided under Sickness Insurance

**Sickness benefit** – this benefit is provided for each day of the week from the 15th calendar day of the claimant’s temporary incapacity for work.

During the first two weeks (14 days) of temporary incapacity for work, an employer pays a compensation wage for working days except for the first three days. Employees are only entitled to compensation wages for the period of the employment relationship establishing the employee's participation in the sickness insurance scheme.

The support period (i.e. period of payment of sickness benefit, plus the initial two-week period (three-day grace period and 11 days of compensation wages), lasts no longer than 380 calendar days from the date of temporary incapacity for work or quarantine order, unless stated otherwise.

The amount of sickness benefit per calendar day is 60% of the reduced daily basis of assessment.

**Maternity benefit (MB)** – Claimants must have participated in the sickness insurance scheme for at least 270 calendar days over the previous two years before going on maternity leave to be entitled.

From the first calendar day, MB is 70% of the reduced daily assessment basis per calendar day.

The support period for MB begins with the start of maternity leave (no later than the beginning of the sixth week before the anticipated date of childbirth), and is 28 weeks for women who bear one child. For twins or triplets, the support period is 37 weeks but, after 28 weeks, MB is only granted if the mother continues to take care of at least two of the children. For claimants assuming care of a child (on the basis of a decision of the relevant authority, due to the mother's death or long-term serious disease, or on the basis of an agreement under the legislation), the support period is 22 weeks. If the claimant takes care of two or more children at the same time, the support period is 31 weeks but, after 22 weeks of the support period, MB is only granted if the claimant continues to take care of at least two of the children.

**Attendance allowance** – Attendance allowance is granted to employees who cannot work because they have to take care of an ill child below the age of ten, attend an ill member of their household, take care of a healthy child below the age of ten because the school or other child facility is closed (due to a technical defect, epidemic or other unforeseen event), or if their child has been ordered into quarantine or if the person who otherwise takes care of the child is ill.

The support period for attendance allowance is no longer than nine calendar days (or 16 calendar days in special cases).

The amount of attendance allowance from the first calendar day is 60% of the reduced daily assessment basis per calendar day.

**Compensatory pregnancy and maternity benefit** – this benefit is provided to female employees transferred to a different job due to pregnancy or maternity and, as a result, receiving a lower wage through no fault of their own. This also applies to female employees who cannot carry on their current work because, according to medical opinion, to do so would pose a risk to their pregnancy, motherhood or breastfeeding. The benefit is provided for the number of calendar days that the transfer to a different position lasts.
2. Benefits provided under Pension Insurance

**Old-age pension** – Two conditions need to be met to claim a Czech pension:

a) minimum contribution period into the State pension system; and

b) achievement of ‘pensionable age’.

There is no link to the amount of contributions paid to the system to be entitled to a pension.

‘Pensionable age’ has been extended under several pension reforms in the last few years and depends on the individual’s date of birth. Consequently, the necessary contribution period has been extended as well. Given these changes and the very turbulent development of the Czech State pension scheme, each person’s situation needs to be reviewed separately.

**Invalidity pension**

**Widow’s and widower’s pension**

**Orphan’s pension**

3. Health insurance – covers medical care

Individuals subject to the Czech health insurance scheme (or who have an S1 certificate for the Czech Republic) are entitled to full medical care provided by doctors, dentists, hospitals, etc. Medical care at state level (i.e. not provided by the private health institutions, doctors, dentists, etc.) is covered by the health insurance but some specific medical help or medical material (if required by the individual) has to be paid (fully or partially) by the individual, e.g. special tooth filling.

The individual is also obliged to pay a one-off payment of CZK 30 during the visit of doctors and CZK 90 during the visit of emergency medical care.
Competent authorities

Contributions are paid as appropriate to the Czech Social Security Administration (http://www.cssz.cz/cz) and the relevant health insurance office. As a public agency, the CSSA falls under the Czech Ministry of Labour and Social Affairs and health insurance offices under the CMU (Centrum mezistátních úhrad: http://www.cmu.cz) and Ministry of Health.

Voluntary social security scheme

Voluntary participation in pension insurance coverage is possible under certain conditions during periods when an individual is not covered by compulsory insurance; it confers entitlement to a future Czech pension. As of 1 January 2014, the minimum insurance premium for voluntary insurance is CZK 1,817.
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**General background**

Danish social security is mainly based on residence and financed through taxes. Social security contributions are therefore low.

The Danish social security system covers all branches of traditional social risks. The general scheme is compulsory for residents and covers all benefits with the exception of unemployment and pre-retirement.

**Covered persons**

Danish social security covers everyone whose residence is in Denmark. This includes:

- employees;
- self-employed persons;
- civil servants;
- non-active persons;
- pensioners;
- students;
- refugees.

As the system is based on residence, there are no special schemes for the different types of contributors. Coverage is compulsory.
Contributions

1. Employees
Employees pay a DKK 90 monthly contribution before taxes. This contributes to a statutory supplementary pension scheme.
Non-statutory contributions to occupational pension schemes and to voluntary unemployment funds must also be taken into consideration.
Many collective labour agreements govern pensions and pension contributions. A large part of the Danish labour market is governed by collective agreements.

2. Employers
Employers pay a DKK 180 monthly contribution per employee. This contributes to a statutory labour market pension.
Contributions have to be made to different labour market funds, and compulsory private insurance has to be taken out for accidents at work and occupational diseases.
The total contribution is approximately DKK 10,000 annually per employee.
If an employee is entitled to paid absence due to illness, this is to be covered by the Danish employer for the first four weeks.
It is common for employers and employees to contribute to an occupational pension scheme.

3. Self-employed persons
Self-employed persons can participate in the statutory supplementary pension scheme on a voluntary basis. The contribution is DKK 270 annually.
Non-statutory contributions to occupational pension schemes and to voluntary unemployment funds must also be taken into consideration. Please see next pages for more details.
1. Health care

The mainstay of the health care system in Denmark is formed by a body of general practitioners. Individuals commonly have a general practitioner appointed. This is done when they register in Denmark. The appointed practitioner is the first point of consultation. Doctors may refer patients for specialist or hospital treatment. This is altogether covered by the national insurance scheme and is therefore free of charge.

It is possible not to be appointed to a general practitioner. In that case, the individual can opt for any general practitioner and receive a standardised benefit to cover the fee. The benefit may not cover the entire fee, which the doctor can set at his/her own free discretion.

Dental care is also included in the scheme, but the coverage is partial and involves patient charges for visiting the dentist.

2. Sickness benefits

When an employee or a self-employed person falls ill, the Danish social security system provides for sickness cash benefit.

The sickness benefit compensates the loss in earnings resulting from absence due to illness. It is paid to persons unable to work due to illness, on a weekly basis.

During the first four weeks of an employee’s illness, the employer covers the expenses. Thereafter, the employee is entitled to a grant from the local municipality.

Many Danish job positions covered by Danish employment law include a right to paid sick leave. This right extends for more than four weeks. After four weeks of sickness, the employer is entitled to a reimbursement of the employee’s sick benefit from the local municipality.

The level of benefit is calculated on the basis of the employee’s hourly salary had he not fallen ill. However, it is capped. It is also limited to 52 weeks within any 18-month period.

Should an employee fall ill on a long-term basis, the municipality will take action to help him/her recuperate and will also monitor the rehabilitation process.

3. Accidents at work and occupational diseases

Accidents at work and occupational disease coverage are managed through compulsory private insurance. Employers are obliged to take out insurance with an approved insurance provider covering their employees. Self-employed persons are covered if they take out insurance themselves.

The insurance covers physical injury due to accidents or exposure sustained at work. It does not cover accidents sustained while travelling to or from work.

In general, the insurance covers medical treatment, loss of earning capacity, compensation for permanent disability, temporary allowance for survivors in the event of death and compensation for the loss of a provider.

The premium varies according to occupation. A typical insurance premium is approximately DKK 5,000 p.a. per employee. Also, the employer must contribute to the Danish labor market fund for occupational deceases (AES).
4. Unemployment benefits

Unemployment benefits are managed through unemployment funds. In order to earn rights to unemployment benefits, employees must voluntarily sign up to a fund.

There are currently 26 recognised unemployment funds in Denmark. These all relate to different work sectors. To find out which unemployment fund to register with, the Danish Board of Industrial Injuries should be contacted. It is also possible to enrol with an interdisciplinary unemployment fund. Self-employed persons may enrol with an unemployment fund for the self-employed.

There is a one-year waiting period to receive unemployment benefit. Foreign employees can use insurance periods from other EU Member States to complete this period. In that case, they must enrol with the employment fund immediately after Danish social security cover starts.

Should employees become unemployed, the insurance fund will pay out a statutory grant. The grant is capped and limited in time.

5. Family benefits

Family benefits in Denmark mainly comprise child benefit and child allowance.

Child allowance is granted to orphans or if one or both parents retire early.

Child benefit is paid out to the mother and is a fixed, tax-exempt amount for each child. The amount varies in accordance with the child's age. Child allowances are also granted if the parent is single or in other special circumstances.

Child benefit is a tax-exempt benefit. It amounts to the following (2013):

<table>
<thead>
<tr>
<th>Child's age</th>
<th>Yearly benefit (DKK)</th>
</tr>
</thead>
<tbody>
<tr>
<td>0-2 years</td>
<td>17,616</td>
</tr>
<tr>
<td>3-6 years</td>
<td>13,944</td>
</tr>
<tr>
<td>7-17 years</td>
<td>10,980</td>
</tr>
</tbody>
</table>

As of 2014 the child benefit has become income based.

6. Maternity and paternity benefits

A pregnant employee who is socially secured in Denmark has a right to maternity care, parental examinations and hospital admission when giving birth.

Maternity leave starts four weeks before the anticipated date of birth. After giving birth, the mother has 14 weeks of maternity leave. The father has a right to two weeks' paternity leave within the first 14 weeks after the birth of the child.

7. Pension

**Statutory pension**

The public State pension is financed through tax payments, and it becomes payable at the age of 65 or 67 (depending on the claimant's date of birth).

The pension is based on the number of years during which the claimant built up entitlement. To receive a full pension (2014: DKK 70,896 a year), claimants must have 40 years' entitlement earnings between the age of 15 and pensionable age. If they have less, the pension is pro-rated.

The statutory supplementary pension scheme (ATP) is based on contributions, which then determine the level of pension.
Employer-provided pension

In Denmark, employees normally set up an occupational pension scheme to supplement the statutory pension. Such a scheme is often mandatory to an employment. Contributions are made by employees and the employer. This may also be governed by a collective labour agreement.

The pension plan is normally placed with a Danish pension institute, bank or similar. These pension schemes are administered by the employer and owned by the employee.

Employer contributions to pension schemes are tax-exempt, and the employee's contributions will be tax-deductible. When the pension is withdrawn on retirement, the payments become taxable in Denmark.

Pension schemes are generally defined contribution schemes, yet defined benefit schemes are also available. There are two different types of pension schemes to choose between: an annuity scheme, which will normally be paid out over ten years from the time of retirement, and a life annuity scheme, which will be paid out from pensionable age and as long as the beneficiary lives.

Annual contributions up to a maximum of DKK 50,000 paid into an annuity scheme can be deducted/tax-exempt. Contributions exceeding DKK 50,000 a year will therefore be made to a life annuity scheme in order to obtain a deduction or be tax-exempt, and it is normal to make contributions to both types of scheme at the same time.

Private pension

Contributions to an annuity pension scheme established with a Danish pension fund, an insurance company or a financial institution are tax-deductible. As for the employer-provided pension, it is possible to choose between an annuity scheme and a life annuity scheme.

8. Early retirement

An early retirement pension may be granted to employees who have suffered a permanent reduction in their capacity for work. This reduction must be such that it is unlikely that the claimant will be able to support him/herself. Early retirement pension recipients may not receive income in excess of defined limits. If their income exceeds these limits, the pension will be reduced. The pension may also be affected by the earnings of a spouse/partner.

A full early retirement pension is granted on the basis of 40 years of insurance. Otherwise, a pro-rata pension may be granted.

9. Death grants/survivors’ benefits

Survivor’s benefit is paid out to the deceased’s spouse or cohabitant and each child under the age of 21. It is paid as a lump sum. The grant is DKK 50,000 (2014), but will reduce according to the age of the deceased. The grant is coordinated through the statutory supplementary pension scheme (ATP). A 40% fee is placed on the amount.

A death grant may be paid if the deceased was entitled to health insurance benefits. The amount is capped at DKK 10,250 (2014) and is dependent on the deceased’s wealth.

Survivor’s aid may be paid to the spouse as a lump sum. The grant is dependent on the survivor’s income and is capped at DKK 13,904 (2014).
Competent authorities

1. Employees
Compulsory contributions are paid to ATP, which is the national authority for the statutory supplementary pension. Employers who have a registered business in Denmark have a withholding obligation regarding employee contributions. The employee can make contributions independently on the employer’s behalf.

Company executives qualify as employees in Denmark.

2. Employers
Compulsory contributions are paid to the ATP. Should the employer not have a registered business in Denmark, the employee can make contributions on the employer’s behalf.

3. The competent authority
The competent authority in regards to which legislation is applicable for the purpose of coordination of social security the competent authority is Udbetaling Danmark – International social sikring.

Voluntary social security scheme

Board members qualify as self-employed in Denmark.

It is not possible to continue to make payments to the ATP pension scheme while abroad. It is always advisable to contact the relevant unemployment fund to enquire whether or not voluntary coverage is allowed, and under what conditions.
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Estonia has an extensive statutory social security system based on solidarity. In general terms, the national social security system consists of seven schemes:

- health insurance;
- unemployment insurance;
- state unemployment allowances;
- state family benefits;
- social benefits for disabled people;
- state funeral benefits;
- pension insurance.

Three out of the above seven schemes - health insurance, unemployment insurance and pension insurance - are contributory schemes. Other schemes are non-contributory and generally cover all residents.

However, even though the health insurance coverage generally requires payment of the contributions, there are several exceptions where the individuals are covered by the national health insurance either automatically or through certain notification procedures by the state.
Contributions

1. Salaried persons

The contributory schemes are funded by the following types of taxes and contributions:

- employer social tax of 33% (of which 20% is used to fund the national pension insurance scheme and 13% the national health insurance scheme);
- employer unemployment insurance contribution of 1% (applicable in 2013; the rate is reviewed by the Government each year and may change);
- employee unemployment contribution of 2% (applicable in 2013; the rate is reviewed by the Government each year and may change);
- employee mandatory funded pension contribution of 2% (applicable in 2013; the rate is reviewed by the Government each year and may change);

Employee contributions are calculated and deducted from gross salary. Employer contributions are paid on top of gross pay. Contributions are due on total gross salary without any ceiling. The benefits in kind are only subject to employer social tax on a grossed-up basis.

Members of management and supervisory boards of the companies are treated as employees for social security contribution purposes with one exception – their remuneration is exempt from both employer and employee unemployment insurance contributions.

2. Self-employed persons

Self-employed persons have to pay social tax at 33% on their net business income received during the calendar year. There are both minimum and maximum limits set to the amount of total social tax.

In 2014, the minimum amount of social tax payable by self-employed individuals per calendar year is EUR 1,267.20. With a few exceptions, this amount must be paid quarterly as social tax advance payments (the size of each payment is EUR 316.80). The rest of the social tax that is due per calendar year must be paid by 1 October of the year following the tax year (which equals the calendar year). In 2014 the total social tax is capped at EUR 19,008.00 per year for self-employed individuals.

In addition to social tax, self-employed individuals must pay the mandatory funded pension contributions at 2% (or 3%) from their net business income (if they are subject to the scheme).

As a general rule, the business income of a self-employed individual is not subject to unemployment insurance contributions. However, if the self-employed individual acts as an employer, then he or she must pay the employer unemployment insurance contributions at 1%. 
1. Health care

Health care covers both preventive and curative care required for maintaining and restoring a person’s health (e.g. ordinary medical care, hospital care). All medical care items of which the costs can be covered by the national health insurance are listed in a so-called nomenclature of the Health Insurance Fund.

Generally the costs of health care are covered directly by the state and not through a reimbursement system. In certain cases, the individual is required to bear a share of the costs.

A number of conditions/criteria have to be met in order to access health care (e.g. registration with the Health Insurance Fund and, in some cases, a qualifying period of generally two weeks).

2. Sickness benefits

In addition to health care, claimants are also entitled to benefits covering loss of income upon falling ill.

The sickness benefit is paid on the basis of a certificate of incapacity for work (usually issued by the general practitioner). The procedure of payment of sickness benefits depends on the type of the incapacity for work.

In the cases of illness, quarantine, non-work related or traffic injury and the complications or illnesses caused by the injury, the benefit must be covered and paid by the employer from day four to day eight of the period of the employee’s incapacity for work. As from day nine, the sickness benefit is paid by the Health Insurance Fund.

In the cases of an occupational disease, an occupational accident (incl. traffic-related occupational accident and complications or illness resulting from an occupational accident) and injuries resulting from the protection of national or public interests or the prevention of a criminal offence, the benefit is paid by the Health Insurance Fund only, from the second day of the exemption from work.

The size of the benefit is calculated on the basis of the employee’s average wages during the last six months and generally forms 70%-100% of the average wage depending on the circumstances of the incapacity for work.

3. Unemployment insurance benefits

In order to receive an unemployment insurance benefit, the following three main requirements have to be met:

- Unemployment insurance contributions have to have been paid by the individual for at least 12 months during the past 36 months. The months are counted back from the date on which an individual registers as unemployed.

- The unemployed status must be involuntary, i.e. not self-inflicted. An individual may only receive a benefit when the employer has terminated the employment, or when the contract has run out. No benefit is granted if the employee leaves his job by choice (except where this is caused by breach of contract on the employer’s part) or following a mutual agreement with the employer, or when he has been dismissed due to an infringement, loss of confidence or an indecent act or an act of corruption.

- An individual claiming unemployment insurance benefits must be officially registered as unemployed with the competent authority (‘Töötukassa’).

In addition, it is required that an individual applying for the benefit actively seeks a new job.
The amount of the unemployment insurance benefit depends on the previous insurance period, which is counted in months. Only the months in which contributions have been paid are taken into account. Months during which no contributions have been paid do not count, which means that the insurance period does not necessarily correspond to the actual working period.

The benefit is paid as a daily amount calculated on the basis of the wages received during the last twelve months of the insurance period. Of those twelve months, only the first nine are taken into account. The latest three months are disregarded.

On the basis of the wages of the nine months, an average daily remuneration is calculated of which 50% is paid as a benefit for the first 100 calendar days during which the benefit is received, and 40% for the subsequent days.

The maximum amount of the unemployment benefit is EUR 37.94 for the first 100 calendar days, and EUR 30.35 for the subsequent days.

Employees who have been made redundant are eligible for additional compensation (a redundancy benefit), which is also paid by Töötukassa.

If an individual does not meet the conditions to receive an unemployment insurance benefit, he/she is still eligible for an unemployment allowance (part of the non-contributory scheme).

4. Family benefits

In Estonia, there are the following types of family benefits: childbirth allowance; child allowance; child care allowance; allowance for the families with low earnings, single parent's child allowance; conscript's child allowance; child's school allowance, child allowance for a child under guardianship or foster care; start in independent life allowance; adoption allowance; and parent’s allowance for families with seven or more children.

Upon application and subject to certain criteria, the state pays family benefits to all children until they reach the age of 16. Children enrolled in basic or secondary schools or vocational education institutions operating on the basis of basic education are entitled to family benefits until the age of 19.

As for the sizes of the benefits, for example, the childbirth allowance is EUR 320 and is paid once after the birth of each child. The ordinary child allowance is paid monthly and the amounts payable per child are the following:

- first child EUR 19.18
- second child EUR 19.18
- third and successive children EUR 76.72

5. Parental benefits

One parent (including adoptive parent, step-parent, guardian or foster parent who is raising a child) who is a permanent resident of Estonia or a foreigner living in Estonia on the basis of a temporary residence permit is entitled to the parental benefit.

The father of a child has the right to the parental benefit once the child has reached the age of 70 days.

The right to receive the parental benefit starts on the day following the final day of maternity leave. If a mother has no right to maternity leave, the right to the parental benefit starts when the child is born.

The parental benefit is paid monthly for a period of 435 days. If the mother has no right to maternity leave, the parental benefit is paid until the child reaches the age of 18 months.
In general, the parental benefit is calculated on the basis of the parent’s (mother’s or father’s but not both at the same time) income which has been subject to Estonian social tax and which has been earned in the calendar year prior to the day on which the right to the benefit arose. If the parent did not work during that calendar year, the parental benefit is paid at the designated benefit base rate, which in 2014 is EUR 320. If the parent worked during the year but his or her average income was lower than the minimum wage, the benefit is paid at the minimum wage rate, which in 2014 is EUR 355.

In 2013, the maximum amount of the monthly parental benefit payment is EUR 2,378.25. Individuals who worked in a country of the European Union or in Norway, Liechtenstein, Iceland or Switzerland during the calendar year preceding the time when the right to the benefit arose are also entitled to the parental benefit in Estonia. In their case, the calculation of the size of the benefit is done in accordance with EU Regulation no. 883/2004.

6. State pensions

The state pension, which stands for the first pillar of the Estonian three-pillar pension system, should guarantee the minimum income necessary for subsistence. It is based on the principle of redistribution, i.e. the funds from the employer social tax paid today cover the pensions of the current pensioners.

In general terms there are two types of state pensions which are paid in Estonia: those depending on work contribution (old-age pension, pension for incapacity for work, and survivor’s pension) and the minimum or national pension. There are a further two classes of old-age pension: the early-retirement pension and the deferred old-age pension.

The old-age pension is the most important and most common type of state pension and is paid upon retirement.

The following persons have the right to receive an old-age pension:

- permanent residents of Estonia;
- foreign persons residing in Estonia on the basis of temporary residence permits or temporary right of residence.

The general retirement age in Estonia for men is 63 years. The retirement age for women has been set to gradually increase by six months a year until it reaches 63 years by 2016. Starting from 2017, the retirement age for both men and women will be increased by three months a year until it reaches 65 years by 2026 (this transition period concerns only individuals born in 1954-1960).

The amount of the monthly old-age pension is calculated in accordance with a rather complex formula which consists of the following three components:

- the base amount of EUR 126.8183;
- a component calculated on the basis of years of pensionable service, the amount of which equals the number of years of pensionable service multiplied by the value of a year of pensionable service, which is EUR 4,718;
- an insurance component, the amount of which equals the sum of the annual factors of an insured person multiplied by the value of a year of pensionable service.
1. Payment of the contributions

Contributions paid by employers, employees and self-employed persons are collected by the Estonian Tax and Customs Board (‘Maksu- ja Tolliamet’). The collected funds are subsequently distributed among the different national institutions responsible for paying allowances and benefits.

2. Payment of the benefits

The benefits listed above are governed and paid out by several different state institutions:

- the sickness benefits – Health Insurance Fund (‘Haigekassa’);
- the unemployment benefits – Unemployment Insurance Fund (‘Töötukassa’);
- the family and parental benefits, state pensions – National Social Insurance Board (‘Sotsiaalkindlustusamet’).
Voluntary social security scheme

It is not possible to remain subject to the general Estonian statutory social security scheme on a voluntary basis. However, it is possible to remain subject to the national health insurance system on a voluntary basis. For these purposes, a contract should be concluded with the Health Insurance Fund ('Haigekassa') under which the person will be granted equal status to those covered by the compulsory national health insurance.

In general, persons qualifying for such voluntary arrangement are those who have been insured by the Health Insurance Fund for at least 12 months during the preceding two years (this is not required from individuals who receive a foreign pension). The contract may be concluded either by the interested persons themselves or for their benefit (e.g. by the employer).

The period of the contract is limited to a minimum of one year. The person signing the contract must pay an insurance premium which is 13% of the size of Estonia's average salary (as published by the Estonian Statistical Office ('Statistikaamet')) in the previous calendar year. Thus the amount of the insurance premium changes every year according to the change of the average salary in Estonia. The insurance premiums must be paid for three calendar months at a time.

The voluntary insurance coverage starts in one month after signing the contract. If the contract is signed at a time when the person has valid national health insurance coverage, the insurance coverage will continue without any interruption. The contract terminates when the contract period ends or when the compulsory insurance cover applies to the individual. If a person does not pay the insurance premium by the due date and fails to pay the full amount within 14 days from the due date, the Health Insurance Fund has the right to terminate the contract unilaterally. In such case, the person who signed the contract must pay compensation to the Health Insurance Fund in the amount of insurance premiums not received due to the premature termination of the contract.

In 2014, the quarterly voluntary health insurance premium payment is EUR 345.
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Finland has an extensive statutory social security system. Based on domestic law, Finnish social security is due for individuals living and working in Finland.

The Finnish social security scheme intervenes in the following events:
- wage loss (e.g. unemployment, retirement, incapacity for work) → substitute income;
- social burdens (e.g. children, survivors) → income supplements;
- no earned income → basic income.

The Finnish statutory social security system is divided into two schemes:
- residence-based social security scheme: benefits for all residents, regardless of whether they work or not;
- employment-related social security scheme: benefits for employees.

Residence-based social security gives access to social security provided by the Social Insurance Institution, KELA. The right to benefits is decided by reference to the length of residence in Finland. All who are covered under the residence-based social security scheme of Finland are issued a personal health insurance card, a KELA card, which also grants access to direct, on-the-spot reimbursement of medical costs.

The employment-related social security scheme supplements residence-based social security, as it consists of earnings-related unemployment coverage, employment pension, group-life and accident insurance.
1. Employees

Social security contributions are levied on uncapped gross salary. The employee's share of social security contributions amounts to approximately 8.21% (2014), including contributions to employment pension, unemployment, daily allowance insurance premiums (approx. 6.89 in 2014), which are deductible from tax, and health care contributions (1.32%) (see also table on next page). The employer is liable to withhold the employee's part of the contributions from his/her salary on a monthly basis.

2. Employers

The employer's share of social security contributions is approximately 21.60% (2014) in total (see also table). The social security premiums cover employment pension, accident, unemployment and group-life insurances as well as the employer's social security charge.

3. Self-employed

The self-employed have to insure their personal pension rights under the Self-Employed Persons' Pensions Act. Self-employed persons are required to pay the self-employment pension insurance premium, which amounts to 23.30 / 24.80% (over 53 years old) (2014) and is payable on so-called confirmed income. Under certain conditions, company owners can also be regarded as self-employed in Finland.

As entrepreneurs are not covered by the statutory accident insurance system, they are advised to take out a voluntary accident insurance policy. Furthermore, unlike employees, entrepreneurs do not have a contractual group-life insurance policy. Entrepreneurs are themselves responsible for taking out voluntary life assurance coverage with an insurance company. Entrepreneurs may also voluntarily join the Entrepreneurs' Unemployment Fund if they wish to provide themselves with earnings-related unemployment benefits.
Social security rates 2014

The contribution rates are set annually by the Ministry of Social Affairs and Health.

<table>
<thead>
<tr>
<th>Social security contributions according to paid salary</th>
<th>Employer</th>
<th>Employee</th>
</tr>
</thead>
<tbody>
<tr>
<td>Social security charge</td>
<td>2.14%</td>
<td>N/A</td>
</tr>
<tr>
<td>Pension insurance contribution</td>
<td>17.75% (on average)</td>
<td>5.55% / 7.05%¹ (no cap)</td>
</tr>
<tr>
<td>Unemployment insurance contribution</td>
<td>0.75%² / 2.95%³ (no cap)</td>
<td>0.5% (no cap)</td>
</tr>
<tr>
<td>Group life assurance premium</td>
<td>0.067% (on average, no cap)</td>
<td>-</td>
</tr>
<tr>
<td>Accident insurance premium</td>
<td>1% (on average, no cap)</td>
<td>-</td>
</tr>
<tr>
<td>Sickness insurance contribution</td>
<td>-</td>
<td>2.16%⁴ = Daily allowance contribution 0.84% + Medicare contribution 1.32%⁵</td>
</tr>
</tbody>
</table>

Total: Approximately 22.8% 7.79% / 9.14%

¹ Used for employees aged 53 or over.
² If total annual salaries are under EUR 1,990,500.
³ On salaries exceeding EUR 1,990,500.
⁴ Already included in the withholding tax rate for the employee’s personal withholding tax card.
⁵ The only non-tax-deductible employee contribution.
Benefits

1. Unemployment

- Unemployment allowance (basic or earnings-related allowance); or
- Labour market subsidy.

Basic unemployment allowance and labour market subsidy are claimed from and paid by KELA. To qualify for the basic unemployment allowance, claimants must meet a specific condition regarding their employment history (i.e., they must have been employed for at least eight months during the two years preceding unemployment). Basic unemployment allowance is paid for a maximum of 500 days.

If the condition is not met, claimants may be eligible for labour market subsidy. It is payable to unemployed job seekers who enter the labour market for the first time or otherwise have no recent work experience. It can also be paid to long-term unemployed persons who have exhausted their 500-day eligibility for the basic or earnings-related unemployment allowance.

Ageing unemployed persons who satisfy the condition regarding previous employment are eligible for an extended unemployment allowance and can avail themselves of a kind of unemployment path to retirement.

Unemployed immigrants are paid labour market subsidy in the form of integration assistance for the first three years of their residence in Finland.

Earnings-related unemployment allowance is claimed from the unemployment fund. It is only available to the members of an unemployment fund and can be paid for up to 500 days.

2. Pensions

Pensions provide economic security in old age, disability and late-career unemployment. Finland has two statutory pension schemes, which complement each other:

- earnings-related pensions; and
- national pensions supplemented by guarantee pensions.

Earnings-related pension rights are accrued through employment and self-employment. The earned income and the accrual rate have a decisive effect on the earnings-related pension.

Old-age pensions can be granted at the age of 63–68. If the start of the pension is put back, claimants receive a larger pension because the pension accrual is based on their average working life earnings and the duration of their working life. At the earliest, old-age pension can begin at age 62, in which case the pension is referred to as early old-age pension.

It is incumbent on employers to insure all employees between the ages of 18 and 68 whose earnings exceed EUR 56.55 a month (2014). An exception is made for foreign employees posted to Finland for a short time by foreign non-EEA employers.

Private sector employers arrange employment pension coverage for their employees from a pension provider of their own choosing. Pension coverage can be arranged through a pension insurance company, pension fund or industry-wide pension fund. How the employment pension coverage is arranged does not have an impact on the statutory employment pension accrual.

National pensions and guarantee pensions offer a basic income for persons who are entitled only to a very small earnings-related pension or to none at all. To qualify for a national pension, any other pensions or benefits received may not exceed a certain limit. Following introduction of the guarantee pension, the minimum pension payable to persons living in Finland has been about EUR 738.82 a month. National pensions and guarantee pensions are awarded and paid out by KELA.

Disability pensions can be granted to persons who become disabled between ages 16 and 64. Unemployment pension is for long-term unemployed born before 1950.
3. Family benefits

When a child is born and growing up, the parents are entitled to various family benefits from KELA, as well as to family leave based on the Employment Contracts Act.

- Maternity grant, which is either a maternity package or a cash benefit of EUR 140.
- Maternity allowance and special maternity allowance (until the child is about three months old).
- Paternity allowance (after the child is born).
- Parental allowance for the mother or father (when the baby is about three to nine months old).
- Paternity allowance (9 weeks or 3 weeks and a so-called daddy month).
- Child benefit (paid monthly from birth until the child is 17 years of age).
- Child home care allowance for a child under three years of age who is not in municipal day care.
- Private day care allowance for a child under school age and not in municipal day care.
- Child maintenance allowance for a child under 18 years of age (in divorce cases, if not paid by the parent liable to pay).
- Various benefits when children fall ill.
- Adoption grant for international adoptions.
- Conscript's allowance for persons in military or non-military service and for their families. Those participating in reservist training and women in voluntary military service are also treated as conscripts.

To receive parental allowances and other benefits for families, the parents must be covered by the Finnish social security system. Additionally, the parents must have lived in Finland for at least 180 days immediately before the expected confinement. The insurance period can also include insurance periods from another EEA country, Switzerland or Israel.

4. Student financial aid

Student financial aid is available from KELA for post-comprehensive school education. The amount of financial aid available depends on age, type of accommodation, type of school, income and possibly also the parents' or spouse's income.

5. Sickness

KELA provides reimbursements for the cost of medical treatment and pays sickness allowances on account of loss of earnings. No reimbursements are available for medical services obtained from public-sector providers.

The cost of treatment by a doctor or dentist in private practice is reimbursed according to a schedule of fees. Reimbursements are available for prescription medicines. The reimbursement is normally deducted from the price of the medicine right at the pharmacy (a KELA card or equivalent proof of entitlement to Finnish social security must be presented).

Sickness allowance is intended to compensate for loss of earnings during a period of incapacity for work. There is normally a ten-day waiting period before sickness allowance is paid. If a person is paid a wage or salary while on sick leave, sickness allowance is paid to the employer. Partial sickness allowance can be paid if the claimant returns to work on a part-time basis after sick leave of several months.

Disability pension can be claimed from the KELA where the claimant has been incapacitated for over a year.

Rehabilitation may be sponsored in the case of an illness or injury that threatens capacity to work or makes it more difficult to work and to function in everyday life.

Occupational health services are available to all employees. Besides occupational health services, employers may also provide their employees with access to medical services. Self-employed persons and entrepreneurs may also wish to arrange for access to occupational health and GP-level medical services for themselves. Part of the cost of such services is reimbursed by the KELA.

Special care allowance from the KELA is paid to compensate for the loss of earnings caused by having to take leave of absence from work in order to look after a child or to attend to his or her treatment in hospital or some other place of treatment.
6. Disability benefits and rehabilitation

Disability benefits strengthen the autonomy and quality of life of persons with disabilities or long-term illnesses.

- Children under 16 can be paid disability allowance if they have an illness or injury that creates a need for care and rehabilitation that lasts at least six months and imposes particular strain and requires a greater commitment than the care of non-disabled children of the same age.

- Disabled or chronically ill persons aged 16 years or over can be paid disability allowance if their ability to function remains diminished for at least a year and their illness or injury causes impairment, a need for assistance or additional expenses.

- Disabled or chronically ill pensioners can be paid care allowance for pensioners if their ability to function remains diminished for at least a year and their illness or injury causes impairment, a need for assistance or additional expenses on a weekly basis.

The KELA both funds rehabilitation services and provides income security (rehabilitation allowance) whilst claimants are in rehabilitation. Most rehabilitation services available from the KELA are provided free of charge. They include vocational rehabilitation, medical rehabilitation and discretionary rehabilitation.

7. Housing benefits

General housing allowance is intended for low-income households. It is available for both rented and owner-occupied homes.

Pensioners living alone or with a spouse can be paid housing allowance for pensioners.

Housing supplement can be paid to students with no children and living in a rented, right-of-occupancy or partial-ownership home.

Housing assistance for conscripts may be paid to persons performing national service.

8. Survivors' benefits

The KELA provides survivors’ pensions following the death of a close family member.

Finland has two statutory survivors’ pension schemes, which complement each other: a scheme administered by the KELA and an earnings-related scheme, which provides benefits linked to the employment/self-employment pension accrued by the deceased. The survivors’ pensions available from the KELA are payable as spouses’ pensions and orphans’ pensions.

Survivors’ pensions can be paid from both systems at the same time. Widows and widowers are eligible for a pension following the death of their spouse, while children under 18 can be paid a pension following the death of their mother, father or other legal guardian.

Widows/widowers and children may also be eligible for a survivor’s pension on the basis of an employment accident, motor, patient injury or military injury plan. If such pensions offer adequate economic security, the KELA will not pay any additional amount on top of the survivor’s pension.

Surviving spouses and children may also be entitled to lump-sum compensation from a group life assurance policy if the deceased was employed on death.
Competent authorities

1. Residence-based social security system
Residence-based social security coverage is provided by the Social Insurance Institution, KELA.

Residence-based social security contributions are paid to the tax authorities and then allocated between the State, municipalities and KELA.

2. Employment-related social security system
Private insurance companies and the Finnish Centre for Pensions (ETK) deal with employment-based social security matters in the private sector. The corresponding authority for public sector matters is KEVA.

Employment-based contributions are withheld by the employer from employees’ salary and remitted to the relevant insurance company together with their own shares of statutory social security premiums.

Voluntary social security scheme

Employer-provided voluntary social security schemes like supplementary company pension plans are not customary in Finland. As a rare exception, it may be possible for expatriates to sign up to a voluntary pension insurance scheme given that certain conditions/criteria are met.
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France has an extensive statutory social security system based on solidarity.

The French social security scheme intervenes mainly in three events:
- wage loss (e.g. unemployment, retirement, incapacity for work): substitution income;
- social burdens (e.g. children, sickness): reimbursement and/or income supplements;
- no earned income (outside the claimant’s control): subsistence allowances.

The French statutory social security system is divided into five schemes:
- scheme for salaried persons (individuals who are linked to their employer by an employment contract);
- scheme for self-employed persons (individuals who work outside the scope of an employment contract/statute and outside the agricultural sector);
- scheme for self-employed farmers and employees in the agricultural sector;
- scheme for civil servants (individuals who are subject to the status of the public servants) – not gone into this country profile;
- scheme for employees working in some semi-public industry (e.g. French national railway company or French electricity and gas companies) – not gone into this country profile.
Contributions

1. Salaried persons

Social security contributions are due by both employees and by employers. Employee contributions are deducted from gross pay, whilst employer contributions are paid on top of that gross pay. Contributions are due on total or part of gross salary (in cash or kind), excluding reimbursements of business expenses.

The French social security contributions system is complicated. There are different rates of contributions according to the risks covered. Some contributions are calculated on total gross salary. Some are calculated on gross salary limited to one time the annual social security ceiling (i.e. EUR 37,032 for 2013, i.e. EUR 37,548 for 2014), or to four times that ceiling (i.e. EUR 148,128 for 2013, i.e. EUR 150,192 for 2014). Contributions to the supplementary pension fund for executive staff (AGIRC) are calculated on the basis of gross salary between the social security ceiling and eight times that ceiling (i.e. EUR 296,256 for 2013, i.e EUR 300,384 for 2014).

Furthermore, some rates of contributions for supplementary pension funds for employees and executive staff may be higher in some companies than the statutory ones.

Besides the different rates of contributions according to risk covered, special taxes are also assessed on salaries – ‘taxes para-fiscales’ (vocational training, apprenticeship and construction).

On average, French employee contributions represent 18-23% of gross remuneration and employer contributions 40-45% of the gross salary. However, although certain contributions are paid on full salary and benefits, the higher the pay, the lower the rate of contributions, due to applicable ceilings (salary brackets).

Employers established in France which are not subject to VAT on turnover (especially insurance companies and banks) pay a special tax (salary tax or ‘taxe sur les salaires’). Salary tax is calculated according to a progressive scale. Since 2013, the basis of salary tax has been increased and a new rate by 20% on annual gross salary above EUR 150,000 has been set up.

Several contribution abatement schemes are in place. They are structural or apply to certain target groups (low levels of salary).

2. Self-employed persons

The system of contributions for the self-employed is very complex since rates depend on the nature of the self-employment (agriculture, crafts, commerce, manufacturing, various liberal professions), the risks covered and on applicable social security ceilings. Some contributions are capped; others apply to all earned income or a part of income.

Social security contributions for self-employed persons are calculated on the basis of earned income (i.e. as determined by the tax administration, except for some items, which are exempted from individual income tax but subject to social security contributions).
1. Health care

Health care covers both preventive and curative care required for maintaining and restoring health (e.g. physician and outpatient care, in-patient care, dental care). All medical dispensations that can be (partly or completely) reimbursed are listed in a so-called nomenclature of medical dispensations.

A number of conditions/criteria have to be met in order to access health care (e.g. registration with a health insurance fund and payment of a minimum amount of contributions or a minimum insurance period).

The refund by the health insurance fund of the cost of medical treatment varies with the nature of the treatment, the status of the insured and the care provider's capacity. In most cases, the amount is not refunded entirely. As a result, it is common for employers to contribute to private medical insurance for their employees (to top up the basic health scheme).

Non-working spouses and children under 20 may benefit from health care as dependants.

2. Sickness benefits

In addition to health care, the sick are also entitled to benefits covering loss of income up to a certain amount. Private insurance can ensure that the level of income is maintained.

Temporary disability

Salaried persons entitled to sickness benefits must satisfy certain conditions (e.g. minimum coverage for a period of three, six or 12 months and payment of sufficient social security contributions).

In cases of short-term illness, claimants receive guaranteed salary paid by the employer for the first three days of absence but, as from the fourth day, they receive a maximum 360 daily benefit payments over a three-year period.

In cases of long-term illness, claimants receive the daily benefits for a maximum period of three years for each illness.

In both cases, the indemnity is based on a percentage of salary, capped at EUR 42.32 (EUR 42.77 for 2014) a day (figure on 1 January 2013 (on 1 January 2014 for incapacity for work as of 1 January 2013 (of 1 January 2014)). The amount is increased according to the claimant’s family situation (as from three dependent children).

Permanent disability (invalidity pension)

Salaried persons have to satisfy certain conditions to be entitled to invalidity pension (e.g. must have paid contributions or completed a certain number of hours of paid work prior to the date they stop working or prior to recognition of their disability status).

Persons under the legal minimum retirement age (60 to 62 depending on year of birth) are regarded as disabled if they suffer from a condition that prevents them from doing gainful work earning a wage equal to at least a third of the wage normally paid for the job in which they were employed before stopping work or prior to recognition of their disability status.

There are three categories of pension, depending on the degree of inability to work:

- the first applies to those still able to perform some form of gainful activity: the maximum annual amount is 30% of the social security ceiling (i.e. EUR 11,109.60 for 2013, i.e. EUR 11,264.40 for 2014);
- the second applies to those unable to perform any form of gainful activity: the maximum annual amount is 50% of the social security ceiling (i.e. EUR 18,516 for 2013, i.e. EUR 18,774 for 2014);
3. Accidents at work

All salaried persons are covered against accidents at work and accidents on the way to and from work. An accident at work is an accident occurring during and due to performance of an employment contract and causing injury. Accidents on the way from and to work are accidents which occur on the normal route the claimant has to use to move from the threshold of his/her residence to his/her work and vice versa.

A victim of an accident at work is in principle entitled to reimbursement of the costs for physician and outpatient care and in-patient care at a rate of 100%.

During the period of incapacity for work caused by an accident at work, the victim is entitled to indemnities for loss of income:

- Period of temporary incapacity for work: a daily allowance based on a percentage of his/her salary. For the first 28 days, the maximum daily payment is EUR 185.30 (2013 amount) (EUR 187.89 for 2014). As from the 29th day, payments increase to 80% of the claimant’s daily wage (maximum EUR 247.07, 2013 amount, (EUR 250.52 for 2014). Daily benefit may not exceed the claimant’s net daily wage prior to the injury.
- Period of permanent incapacity for work (starts at the time of consolidation): disability pension, depending on salary and degree of incapacity for work.

4. Occupational diseases

There is a list with diseases acknowledged as occupational diseases.

If the disease is on the list and victims work in a sector in which they have been exposed for a minimum period to a risk that can cause the disease, it will be acknowledged as an occupational disease. The burden of proof does not lie with the victims: there is an irrefutable assumption in their favour.

For non-listed occupational diseases, the victim has to prove exposure to a risk and the causal link between the exposure and the disease. The degree of incapacity for work has to be at least by 25%.

Victims of occupational diseases are in principle entitled to reimbursement of the related costs for physician and outpatient care and in-patient care at a rate of 100%.

During the period of incapacity for work caused by an occupational disease, the victim is entitled to indemnities:

- Period of temporary incapacity for work: daily allowance based on a percentage of salary. For the first 28 days, the maximum daily payment is EUR 185.30 (2013 amount) (EUR 187.89 for 2014). As from the 29th day, payments increase to 80% of the claimant’s daily wage (maximum EUR 247.07, 2013 amount, (EUR 250.52 for 2014). The amount of daily benefit may not exceed the claimant’s net daily wage to onset of the illness.

5. Family benefits

Family benefits are granted for legitimate, illegitimate, adopted and foster children on condition that they are dependants of the beneficiary.

The age limit for benefits is 20 years. However, a flat-rate allowance is paid to offset the financial loss incurred by families with three or more children when the eldest child turns 20.
France

Family benefits include:

- basic benefits for maintenance (child benefit, flat-rate allowance, means-tested family income supplement);
- early childhood benefits (means-tested birth/adoption allowance, means-tested monthly allowance, a supplement for free choice of working time and a supplement for free choice of childcare);
- benefits for special purposes (education allowance for a disabled child, means-tested back-to-school allowance, daily parental attendance allowance for looking after a child suffering from a severe disease or handicap, means-tested family housing allowance, means-tested moving allowance).

The ordinary family benefits (so-called 'child benefits') are paid to families with two or more dependent children living in France. They are not means-tested. The monthly amounts (as at 1 April 2013) (at 1 April 2013 until 31 March 2014) are:

- two children  EUR 128.57
- three children  EUR 293.30
- four children  EUR 458.02
- each additional child  EUR 164.73

The rates increase for each child, except the eldest in families with fewer than three children. The increase depends on the age and dates of birth of the children:

- for children born before 1 May 1997: additional monthly payment of EUR 36.16 if aged between 11 and 16 and an additional monthly payment of EUR 64.29 for those aged 16 and over;
- for children born on or after 1 May 1997: additional monthly payment of EUR 64.29 for children aged 14 or over.

6. Maternity and paternity benefits

Mothers are required to take a minimum of eight weeks’ maternity leave, but are entitled to a total of 16 weeks’ leave (usually six weeks prior to the expected date of delivery and ten weeks afterwards). Two additional weeks prior to confinement may be awarded for pregnancies with medical complications. With a doctor’s recommendation, expectant mothers may also take part of their prenatal leave after giving birth.

For a third child, leave is extended to 26 weeks (eight pre-natal and 18 post-natal). Mothers expecting twins or triplets (or more) are entitled to 12 weeks’ and 24 weeks’ pre-natal leave, respectively, and 22 weeks of post-natal benefits. In cases of premature birth (more than six weeks before the expected date of delivery) the maternity leave period is increased by the number of days between the date of delivery and the date six weeks before the expected date of birth.

During maternity leave, salaried women are entitled to a daily benefit payment corresponding to 100% of their average daily wage in the three-month period preceding their pre-natal leave up to the social security ceiling, after deduction of the employee’s share of statutory contributions and taxes. With effect from 1 April 2013, the daily payment cannot be lower than EUR 9.20. With effect from 1 January 2013, the daily payment cannot exceed EUR 81.49 (From 1 January 2014 EUR 81.27).

Fathers are also entitled to paternity leave of 11 consecutive days, or 18 consecutive days in the case of a multiple birth, to be taken during the four months following the birth. Paternity benefits are calculated in the same way as maternity benefits.
7. Unemployment

The amount and duration of benefit payments depend on the period for which the claimant has contributed to the scheme and the total contributions paid.

To qualify, claimants must meet the following main conditions:

- lost their job further to termination by the employer, the end of a fixed-term employment contract, termination by mutual agreement or resignation for a valid reason (restrictive conditions);
- registered with the unemployment scheme for a minimum period (at least 122 days or 610 working hours in the last 28 months, or in the last 36 months for job seekers aged 50 and over) before becoming unemployed;
- below the statutory retirement age (or the qualifying age for a full pension).

The daily unemployment allowance is calculated partly on the basis of a daily reference wage. The reference wage is based on earnings subject to contributions during the 12 calendar months prior to the last day of paid work, up to a limit of four times the social security ceiling (EUR 148,128 for 2013, EUR 150,192 for 2014).

The amount of the daily allowance is either:

- 40.4% of the daily reference wage plus a fixed amount of EUR 11.57 (expected to increase as of 1 July 2013) (EUR 11.64 since 1st July 2013);
- 57.4% of the daily reference wage if this is more advantageous.

On top of a ‘paid holidays notice period ‑waiting period’, a maximum 75‑day waiting period applies in the case of non-statutory separation/termination pay, as well as a seven‑day deferred compensation payment.

The duration of benefit payments depends on the period for which job seekers have been registered with the scheme and their age.

Benefits are paid for a minimum of 122 days (four months) and a maximum of 730 days (24 months) for employees aged under 50, and 1,095 days (36 months) for employees aged over 50. Under certain conditions, individuals aged over 61 are entitled to benefits beyond 1,095 days until they become entitled to a full basic retirement pension.

The trade unions representing employers and those representing employees are expected to reform the unemployment insurance scheme in coming months as the current regulation will expire in July 2014.

8. Basic retirement pension

The French scheme provides for two compulsory retirement systems for employees:

- basic retirement: social security retirement;
- supplementary pension scheme for employees (ARRCO) and for executive staff (AGIRC).

Basic retirement pension – The statutory basic retirement pension age is 62 for persons born after 1 January 1955 and 60 for persons born before 1 July 1951, increasing by four months a year for persons born between 1 July 1951 and 31 December 1951, and five months a year for subsequent cohorts.

However, pensions may be claimed later if desired. Individuals who continue to work after the statutory retirement age and who have paid contributions for longer than the qualifying period for a full pension (depending on the year of birth) can be granted a higher pension.

It is also possible to take early retirement under certain restrictive conditions.

The age of automatic entitlement to a full pension regardless of the period of insurance is between 65 and 67.

The amount of pension depends on annual average earnings (capped at a certain amount), the applicable rate (maximum 50%) and the insurance periods.

Retirement pension may be combined with work under some conditions.
France

9. Supplementary pension schemes

Supplementary pension scheme for employees (ARRCO) and executive staff (AGIRC) –

The statutory age to claim these forms of retirement pension is between 65 and 67
depending on date of birth. However, it is possible to claim early retirement pensions as
of age of 55 or 57 (depending on the claimant’s date of birth). In this case, a reduction
coefficient is applied. If claimant qualify for a full-rate pension under the basic scheme, their
supplementary pensions are payable without any reduction coefficient being applied, except
for AGIRC retirement pensions corresponding to points acquired on bracket C of their salaries
(i.e. the portion of gross annual salary ranging from social security ceiling 4 (i.e. EUR 148,128
for 2013, i.e. EUR 150,192 for 2014) to social security ceiling 8 (i.e. EUR 296,256 for 2013,
i.e. EUR 300,384 for 2014).

The calculation of supplementary retirement pensions is points-based. Each year, the
amount of contributions paid on the basis of a reference salary or income is converted
into points, taking into account the unit purchase value of the point for the relevant
tax year. The pension paid to the employee will be contingent upon the number of points
accrued during the employee's total period of insurance and the age at which he/she retires.
To calculate the pension, the number of points accrued during the total period of insurance is
multiplied by the value of the point at the time the pension is calculated.

Supplementary retirement pensions may be combined with work under some conditions.

10. Death

The death grant is paid to the relatives of a deceased salaried person. Priority is given
to those persons who, at the time of death, were effective, total, permanent dependants
of the insured. If the deceased has several dependants, a priority ranking applies (for
payments to dependants).

The death grant is 91.25 times the insured's daily earnings up to 25% of the social security
ceiling (EUR 9,258 for 2013, EUR 9,387 for 2014), and not lower than 1% of the annual
social security ceiling, i.e. EUR 370.32 for 2013 (i.e. EUR 375.48 for 2014).
Competent authorities

Voluntary social security scheme

1. Salaried persons
Contributions paid by employers and employees are collected by the URSSAF social security agency.

2. Self-employed persons
Self-employed persons join and pay social contributions to a social insurance fund for the self-employed overseen by the National Fund for the Self-employed Social Scheme (RSI) or, for farmers, a social insurance fund overseen by the National Fund for the Agriculture System (MSA).

It is not possible for salaried and self-employed persons working in France to be subject to the French statutory social security scheme on a voluntary basis.

For all salaried persons who are citizens of a Member State of the EEA or Switzerland who work outside France, it is nevertheless possible under certain conditions to sign up on a voluntary basis for all or part of the risks covered in France with the French Overseas Social Security Fund (CFE), the French Overseas Supplementary Retirement Funds (CRE-IRCAFEX) or the French Overseas Unemployment Fund (Pôle Emploi – Service expatriés).

The French Overseas Social Security Fund (CFE) provides the following coverage:
- basic retirement pension (social security scheme);
- illness, maternity, disability;
- accidents at work.

The CFE, CRE-IRCAFEX and Pôle Emploi schemes can be joined on an individual basis or via the insured’s employer.
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Gabon

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General background

Covered persons

The social security scheme in Gabon covers the following fields:

- family and maternity benefits;
- occupational accidents and diseases, occupational risks;
- pensions for retirement, disability and death;
- health allowances in cases of medical evacuation abroad;
- any other field related to social security that might subsequently be created by law.

The Gabonese statutory social security system is divided into two schemes:

- scheme for employees: National Social Security Fund (CNSS), benefiting salaried employees as defined by the Gabonese Labour Code, without distinction as to sex or nationality;
- scheme for officials and people on low income: National Health Insurance and Social Guarantee Fund (CNAMGS), which benefits officials, independent workers and students not covered as entitled beneficiaries.
1. **CNSS system (for employees)**

Social security contributions due to the National Social Security Fund (CNSS) are withheld by the employer on a capped salary of XAF 1,500,000 a month or XAF 18,000,000 a year.

The basis subject to social security contributions is made up of the whole remuneration paid to employees, including basic wage, compensations, gratifications, bonuses, cash benefits and all benefits in kind evaluated according to the provisions of the Gabonese Tax Code, after deduction of reimbursements of expenses.

The applicable rate for calculating social security contributions is 22.6% including the employee’s share of 2.5% and the employer’s shares of 20.1%, detailed as follows:

<table>
<thead>
<tr>
<th>Fields</th>
<th>Employee</th>
<th>Employer</th>
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<tbody>
<tr>
<td>Family allowances</td>
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<td></td>
</tr>
<tr>
<td>Industrial accidents</td>
<td>3%</td>
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<tr>
<td>Pensions</td>
<td>2.5%</td>
<td>5%</td>
</tr>
<tr>
<td>Medical evacuation</td>
<td></td>
<td>0.6%</td>
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<tr>
<td>Medication distribution</td>
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<tr>
<td>Hospitalisation</td>
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<td>1.5%</td>
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<tr>
<td><strong>Sub-total</strong></td>
<td>2.5%</td>
<td>20.1%</td>
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<tr>
<td><strong>TOTAL</strong></td>
<td>22.6%</td>
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</tbody>
</table>

2. **CNAMGS system (for officials and people on low income)**

Social security contributions due to the CNAMGS are fixed as follows:

- 4.1% due by the State as employer;
- 2.5% due by officials in office;
- 1.5% due by retired officials.

Contributions are calculated on a maximum basis of XAF 6,000,000 a month, made up of basic salaries, bonuses, allowances, grants and pensions, without the reduction of the basis used for calculating personal income tax and under exclusion of family benefits.
1. **Family allowances**

Family allowances include several allowances such as prenatal allowances for pregnant employees or employees’ wives, birth premiums, maternity allowances and child benefits.

2. **Maternity benefits**

Pregnant women are entitled to maternity leave of 14 weeks (which can be increased by three weeks in cases of illness and two weeks in cases of multiple births) and an allowance during that leave.

Two periods can be distinguished:

- the prenatal rest period: six weeks before the presumed date of confinement;
- the postnatal rest period: eight weeks after confinement (can be supplemented with the five remaining weeks of the prenatal rest period).

During maternity leave, salaried women are entitled to free medical care and full pay. These benefits are borne by the CNSS, which is liable for paying a daily allowance.

3. **Occupational hazards**

There is a list of diseases known as occupational hazards.

If the claimant’s disease is listed or the victim works in a sector in which he/she is exposed to a risk that may cause that disease, it will be deemed an occupational disease. This presumption can be rebutted by the National Social Security Fund or the employer.

For non-listed occupational diseases, the victim has to prove exposure to a risk and the causal link between the exposure and the disease.

Victims are entitled to:
- health care;
- daily allowances;
- survivors’ pensions;
- permanent incapacity pensions;
- medical checks;
- medical equipment;
- rehabilitation, functional re-education.

In cases of temporary incapacity, a daily allowance is paid to the employee.

An annuity is awarded to victims of accidents at work resulting in 15% permanent disability.

In the case of work accidents or occupational diseases resulting in death, a survivor’s pension is due to the victim’s entitled beneficiaries.

4. **Pensions**

The following pensions and allowances are included in the field of pensions:

**Retirement pension**

This is paid to insured who have worked in the private sector as employees or self-employed persons, have reached retirement age and ceased all occupational activity.

Old-age pensions correspond to 35% of the claimant’s average monthly remuneration and are paid quarterly.

**Old-age allowance**

This is granted to employees who have reached age 55 and have ceased occupational activity but do not fulfil the other conditions to be entitled to an old-age pension.

It is awarded in the form of a one-off payment.

Old-age allowance corresponds to 50% of the beneficiary’s average wage times by the number of half-years of contributions.
Disability pension

This pension is granted monthly to insured employees who have worked in the private sector and have been recognised as invalid by the medical commission of the CNSS, provided that the disability is not work-related.

Disability pension corresponds to 60% of the quarterly pension.

Survivor’s pension

This is payable to spouses and orphans of insured employees who died at work and are entitled to a disability or old-age pension at the time of death. It is equal to the pension that the insured would have been entitled to, as follows:

- 50% for the invalid widow or widower. If there are several widows, the amount is divided between them in equal shares, the distribution being final even if one of them should subsequently die or remarry;
- 20% for each orphan who has lost his/her father or mother;
- 35% for each orphan who has lost his/her father and mother or orphans whose mother does not receive a survivor’s pension.

The total amount of survivors’ pensions may not exceed 85% of the initial pension to which the insured was or would have been entitled. If the total exceeds this percentage, the survivors’ pensions are reduced proportionally.

The minimum amount of the monthly pension is XAF 35,200.

5. Sanitary evacuation abroad

Sanitary evacuation (EVASAN) is a benefit granted to CNSS insured employees and their rightful claimants and involves payment of the expenses occasioned by a medical evacuation abroad.

For this purpose, a special autonomous fund has been instituted within the CNSS. It is funded by employers, at a rate set at 0.6% of the salaries reported up to the cap fixed by the applicable legislation, with the patient paying part of his/her transportation and hospital costs and drug charges (‘moderating ticket’ or patient charge).

The patient charge varies depending on the level of the patient’s salary.

The Fund pays the following expenses:

- the transportation costs of the employee and any accompanying doctor;
- pre- or post-hospital accommodation needed for medical care in the host country;
- medical, surgical or pharmaceutical charges in connection with the sanitary evacuation;
- the expenses of sending the accompanying doctor;
- management fees (allowances paid to staff of the general manager of the National Social Security Fund involved in managing the Fund, the fees of the outside auditor, fuel allowances for members of the medical council, fees of commissioners and other staff).

6. Hospitalisation

Employees and their rightful claimants benefit from payment of their hospital costs.

The costs of hospitalisation in authorised health care centres are covered, totally or partially, by the Ministry of Economy or the CNSS.

7. Distribution of medicines

A list of medications is distributed by the CNSS, which is circulated among all practitioners in Gabon.

Medicines are dispensed on prescription and on presentation of the patient’s social insurance card or pension entitlement.

Companies that employ 200 workers or more and have a clinic headed up by a doctor or graduate nurse may receive some medications from the CNSS provided that they are in order with their social security contributions.
Competent authorities

1. CNSS

The social security contributions due by the employees are withheld from their salaries.

Employers are liable for paying the overall amount of contributions (i.e. the employee and employer shares) to the National Social Security Fund (CNSS).

2. CNAMGS

Contributions due by officials and people on low income are collected by the relevant departments at the Ministry of Economy.

Voluntary social security scheme

It is possible to remain subject to the Gabonese statutory social security scheme on a voluntary basis.

Those affiliated to the social security scheme for six consecutive months and who cease to fulfil the conditions to continue in the scheme can voluntarily remain affiliated to the pension fund, subject to complying with certain conditions.

Voluntary CNSS coverage is possible for self-employed workers, who are those not under the legal subordination of another person as regards their work schedule or their salary.

Applicants must complete a CNSS insurance form and fix a salary to serve as the basis for calculating their contributions and benefits.

Voluntary insured are liable for payment of their pension contributions at a rate of 7.5%.
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**General background**

Germany has an extensive statutory social security system based on solidarity.

The German social security scheme comes into play in three scenarios:

- wage loss (e.g. unemployment, retirement, incapacity for work, care-dependence): replacement income;
- payments for dependents (e.g. children, survivors): income supplements;
- no professional income (outside the claimant’s control): basic income.

** Covered persons**

The German statutory social security system covers:

- those subject to compulsory social insurance: **employees**, the unemployed plus students, among others;
- direct payers, for example the self-employed.
Contributions

1. Compulsory insured (by virtue of employment)

Contributions are paid by employees and employers. The amount differs for each sector of the social security system. Rates are based on the employee’s salary. They are mostly fixed by legislation or, in just one case, (accident insurance) by self-governing funds. Contributions are all capped at particular ceilings.

Health care

The total contribution rate is about 15.5%, of which 7.3% is paid by the employer and 8.2% by the employee. The maximum contribution basis is EUR 48,600 (2014).

If the yearly income exceeds EUR 53,550 (2014), German statutory health insurance is no longer obligatory.

Long-term care

The total contribution rate is about 2.05%, paid in equal shares by employee and employer (1.025%). Employees with no children have to pay an additional charge of about 0.25%. The maximum contribution basis is the same as for health care.

Old age

The total contribution is about 18.9%. Both employee and employer have to pay 9.45% of the gross income figure, up to EUR 71,400 per annum (2014).

Unemployment

Employee and employer both pay contributions of 1.5%. The total is therefore 3.0%. The annual ceiling is about EUR 71,400 (2014).

Accident insurance

Statutory occupational accident insurance is financed exclusively by employer contributions. The amount is determined on the pay-as-you-go principle and varies according to accident risk and industrial sector.

Family allowances

Family allowances are not financed by contributions. They are financed by taxes.

2. Direct payers

Direct payers have to pay the full contribution rate.
Benefits

1. Health care

Statutory health insurance provides a wide spectrum of benefits. Benefits in kind to which insured persons are legally entitled include medicines and hospital treatment. Of the many services provided, the major ones are medical and dental treatment. Cash benefits include sickness benefit for those unable to work and maternity benefit.

Medical treatment

Insured can freely choose any registered doctor, specialist or hospital. Basically, there are no fees to pay, with a few exceptions.

If inpatient treatment is needed, the insured has to pay EUR 10 a day for the first 28 days in each year.

Drugs are subject to a flat patient charge. The insured has to pay 10% of the cost. The minimum additional charge is about EUR 5 or EUR 10, but in no event exceeds the price of the product.

Sickness benefit

Insured who are unable to work due to illness receive sickness benefit from the beginning of the seventh week of illness. This replaces continued payment of their wages or salary.

For the first six weeks of illness, the employer continues to pay the employee's normal salary. Sickness benefit is about 70% of the last gross income, but never more than 90% of net income.

It is calculated per day and may not exceed EUR 94.50 (in 2014). It is paid gross, meaning that contributions (except health insurance) and taxes have to be paid on it.

Benefits during pregnancy and after childbirth

Insured women entitled to sickness benefits are also entitled to maternity benefits, usually for six weeks before and eight weeks after giving birth, during which period they are not allowed to work, which is why the health insurance company pays a benefit. The amount is based on the salary of the insured. The maximum has been set at about EUR 13 per day.

2. Long-term care

Long-term care insurance covers the financial risk of dependence.

To be able to claim benefits, insured must wait a qualifying period: they must have been signed up to the long-term care insurance scheme for at least two years. They also have to be dependent on care.

There are four levels of care. The more care the insured needs, the higher the benefit. Care category 0 includes persons who require simple support, Care category I includes persons who are in considerable need of care. People who require severe care are category II. The third category includes persons who need extreme care.

Provided the requirements are met, insured can claim benefit for home care as well as for inpatient care. This includes benefits in kind or cash benefits used to finance basic personal care and help with household chores. A combination of cash allowances and non-cash benefits is possible.

Home-care benefit claimants receive a cash allowance of EUR 120 in care category 0, EUR 305 in care category I, EUR 525 in category II or EUR 700 in category III.
3. Retirement

**Pensions**

As a form of income replacement, pensions are designed to offer insured persons an adequate livelihood after retiring. Pensions are usually provided as:

- old-age pensions (e.g. standard old-age pension);
- pensions on account of reduced earning capacity; and
- pensions on account of the insured person's death (e.g. widow's/widower's pension, orphan's pension).

Unlike in the other areas of social insurance, the extent of benefits that can be claimed under pension insurance depends on the amount of contributions paid (equivalence principle).

To qualify for a pension, the insured must have reached retirement age. The standard age to retire is 67. Furthermore, there is a general qualifying period of about five years. Insured must also apply for their pensions.

Pension can be claimed at an earlier age only if certain conditions are met, and taking into account deductions calculated using current actuarial formulas. Applications cannot be made before age 63.

At this time, a minimum pension is under discussion but has not yet been legislated on.

The old-age pension insurance also provides pensions for persons with reduced earning capacity. The reduced capacity depends on how many hours the insured is able to work in a five-day working week. Reduced earning capacity means that, for medical reasons, the claimant cannot work more than three hours or can only work between three and six hours a day.

Surviving dependents are also covered by the pension scheme. Provision is made for widows'/widowers' and orphans' pensions.

The last leg of the pension scheme concerns rehabilitation. This sector is designed to restore a person's ability to rejoin the active workforce and thus avoid retirement and a pension claim. The maxim here is 'rehabilitation before pension'.

Rehabilitation benefits include medical and other assistance designed to promote participation in working life and restore the earning capacity of ill or disabled persons. This includes treatment at a rehabilitation clinic or retraining for a job more suited to the insured person's abilities.
4. Unemployment

Unemployment insurance benefits include specific measures and especially payments to employees and employers as well as selected providers (e.g. for vocational training or educational measures).

The most important benefit is unemployment benefit. To be able to claim it, the employee has to meet three conditions:

1. be unemployed;
2. file for unemployment at the employment agency; and
3. wait a qualifying period, meaning that, in the last two years before the start of unemployment, an employment relationship must exist for at least 12 months.

Unemployment benefit is about 60% (67% if the insured has a dependent child) of the average earnings of the last year. There is a cap depending on the tax class.

Unemployed persons who do not meet these conditions (e.g. the qualifying period) can get type II unemployment benefit from age 15 up to the statutory age of 65 to 67 years (retirement age). These persons receive a fixed amount of about EUR 382 a month.

Other benefits are also provided by statute, for example counselling and placement support (job application costs, travel costs, placement certificates) or support for those taking up self-employment.

5. Accidents at work

If an insured person has an accident at work (which includes the way to and from work) or suffers from an occupational illness, statutory occupational accident insurance covers the resulting costs. This means that the insurance fund provides the best possible medical, occupational and social rehabilitation, as well as financial compensation if applicable.

In the event of an occupational accident or illness, statutory occupational accident insurance provides:

- payment for full medical treatment;
- occupational integration assistance (e.g. retraining);
- social integration assistance and supplementary assistance;
- cash benefits to the insured and their surviving dependents.

The top priority of the accident insurance fund is to restore the insured person’s health and ability to work. Pensions are paid to fund members only when it is not possible to fully restore their ability to work, i.e. for those whose earning capacity is reduced by at least 20%.

6. Family benefits

There are several types of family allowances in Germany. Child benefit is the most important.

Parents are entitled to child allowance, which is payable until the child’s 18th birthday. If the child starts a vocational training course or higher education studies, this entitlement is extended to no later than the child’s 25th birthday.

The monthly amounts are:

- first + second child   EUR 184
- third child           EUR 190
- fourth child and other EUR 215

For these benefits, an application must be filed with the family benefits office at the employment agency. In addition, families are also granted special income tax allowances to take account of dependent children.

Another family benefit is parental benefit. Parents can claim it for one year after the birth of a child to compensate for the salary they earned previously. There is also a cap of EUR 1,800. Parents that did not work before having a baby can also claim, in which case the amount is EUR 300 a month.
All contributions are paid collectively to the collection agency, which is the employee’s health insurance company.

Each sector has its own authority. So, for health and long-term care insurance, any one of a number of companies can be chosen.

For pension insurance, the ‘Deutsche Rentenversicherung Bund’ (DRV) is responsible.

Unemployment insurance is administered by the employment agency located in each town. It is usually the agency in the town where the insured lives that is responsible.

The agency that is responsible for family benefits – the ‘Familienkasse’ – is mostly located at the employment agency.

For work-accidents insurance, the relevant authority depends on the branch of industry worked in.
Voluntary social security scheme

Those that meet certain conditions can obtain voluntary social security coverage in Germany, for which there is no need to be entitled to compulsory coverage.

Under health insurance, people can get voluntary coverage for a variety of reasons. For example, those who have been insured in Germany but went abroad to work, meaning that their insurance ended, can take out voluntary insurance when they return to Germany and start a new job within two months. People concerned should apply for voluntary insurance within three months after their return to Germany.

Where voluntary health insurance is taken out, it must include long-term care insurance.

Under pension insurance, people can get voluntary insurance if they are over 16 and reside in Germany. Voluntarily insured persons can fix the amount of their contributions themselves. Any contribution of between EUR 85.05 and EUR 1,124.55 (2014) is possible.

There is no voluntary unemployment insurance. Only compulsory insurance is available, for which an application has to be made. This may be possible for self-employed persons who work over 15 hours a week. The application has to be filed within a month after starting self-employment. The contributions in 2014 are about EUR 80.85.

Statutory accident insurance offers a voluntary insurance for business people if they are not already covered by compulsory insurance. Coverage begins on the date of the application. The rate of contributions depends on the industrial sector and the accident risk.
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The National Pensions Act 2008 (Act 766) ('NPA') provides the regulatory framework that governs social security contributions and payments in Ghana. Based on this Act, social security contributions are payable by employees working in Ghana.

Currently, Ghana has a three-tier pension scheme made up of:

- first tier – a mandatory basic national social security scheme;
- second tier – a mandatory fully funded and privately managed occupational pension scheme; and
- third tier – a voluntary fully funded and privately managed provident fund and personal pension scheme.
Expatriate employees

Although the social security laws do not exempt expatriate employees from making social security contributions, the SSNIT in the past did not require expatriates to make social security contributions whilst working in Ghana especially where expatriates could provide proof that they were making similar contributions in their home country.

However, the SSNIT has recently issued notices requiring expatriate workers to comply with the mandatory first tier social security scheme and has set 2 July 2013 as the effective date from which the SSNIT would enforce compliance. Expatriate workers (other than those who meet the SSNIT’s exemption criteria) are therefore required to register with the SSNIT before 2 July 2013.

The SSNIT has provided exemptions for expatriate workers falling within the following categories:

• Where the expatriates are in Ghana under a supplier contract on a short-term basis to undertake installation of equipment or machinery acquired by a Ghanaian company and to train the local workers.

• Where there is a technology transfer agreement under the Ghana Investment Centre Act and its regulations and upon proof that the expatriates are in Ghana on a short term basis to undertake such technology transfer assignments.

• Where an expatriate is in Ghana on a short-term assignment and there is proof provided by the employer that, whilst in Ghana for a short term, the expatriate is still a worker of his/her home country and still a member of the pension scheme of that country.

Note that the SSNIT has defined ‘short term’ to mean a period not exceeding three years.

Regulatory exemptions

Specific exemptions apply to expatriate employees engaged by oil and gas contractors and subcontractors in accordance with the respective contractor’s Petroleum Agreement with the State. In addition, expatriates with a diplomatic status or expatriates who are above 45 years are also exempt from making these contributions.

Expatriates on assignment in Ghana for a period of not more than three years may also be exempt from making social security contributions.
Contributions

The employer and the employee are under an obligation to contribute 13% and 5.5%, respectively, of the employee's base salary. Out of the total of 18.5% employer and employee contributions, 13.5% goes into the first tier whilst the remaining 5% goes into the second tier. The maximum monthly base salary on which the first and second tier contributions are calculated is GHS 20,000 (approx. US$ 10,000).

Contributions into the third tier are not defined and as such the employer and employee can contribute any amount into this tier, subject to the tax deduction restrictions discussed below.

The employer is required to remit the contributions to the managing entities of the schemes by the 14th day of the month following the month to which the contributions relate.

Management

The first tier or mandatory basic national social security scheme is managed by the Social Security and National Insurance Trust ("SSNIT"). The second and third tier schemes are managed by approved trustees. Once appointed, the approved trustees have to choose an approved fund manager who will be responsible for formulating and making investment decisions with regard to the scheme assets. In addition, an independent fund custodian has to be chosen to hold the pension fund assets.

Tax deductions

Contributions made under the first and second tier mandatory schemes are deductible for income tax purposes for both the employer and the employee. Thus, the contributions made by the employer are deductible when determining the employer's corporate income tax liability and will also not be deemed to be a taxable benefit provided to the employee. The employee's contributions are also deductible when computing the employee's taxes.

In respect of the third tier, contributions of up to 16.5% of the employee's salary made by the employee and/or employer are treated as tax deductible if no withdrawal is made before ten years after the first contribution and before retirement.
Benefits

- Superannuation pension
- Invalidity pension
- Lump sum payment
- Survivor's lump sum benefit
- Hazardous employment benefit
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General background

Under the current Greek social security system, all employees working in Greece are subject to compulsory insurance from the first day of their employment; it offers individuals mainly medical, hospital and pharmaceutical care, pension entitlement (old-age, invalidity pension) and other benefits, e.g. maternity, pregnancy, family, aid, sickness and accident allowances, unemployment allowances, funeral expenses, transportation expenses for patients, etc.

Covered persons

The Greek statutory social security system is mainly divided into three schemes:

- scheme for salaried persons (individuals who are linked to their employer by an employment agreement);
- scheme for self-employed persons (individuals who work outside scope of an employment agreement);
- scheme for civil servants (individuals who are subject to the status of public servants) – not gone into in this profile.
1. Salaried persons

Both employers and employees are liable to pay social security contributions, which are fixed by law and may be modified from time to time (increased or decreased).

The contributions due by the employer are calculated on the employee’s gross salary at the rate of 27.46%, whereas the employee’s portion, which is withheld from his/her gross salary, is calculated at 16.5% of his/her gross monthly salary.

Contributions by employees insured in Greece or any other State of the European Union or a country with which Greece has a social security treaty are calculated up to a maximum gross salary of EUR 5,543.55. Salary paid to employees above these ceilings is exempt from social security contributions.

2. Self-employed persons

Further, with a view to providing independent services, freelancers should also be insured with the Greek Freelancers’ Social Security Fund.

Freelancers’ contributions to the relevant social security fund are payable at the rate of 20%, calculated on the amount of the social security category to which they are subject. Ten compulsory insurance classes and four optional ones are set down for old and newly insured employees. Individuals insured for the first time with the Greek Freelancers’ Social Security Fund are classified in the first insurance category and transferred in the next compulsory categories after three years. Transfer to the next category is compulsory on the first day of the year following the completion of three years.
### Benefits for salaried persons

#### 1. Health care

Health care provided by the IKA covers both medical appointments and examinations such as blood tests, X-rays, cardiograms, etc., and is provided by IKA clinics as well as by offices contracted with the IKA (in towns where no IKA clinics exist).

In order to receive health care benefits from the IKA, claimants should hold a valid insurance booklet. It should be noted that health care is not provided to insured at once, i.e. from the first day of IKA insurance, but only once they have been insured for 100 working days and hold an insurance booklet.

Health care benefits are provided for the entire duration of the illness, even if the claimant meanwhile ceases to meet the requirements to receive the benefit.

Entitled persons:
- persons directly insured with the IKA;
- retired persons in receipt of an IKA pension;
- family members of the above, i.e.:
  - spouse;
- unmarried children until their 18th birthday, or 24th birthday if they are unemployed, or 26th birthday if they are still studying;
- mother and father;
- the orphans of a father and mother, grandchildren and siblings, as well as orphans only of their father or mother, grandchildren or siblings if the surviving parent is a member of the family of the insured, until the age of 18 is reached.

#### 2. Hospital care

Hospital care is considered as a benefit in kind and covers residence, board, medical attention, the provision of pharmaceuticals, etc.

In order to be entitled to hospital care benefits, claimants must have a contribution record of a certain number of working days, which depends upon the type of hospital care they wish to receive (regular or advanced).

These benefits may be claimed by persons directly insured with the IKA and persons in receipt of an IKA pension, plus their family members.

#### 3. Retirement

The categories of persons insured with the IKA are the following:
- persons already insured with the IKA before 1 January 1993;
- persons who first affiliated with the IKA after 1 January 1993.

The amount of the main pension is calculated according to different methods for those insured before or after 1 January 1993. The IKA may award either a full or a reduced pension. The entitlement to pension, the amount of the pension and the time for which it is payable depend on numerous factors, such as the number of insurance days, the age and occupation of the claimant or whether he/she belongs to a vulnerable social group.

#### 4. Sickness

Claimants not able to carry on employment due to illness are entitled to sickness benefits that consist of cash allowances. Claimants must satisfy the following conditions:
- be directly insured with the IKA;
- incapable of work due to illness;
5. Maternity

There are two categories of maternity benefits:

• Lump-sum labour benefit, which is paid to the direct insured, instead of hospital and medical institution, is equal to EUR 900. The benefit is paid instead of hospital and medical care, it is considered a contribution in kind and, therefore, in order to receive it, the insured person should have a contribution record of 100 working days during the previous year or the previous 15 months.

Unemployment benefit consists of a basic amount of EUR 360 and if there are family dependants, i.e. for every family member, the benefit is increased by 10%.

As of 1 January 2014 a new long-term unemployment benefit is introduced, for unemployed being on a constant unemployment status for a period longer than 12 months, and who have also used their right to ordinary subsidisation and only if their annual income is less than EUR 10,000, increased by EUR 586.08 for each minor. The height of said monthly benefit for long-term unemployed persons cannot exceed the amount of EUR 200 payable for a period no longer than 12 months. The beneficiary age thresholds are defined between 20 and 66 years of age.

6. Unemployment

Eligible persons receive unemployment benefits from the Workforce Employment Organisation (OAED). Claimants must satisfy certain conditions, e.g. salaried person, employment contract terminated by the employer, involuntarily unemployed, registered with the unemployment sector of the OAED, contribution record of a certain number of working days.

Applications must be submitted within 60 days of the date of dismissal to the beneficiary’s local office. Benefit is paid on a monthly basis for between five and 12 months, depending on the applicant’s age and occupation, as well as on the contribution record that the applicant has built up, and is scaled according to the number of days the applicant worked before the termination of his/her employment.

Unemployment benefit consists of a basic amount of EUR 360 and if there are family dependants, i.e. for every family member, the benefit is increased by 10%.

As of 1 January 2014 a new long-term unemployment benefit is introduced, for unemployed being on a constant unemployment status for a period longer than 12 months, and who have also used their right to ordinary subsidisation and only if their annual income is less than EUR 10,000, increased by EUR 586.08 for each minor. The height of said monthly benefit for long-term unemployed persons cannot exceed the amount of EUR 200 payable for a period no longer than 12 months. The beneficiary age thresholds are defined between 20 and 66 years of age.

7. Family benefits

Family benefits are provided by the Workforce Employment Organisation (OAED) to working parents insured with the IKA who have:

• children under 18 years of age;
• children under 22 years of age who study;
• older children if they are incapable of work, provided they are unmarried and reside in Greece or an EU Member State.

The main requirement for the receipt of the family benefits provided by OAED, among others, is that the employed parents must have a contribution record of at least 50 working days during the year before applying. Non-Greek claimants may also receive family benefits provided their children reside in Greece.

Annual family benefit starts from EUR 98.64 per child. For the third child, the annual benefit is increased by EUR 35.16. For each child following the fourth, it increases by EUR 11.30 per month.
Competent authorities

1. Salaried persons

Contributions are paid by employers and employees to the Institute of Social Security (IKA-ETAM), which is the leading social security institution, for individuals who provide employed/dependent services on either an open-ended or fixed-term as their main occupation.

2. Self-employed persons

Self-employed persons join and pay contributions to the Greek Freelancers’ Social Security Fund (OAEE).

Voluntary social security scheme

On termination of their employment, those insured with the IKA-ETAM may request continuation of their insurance coverage for a pension scheme and/or medical care, provided, mainly, that:

• for old insured employees:
  – they have completed 500 days of insurance within the five years before their insurance with the IKA ceased; if so, they must submit the relevant application form within 12 months of the last day of employment;
  – if they have completed 3,000 days of employment, they can apply at any time. For the purpose of the requisite number of insured days, time insured with other funds is also taken into account, provided the last insurance agency was the IKA;
  – they are not of at least 66.6% disability (at the time of the submission of the relevant application for voluntary insurance);

• for newly insured employees:
  – they have completed 1,500 days of insurance, of which 300 days within the last five years;
  – they are not subject to any other social security fund.
  – they submit the application within 12 months from the past days of their mandatory insurance; and
  – they are not of at least 66.6% disability (at the time of the submission of the relevant application for voluntary insurance).

It should be noted that a voluntary social security scheme is possible only if no employment exists in Greece (or in the EEA/Switzerland/a third country with which Greece has a bilateral agreement) by virtue of which the individual is registered with the compulsory insurance system of Greece (or that EEA territory/Switzerland/third country with which Greece has a bilateral agreement).
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Social security systems around the globe

Guinea

General background

The Guinea social security system is mainly based on the principle of a mandatory social security scheme. All employees (nationals and expatriates) working in Guinea are basically subject to the Guinean mandatory social security system.

Employees of a foreign company that has no permanent establishment in Guinea could be granted an exemption from social security (with the approval of the National Social Security Fund (CNSS)), provided that the expected assignment period does not exceed six months. This period is renewable for six months.

Employers are required to register with the CNSS within eight days from either setting up or acquiring a company that employs people or recruiting an employee. Likewise, employees subject to Guinean social security have to be registered within eight days from the date of their recruitment.

The Guinean social security system managed by the CNSS is essentially ruled by the Social Security Code (1994) and regulatory laws. It covers the followings:

• pensions;
• occupational accidents and diseases;
• family benefits;
• health care (non-occupational accidents and diseases).

Covered persons

The Guinea statutory social security system has a unique scheme covering the following salaried persons:

• employees working in Guinea and subject to the Guinean Labour Code without distinction as to race, nationality, sex or origin, unless an exemption applies;
• individuals subject to the Public Service Status (civil servants, auxiliaries and contractors);
• individuals employed by semi-governmental bodies;
• vocational school students, individuals placed in training or rehabilitation centres, trainees and apprentices.
Social security contributions are due by both employees and employers. Employee contributions are deducted from gross pay, whilst employer contributions are paid on top of gross pay.

The basis subject to social security contributions is constituted by the gross amount of all sums made available to the employee, including salaries, indemnities, allowances, bonuses and any benefits in cash or in kind measured according to their real value, after deduction of expense reimbursements and family benefits.

Since 26 November 2010, the minimum taxable basis has been set at GNF 200,000, and the ceiling at GNF 1,500,000. The applicable rates for calculating social security contributions have been set at 5% for the employee’s part and 18% for the employer’s part, detailed as follows:

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Guinea

Benefits

1. Pensions

The following pensions and allowances are included in the field of pensions:

**Old-age pension**

This is paid to insured who have worked and contributed to the social security fund for at least fifteen years, have reached the retirement age and have ceased all occupational activity. The normal retirement age in Guinea varies from 55 to 65 depending on the worker’s professional category.

**Old-age allowance**

This may be granted to employees who have contributed for at least twelve months and have reached the retirement age but do not fulfil the other conditions to be entitled to an old-age pension.

It is awarded in the form of a one-off payment.

**Disability pension**

This pension is granted to insured employees who have been recognised as invalid before reaching the retirement age, provided that they have contributed to the CNSS for at least five years and do not benefit from an early retirement pension. The last two conditions do not apply to accident-related disability.

Disability must not be work-related.

**Survivor’s pension**

A survivor’s pension is payable to spouses and orphans of insured employees who died at work and are entitled to a disability or old-age pension at the time of death. The late employees should have obtained at least 180 months of registration with the CNSS. Where the insured have not met these conditions, the claimants (widow, widower or orphans) are awarded a survivor’s allowance in the form of a one-off payment.

The survivor’s pension is equal to the pension that the insured would have been entitled to, as follows:

- 50% for the invalid widow or widower. If there are several widows, the amount is divided between them in equal shares, and the distribution is final;

- 10% for each orphan who has lost his/her father or mother;

- 20% for each orphan who has lost his/her father and mother.

The total amount of survivors’ pensions may not exceed the initial pension to which the insured was or would have been entitled. If the total exceeds this threshold, the survivors’ pensions are reduced proportionally.

In the absence of a widow or widower, orphans are entitled to the portion of pension that was due to the widow or widower.

2. Occupational hazards

All salaried persons are covered against accidents at work and accidents on the way to and from work. An accident at work is an accident occurring during and due to performance of an employment contract and causing injury. Accidents on the way from and to work are accidents which occur on the normal route the claimant has to use to move from the threshold of his/her residence to his/her work and vice versa.

Likewise, salaried persons are covered against occupational (work-related) diseases.

Victims are entitled to medical care including medical checks, medical equipment, rehabilitation, functional re-education, medicines, transportation costs to hospital, sanitary evacuation abroad, etc.

In cases of temporary incapacity for work, a daily allowance is paid to the employee.

An annuity is awarded to victims of accidents at work resulting in permanent disability.

In the case of work accidents or occupational diseases resulting in death, funeral expenses and a survivor’s pension are due to the victim’s entitled beneficiaries.
3. Family benefits

The benefits include prenatal allowances, child benefits, daily maternity compensation and medical care in relation to pregnancy and childbirth provided that the insured employee has performed his activity in Guinea for six consecutive months and has children or a wife. The employee's wife or children should normally reside in Guinea.

- Prenatal allowances are granted to insured women and employees' wives over the nine months preceding the childbirth.

- Child benefits are paid to the insured employee for his dependent children with a limit of ten children.

- Daily maternity compensation is provided to salaried women during maternity leave provided that they are registered with the relevant fund nine months before the childbirth. The payment corresponds to 100% (50% paid by the CNSS and 50% by the employer) of their average daily wage in the month preceding the leave. Pregnant women are entitled to maternity leave for 14 weeks (which can be increased by two weeks in cases of illness or multiple births).

- Medical care in relation to pregnancy and childbirth is provided to registered women and spouses of male employees for treatment and examinations specified by social security regulations.

4. Health care

Health care includes medical care required for maintaining and restoring a person's health (e.g. ordinary medical care, dental care, hospital care and sanitary evacuation abroad) and the payment of daily allowances to the insured employee, his/her children and his/her spouse. The covered employee shall prove at least three months of effective work performance within the quarter preceding the accident or illness to benefit from this care, a month of work should comprise at least 18 days or 120 hours of work.

Daily allowances are due if work is interrupted due to a non-occupational accident or disease. Employees are entitled to these allowances from the ninth day following the work interruption, for a maximum period of thirteen weeks (except in particular circumstances). The allowance corresponds to half a daily average wage.

CNSS refunds of the costs of medical care (e.g. hospitalisation and pharmaceuticals) are made up to 70% of incurred costs, while the remaining 30% is borne by the insured employee. However, costs related to long and costly diseases are entirely refunded.
Employers are liable for paying the overall amount of contributions (i.e. the employee and employer parts) to the National Social Security Fund (CNSS). Contributions are payable no later than the 20th day of the following month.

It is possible to remain subject to the Guinean statutory social security scheme on a voluntary basis.

Those affiliated to the social security scheme for six consecutive months and who cease to fulfil the conditions for continuing to be covered by the scheme can voluntarily remain affiliated to the pension regime and/or the health care regime, subject to complying with certain conditions.

Applicants must complete a CNSS insurance form and determine an annual salary to serve as the basis for calculating their contributions and benefits.
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Honduras

General background

The Honduras social security system offers social security benefits to the Honduran population. All government and non-government companies in Honduras have the obligation to register their employees.

Covered persons

- Employees working for public and private companies in Honduras;
- Self-employed individuals;
- Domestic workers under 60 years old.
Honduras

Contributions

**Salaried individuals**
Social security contributions are levied on a monthly compensation up to a ceiling amount of HNL 7,000 (approximately $ 354). The employee contributes 3.5% and the employer contributes 7.2% of the employee's monthly salary.

The 1% of the ceiling amount (HNL 7,000) is deductible in determining the employee's taxable income. Employer social security contributions are deductible in determining the company's taxable income.

**Self-employed individuals**
Social security contributions for self-employed persons are levied as follows:

- 8.5% of the professional income earned monthly to qualify for the Sickness and Maternity Regime;
- 3.5% of the professional income earned monthly to qualify for the Old-Age, Physical Disability and Death Regime.

**Domestic workers**
Social security contributions for domestic employees are levied to an annual amount determined by the Social Security Institute, which is the authority that regulates and administers the social security system and its contributions.

For the year 2014, the annual contribution levied amount is HNL 2,544 (approximately $ 129).
The benefits granted by the Honduran social security system extend to the covered person's children up to the age of 11 years. For the spouse, restrictions may apply for some of the benefits.

For the covered person, the benefits are as shown below:

**Salaried individuals**
- Healthcare
- Non-occupational accidents
- Work accidents
- Occupational illness
- Old age
- Death
- Sickness benefits
- Physical disability
- Maternity benefits
- Family benefits
- Unemployment
- Retirement

**Self-employed individuals**
- Healthcare
- Sickness benefits
- Maternity benefits
- Physical disability
- Old age
- Death

**Domestic workers**
- Healthcare
- Common sickness
- Maternity benefits
Competent authorities

The Honduran Social Security Institute (IHSS).

Voluntary social security scheme

Honduran workers living outside Honduran territory can affiliate to the Honduras social security system.

Contributions for this special affiliation regime are levied as follows:

- 7.5% of one and a half minimum wage to qualify for the Sickness and Maternity Regime;
- 3.0% of one and a half minimum wage to qualify for the Old-Age, Physical Disability and Death Regime.

The abovementioned wages will be established by the IHSS.
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Hungary

General background

Hungary has an extensive statutory social security system based on solidarity.

Covered persons

Insured persons include:

- persons engaged in employment under a contract;
- students attending vocational schools under apprenticeship agreements;
- persons receiving job-seeking assistance, private entrepreneurs (if not engaged in auxiliary activities), business partners (if not engaged in auxiliary activities);
- persons performing gainful work in any work-related relationship (outworkers, those under agency contracts or in self-employment, other than private entrepreneurs).

Insured persons are basically eligible to all services provided within the social security system.

There may be exemptions from the above based on international treaties and in case of third country national individuals assigned to Hungary for a period not exceeding two years.
Social security contributions are due by both employees and employers. The employer part, called social tax is payable on the gross income paid to the employee. The tax rate is 27%. There are some social tax abatements if certain conditions are met.

Social security systems around the globe

Contributions

Employee social security contribution rates are:
- 10% pension contribution (uncapped);
- 8.5% health insurance and unemployment contributions (7% + 1.5%, both uncapped).

Contributions are payable on at least the minimum wage (HUF 101,500/month, approx. EUR 330/month).

Individuals (Hungarians and EEA nationals or non-EEA nationals with permanent residence permit) aged over 18 with a Hungarian registered address and not insured in Hungary are obliged to pay health-care service contributions of HUF 6,810 in order to be eligible for health-care services in kind.
1. Family benefits

Family benefits are generally provided to persons having a registered Hungarian address.

Family benefits consist of child-rearing benefit and school grants. Child-rearing benefit is available to claimants whose child has not reached compulsory school age. Once that age is reached, parents can claim a school grant, which is paid whilst the child is in full-time State education (grammar school, secondary school, vocational school) and until his/her 20th birthday.

The monthly child benefit amount depends on the number of children and whether one or two parents rear them (between HUF 12,200 and HUF 17,000 per child per month). The benefit is increased in case the child is chronically ill.

2. Unemployment

Job seekers’ benefit is available to those that are in search of a job, have spent at least 360 days in employment over the three-year period prior to becoming a job seeker, are not eligible for an allowance for reduced ability to work, are not in receipt of sick pay, and wish to find a job but have been unsuccessful and the government employment agency cannot offer a suitable job. Benefit is available for no more than 90 days. The amount of the unemployment benefit is in general calculated as 60% of the previous four quarters’ average social security base but maximum the minimum wage (HUF 101,500 per month).

3. Retirement

Retirement pension is available to claimants who have reached the requisite retirement age and have at least 20 years of service. Partial old-age pension is available for those with 15 years' service and who have reached the requisite retirement age. Even if they have not yet reached retirement age, women are already eligible for the retirement pension if they have 40 years of service.

The retirement age in Hungary is 62, which will gradually increase to 65 by 2022. The amount of retirement pension depends on monthly salary and years of service. The minimum is currently HUF 28,500 per month.

Dependent pension benefits are also available (orphan's pension, widow's pension, parent’s benefit, etc.).

4. Maternity benefits

Under Hungarian law, women are entitled to maternity benefits if they were insured under the Hungarian social security system for at least 365 days within the last two years.

The following maternity benefits are available:

- **Maternity leave benefit** (TGYÁS): this is paid for 24 weeks (168 days). The amount is 70% of the claimant’s daily average earnings. It ceases once the claimant resumes work or if she receives remuneration from her employer.

- **Child-care benefit** (GYED): this is paid after entitlement to maternity leave benefit ceases and until the child is two years old. The amount is 70% of daily average earnings, capped at HUF 142,100 gross in 2014. Entitlement to this benefit stops if the child is less than 1 year old and work is resumed or if remuneration is received from the claimant’s employer.
5. Sick pay

Sick pay is payable to any person who becomes incapacitated for work during the period of insurance coverage. It is paid for the duration of the incapacity for work, up to a maximum of one year. The amount is 60% of the calendar daily average relevant income in the case of an uninterrupted insured period of two years or more, or 50% if the insured period is less than two years. During the calculation of sick pay only the income from the existing employer must be taken into account as of 15 July 2013. Please note that the sick pay payable for one day may not exceed 1/30 of twice the effective minimum wage (which is HUF 101,500 in 2014) on the first day of eligibility.

6. Accident benefits

Accident benefits are paid to victims of accidents at work or occupational diseases. They are provided in the following forms:

- **Emergency medical services**: medicinal products, medical aids and medical care required in connection with any health impairment sustained from an accident at work or occupational disease will be paid in full.

- **Accident sick pay**: accident sick pay is due to any person who sustains an accident at work during the insurance period or within 3 days following termination of his insurance coverage and that accident results in him/her becoming incapacitated for work. It can be claimed for one year, which may be extended by a maximum of one additional year. It is paid in the amount of the insured person's income of the month preceding the first day of eligibility, or 90% of that income if incapacity results from a commuting accident. Please note that accident sick pay is not paid if the claimant is in receipt of an accident allowance based on the same accident at work.

  - **Accident allowance**: accident allowance is due to any person who sustains an accident at work and, consequently, a degree of health impairment of over 13%, but is not eligible to the benefits provided to people with disabilities. If the degree of health impairment is below 20%, the accident allowance is paid for up to two years; if it is over 20%, it is paid for the entire duration of the health impairment. The amount of accident allowance is based on the monthly average income earned in the year prior to the date of the accident and the degree of health impairment.

7. Disability and rehabilitation benefits

On 1 January 2012, the system providing benefits for persons with changed working capacity has changed significantly. The formerly provided disability pensions have been transformed into health insurance, and now it is paid in the form of disability or rehabilitation benefits.

Rehabilitation benefit is paid for a maximum of three years to persons with changed working capacity, if the state of their health is 60% or less but can be employed via rehabilitation or permanent work rehabilitation. The amount depends on the degree of their state of health (Category B1 or C1) and varies between 35% and 45% of average salary. The minimum is 30% and the maximum 50% of the official minimum wage (HUF 101,500 in 2014).

Disability benefit is paid to those whose state of health is 60% or less and rehabilitation is not advised (Category B2, C2, D or E). This benefit is also paid if the person – beside 60% as a maximum degree of his/her state of health – is classified as ‘accessible to rehabilitation’ and will reach the retirement age within 5 years following the date of submitting the application. The amount of benefit varies between 40% and 70% of average salary, the minimum being 40% and the maximum 150% of the official minimum wage (HUF 101,500 in 2014).

8. Benefits in kind provided under the Hungarian health insurance system

The following health care services can be provided free of charge under certain conditions set down in local law: health care services for the prevention and early diagnosis of diseases, therapeutic services, dental care, outpatient services, inpatient care in medical institutions, maternity care, medical rehabilitation, patient transport and rescue operations.
Competent authorities

Contributions and social tax paid by employers and employees are collected by the Hungarian tax authority (NAV). Alongside the tax authority, health care services are coordinated by the OEP (National Health Insurance Fund) and pension payments are coordinated by the ONYF (Central Administration of National Pension Insurance).

Voluntary social security scheme

Any person resident from a Hungarian social security perspective under local law (other than private pension fund members and pensioners with a freely exercisable entitlement to draw a pension and who are not engaged in a relationship that is subject to compulsory insurance under local law or whose insurance coverage is suspended) can enter into a voluntary agreement with the Central Administration of National Pension Insurance for the purpose of allocating income to a pension base and determining a service period. Based on the agreement, a 34% pension contribution should be paid on the agreed amount, which cannot be less than the minimum wage in effect on the date of the agreement (HUF 101,500 in 2014).

Individuals not insured under local law and not eligible for health care services on any other basis may enter into an agreement with the National Health Insurance Fund to get health services for themselves and their dependent children. The amount of monthly contributions payable under the agreement should be:

- 50% of the minimum wage (HUF 101,500 in 2014) in the case of citizens of legal age;
- 30% of the minimum wage in the case of children under the age of 18.

Health care services under voluntary agreements with the National Health Insurance Fund are available – with the exception of emergency services – as of the first day of the sixth month following the date of signature of the agreement, except if the stipulated contribution amount is paid at the time of signature for the previous six months, in which case health services are available as of the first day of the month following the date of signature.
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Iceland has an extensive statutory social security system based on solidarity. Its social security system is based on residence and financed through taxes, i.e. tax payments into the treasury made by employers and self-employed persons.

The Icelandic social security system covers all branches of traditional social risks. The general scheme is mandatory for residents and covers all benefits.

**Covered persons**

Everyone residing in Iceland for a certain length of time is deemed insured by the Icelandic Social Insurance System unless provisions in international agreements provide otherwise. This includes:

- employees;
- self-employed persons;
- civil servants;
- non-active persons;
- pensioners;
- students.

Iceland has an extensive statutory social security system based on solidarity. Its social security system is based on residence and financed through taxes, i.e. tax payments into the treasury made by employers and self-employed persons.
Social security contributions made by employers, including self-employed persons, for 2014 amount to 7.59%. An additional social security contribution for fishermen amounts to 0.65%.

The basis for social security is all taxable income (i.e. as determined by the Tax Act) plus the employer contributions to the employees’ pension funds.

Contributions

The social security consists of the following elements:

1. the Unemployment Fund;
2. a rehabilitation fund, a pension fund for disability of pensioners, a maternity/paternity fund, and the Social Insurance Administration;
3. the Wage Guarantee Fund.
1. Health care

Persons covered by the Icelandic social security system receive free hospitalisation and medicines while in hospital, maternity care, per diem cash sickness benefits, and dental and orthodontic treatment for children younger than 18 years and people over 66 years.

A fee to be paid for each consultation and other services is fixed by regulations. The share borne by the patient in the costs of the above health care services varies according to the service in question.

Discount cards are available to persons who have, during one calendar year, paid a specified amount for physician and health care services. When an individual has a card, the fees for health services are lower.

2. Sickness benefit

Employees and self-employed persons who are unable to work due to their illness are entitled to a daily cash benefit. It is required that the individual is not working and not receiving salary payments.

3. Benefits regarding accidents at work and occupational diseases

Occupational injury insurance covers employed persons working in Iceland. Those engaged in household work may voluntarily ensure their entitlement to occupational injury benefits with respect to such work by making a request to such effect in their tax return at the beginning of each year.

Occupational injury insurance covers accidents in the course of work, apprenticeship and rescue work, as well as all forms of athletic training, exhibitions and competition with a recognised athletic club under the supervision of a trainer.

To be covered, the accident must be caused by a sudden extraneous, external event. The accident must occur on the work premises and in connection with the work. The work must be carried out for remuneration.

The insurance also covers diseases caused by the noxious effects of substances, radiation or similar conditions which prevail at most for a few days and which can definitely be attributed to the employment relevant to the case.

4. Retirement

People living and working in Iceland for a stipulated length of time can apply for an old age pension at the age of 67.

To acquire the right to an old age pension, an individual must be 67 years old and have lived in Iceland for at least three calendar years between 16 and 67 years of age. Old-age pensions are paid starting at age 67, regardless of occupation or marital status. Men and women have the same rights. Residence for 40 years between 16 and 67 years of age entitles people to a full old-age pension, while shorter residence proportionally reduces the pension. The amount of the pension thus depends on a person's length of residence. The amount of an old-age pension is determined by law and depends on pensioners' incomes.

Seamen can start drawing their old-age pension at age 60, after fulfilling certain conditions regarding sailing.

Old-age pensions and various types of compensation paid along with them are linked to income.
5. Maternity/paternity leave

The parents of a child are entitled to paid leave at childbirth, when adopting a child and when becoming a permanent foster parent. They receive a holiday allowance or a childbirth allowance, depending on their situation in the labour market.

Both parents have the independent and non-transferable right to receive payments during maternity/paternity leave for three months. This means that neither parent can have his/her right transferred to the other. In addition, parents are entitled to a joint right of three additional months; this may be taken by one parent or divided between them.

Students and other parents outside the labour market or working less than 0.25 full-time equivalent are both entitled to receive a childbirth allowance for up to three months provided that certain conditions are met. In addition, there is a three-month joint entitlement, which they can divide between themselves or which one of the parents can use in full.

Maternity/paternity leave and allowance entitlements are cancelled when the child is 18 months old, and for foster parents and adoptive parents, 18 months after the child is brought home.

6. Unemployment benefits

Daily cash benefits during unemployment compensate loss of income due to unemployment. Employees and self-employed persons aged 16-70 are entitled to unemployment benefits on condition that they have a right to unemployment insurance and provided that certain conditions are met.

The entitlement to benefits is based on an employment ratio during the past 12 months. Unemployment benefits are earnings-related for a maximum of three months during each benefit period after ten days from application. The calculation is based on 70% of the total average wages during a period of six months ending two months prior to the application date. Basic unemployment benefits are paid after three months of earning-related payments.

Minimum benefit entitlements are based on at least 25% of full-time work during three months. Minimum entitlement to unemployment insurance provides the right to receive ¼ part of full basic unemployment benefits.

7. Wage Guarantee Fund

The Wage Guarantee Fund guarantees payments of claims for outstanding wages compensation for termination of employment, vacation, compensation for accidents at work and pension fund contributions instituted by employees against their former employer, provided that the employer operated in Iceland. It is required that the claims have been recognised as priority claims under the Bankruptcy Act.
1. Social Insurance Administration
The Social Insurance Administration is a governmental service institution seeing to the payment of pension insurance and social assistance.

2. Icelandic Health Insurance
The Icelandic Health Insurance administers health insurance and occupational injury insurance.

Social insurance is an integral part of social security in Iceland, providing a certain minimum insurance coverage. An individual who has insurance pays less for health services.

3. Directorate of Labour
The Directorate of Labour is responsible towards the Minister of Social Affairs and manages both the country’s employment service and, on a daily basis, the Unemployment Benefit Fund, the Wage Guarantee Fund, The Childbirth Leave Fund as well as payments to parents of children suffering from long-term illness.
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India has a social security system which provides for retirement and insurance benefits to employees working in factories or other establishments. The system is governed by the Employees’ Provident Fund and Miscellaneous Provisions Act, 1952 (‘PF Act’) and the schemes made thereunder, namely the Employees’ Provident Fund Scheme (‘EPF’) and the Employees’ Pension Scheme (‘EPS’). The EPFO, a statutory body established by the government of India, administers the social security regulations in India.
Covered persons

Every establishment in India employing 20 persons or more is required by law to register with the social security authorities unless it qualifies as an exempt establishment.

An establishment employing fewer than 20 persons can voluntarily opt to register with the authorities for the welfare of its employees. Upon voluntarily registration, the provisions of the Indian social security regulations apply in exactly the same way as if such registration were mandatory.

1. International workers

In October 2008, the government made the Indian social security scheme mandatory for cross-border workers by introducing a new category of employees, called ‘international workers’, within the ambit of the PF Act. Prior to this amendment, such workers qualified for exclusion from the provisions of the Indian social security regulations and were not subject to the Indian social security system.

Thus, foreign nationals qualify as international workers if they come to work for an establishment in India to which the Indian social security regulations apply. Similarly, Indian nationals qualify as international workers if they have worked or are going to work in a country with which India has entered into a social security agreement (SSA) and are eligible for the social security programme of the host country according to the terms of the relevant SSA.

However, it has been clarified that Indian employees holding a certificate of coverage (COC) from India and contributing to the Indian social security schemes will not become international workers and will continue to be treated like any other domestic Indian employee.

2. Excluded employees

International workers are exempt from the Indian social security regulations where they:

• are from a country with which India has a reciprocal SSA; and
• contribute to their home country’s social security, either as a citizen or resident; and
• enjoy the status of ‘detached worker’ for the period and the terms specified in the relevant SSA.

Recently, the EPFO announced that employees that came from countries with which India has a Comprehensive Economic Partnership Agreement (‘CEPA’) on or before 1 October 2008 and that contribute to their home country social security scheme also qualify as excluded employees.
Contributions

International workers are required to contribute 12% of their salary to the social security system. The term ‘salary’ is broad and covers basic wages (all emoluments paid or payable in cash while on duty or on leave/holiday), expense allowances, retention allowances and the cash value of any food concessions. However, house rental allowances, overtime allowances, bonuses, commissions and similar allowances or gifts are excluded from the salary figure used to calculate contributions.

Employers require to deduct the social security contribution from the employee's monthly pay and, after making a matching contribution of 12%, pay the sum over to the Indian social security authorities/fund by the 20th of the following month. A five-day grace period is included within this time limit.

Contributions are payable on the full salary where an international worker is on a split payroll. For converting foreign salary figures into the equivalent in rupees, the month-end telegraphic transfer buying exchange rate as published by the State Bank of India is to be used. Employers’ contributions to Indian social security are not taxable in the hands of international workers. In relation to their own contributions, international workers can claim a deduction of up to INR 100,000 per annum from their taxable income in India.

Of the employer’s 12% contribution, an amount equal to 8.33% of the salary is allocated to the international worker’s pension fund and the remaining amount is allocated to the Provident Fund. The employee's entire contribution of 12% is allocated to the Provident Fund.

The accumulated balance in the Provident Fund earns interest at a specified rate, which is announced by the government from time to time.

1. Withdrawal benefits

The EPF and the EPS lay down detailed rules for withdrawals. Provident fund

International workers can withdraw their accumulated balance from the Provident Fund in the following circumstances:

- retirement from service in the establishment or after attaining 58 years of age, whichever is later;
- retirement on account of permanent and total incapacity for work due to bodily or mental infirmity as certified by an accredited medical officer/registered practitioner;
- when suffering from certain diseases detailed in the terms of the scheme;
- on ceasing to be an employee of a covered establishment, where the international worker is from an SSA country.
In cases where the international worker is from an SSA country, withdrawal from the Provident Fund shall be payable in the payee’s bank account directly or through the employer. In all other cases, the amount withdrawn will be credited to the international worker’s Indian bank account. Amendments have been made in the Indian regulatory framework to permit international workers to open Indian bank accounts in order to receive Provident Fund money.

Any lump sums withdrawn by international workers from the Provident Fund on retirement or otherwise after completing five years of continuous service in a covered establishment in India or under other specified circumstances is exempt from tax.

In all other cases, the employer’s contribution and interest earned on that contribution (on both the employer and employee’s share) is taxable in the year of withdrawal. Furthermore, where an international worker has claimed a deduction on his/her own contribution in previous years, the deduction is taxable in the year in which the withdrawal is made.

**Pension fund**

Accumulated sums in the pension fund are used to pay a pension to employees upon retirement or in certain circumstances as specified in the EPS. International workers are not entitled to pension benefit from the pension fund unless they have rendered eligible service for a period of ten years. Where international workers are covered under an SSA, earlier withdrawal from pension fund is possible. However, the same is fully taxable in their hands in the year of withdrawal. The monthly pension received from the pension fund on retirement is taxable as earned income. However, commutation of pension payments is exempt from tax, subject to the following conditions:

- in cases of a receipt of a gratuity, the commuted value of one third of the pension is exempt from tax;
- in other cases, the commuted value of one half of the pension is exempt from tax.

**Insurance benefit**

During the period of service, a nominal contribution is made by the employer and/or government to provide insurance benefit to family members (nominees) if the employee dies whilst in employment.

**2. SSA benefits**

SSAs are bilateral agreements between India and other countries designed to protect the interests of cross-border workers. They provide for avoidance of ‘no coverage’ or ‘double coverage’ and equality of treatment of the workers of both countries. An SSA generally provides for the following:

- **Detachment**: Applies to employees posted to the other country provided they comply with the social security requirements of their home country.
- **Exportability of pension**: Provision for payment without any reduction in the employee’s home country or any other country.
- **Totalisation**: The period of service in a foreign country is counted on a pro rata basis when determining eligibility linked to length of service.

As on date India has entered into a SSA with 17 countries out of which the SSA with Denmark, France, Germany, Hungary, Luxembourg, Netherlands, South Korea, Switzerland and Belgium have been ratified while the agreements with Austria, Canada, Czech Republic, Finland, Japan, Norway, Portugal and Sweden are still pending.
Competent authorities

The Employees’ Provident Fund Organisation (‘EPFO’).
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From 1 January 2014, a comprehensive social security programme, which covers all Indonesian citizens is in place. The transition from the previous system (i.e. Jamsostek) is being done gradually. The new social security system is administered by:

1. Social Security Agency for health insurance (BPJS for Health) – covering health insurance
2. Social Security Agency for workers’ social security (BPJS for Workers) – covering accident insurance, old age saving, death insurance and pensions

There are two categories of covered persons as public health insurance participant:

- Recipient of the insurance premium subsidy (PBI). This is for underprivileged individuals with low or no income.
- Non-recipients of the insurance premium subsidy (non-PBI):
  - Government officials and their families
  - Informal sector workers and their families
  - Non-employees and their families as below
  - Workers including expatriates who work for more than six months*

* Please note that families who will be covered include spouse and maximum three children.

BPJS for workers

BPJS for workers cover all formal workers including expatriates who have been working for more than six months.

Responsibility

Employers are held responsible for ascertaining that their employees are covered by the social security program, i.e. BPJS for Workers and BPJS for Health. Employee contributions are collected by the employer through payroll deductions. These must be paid to BPJS together with the contributions borne by the employers.

An employer who has more than ten employees or who pays in total wages for an amount of more than one million IDR (in total) per month has the obligation to register the company and employees with BPJS for Workers.
Contributions

The current premium contributions are as follows:

<table>
<thead>
<tr>
<th>Area covered</th>
<th>As a percentage of regular salary/wages</th>
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</thead>
<tbody>
<tr>
<td></td>
<td>Borne by employers</td>
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<tr>
<td>Working accident protection</td>
<td>0.24 – 1.74%</td>
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<tr>
<td>Death insurance</td>
<td>0.3%</td>
</tr>
<tr>
<td>Old age saving</td>
<td>3.7% 2%</td>
</tr>
<tr>
<td>Pension</td>
<td>0% 0%</td>
</tr>
<tr>
<td>Health Care</td>
<td>4% 0.5%</td>
</tr>
<tr>
<td>Health Care</td>
<td>4% 1%</td>
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</tbody>
</table>

Employers are required to deduct the social security contribution from their employees' monthly salary.

The contribution is payable to BPJS by the 15th day of the following month for BPJS for Workers and by 10th day of the month for BPJS for Health.

1 Has not been determined, but the scheme will be effective as of 1 July 2015
2 will be effective 1 January 2015 – 30 June 2015
3 will be effective as of 1 July 2015
Accidents insurance

Accidents insurance covers compensation and rehabilitation for workers injured at work when leaving work early to return home or for sickness due to employment, on the following terms:

- there is a working command of the company/employer;
- there is a link with the interests of the company/employer.

Benefits and employment injury insurance compensation:

- cost of transportation;
- cost of examination, treatment or care while in hospital;
- cost of revalidation;
- compensation for temporary incapacity for work;
- compensation for disability;
- compensation for death;
- illness arising from employment.

Death insurance

Death insurance is provided to workers who die due to other causes than an accident, and who either were still actively employed or stopped working less than six months before dying.

Old-age insurance

The old-age security system is intended as a retirement savings scheme for workers. Old-age insurance contributions can be refunded if workers have one of the qualifications or are in one of the situations below:

- reaching the age of 55 years;
- permanent disability due to an accident;
- leaving Indonesia forever;
- having passed away;
- being a government officer/military or police force member;
- not having reached age 55 but having been registered for social security purposes for more than five years and having stopped working.

Health Insurance

BPJS for Health covers medical insurance for sickness and hospitalization benefits which may vary depending on the contribution amount.
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Social security contributions in Ireland are referred to as PRSI (Pay-Related Social Insurance).

An individual can be insured as:
• an employed contributor;
• a self-employed contributor; or
• a voluntary contributor.
The amount of PRSI payable depends on earnings and the classes under which the individual is insured. There are 11 different social security insurance classes in Ireland, and a number of subclasses.

1. Employed contributor

Individuals are insured as employed contributors if they are employed under a contract of service (i.e., an employment contact) and are working in Ireland.

The amount of PRSI paid by employees depends on their age, level of earnings, and the type of work performed. The majority of employees pay PRSI under Class A, where, with the exception of low-paid workers, a rate of 4% applies to all employment earnings (including share-based remuneration), with no upper cap.

From 1 January 2014, employed contributors, who are also self-assessed taxpayers, will also be liable to PRSI on all unearned income (e.g., rental income). Previously employed contributors were exempt from making PRSI contributions on such income.

This change applies only to self-assessed taxpayers, that is, employees with significant amounts of non-employment income (generally more than EUR 3,174 per year) who for this reason are required to submit an annual self-assessment Form 11 tax return. Such income will be liable to PRSI under Class K at 4%.

A separate employer PRSI charge applies under Class A at a rate of 10.75% (a reduced rate applies to low-paid workers). Employer PRSI is due on all employment earnings, with the exception of share-based remuneration.

2. Self-employed contributor and company directors

Individuals are insured as self-employed contributors generally if they have self-employment, trading or investment income. A self-employed individual pays PRSI under Class S at a rate of 4% on all earnings. There is no employer contribution.

In general, a company director will be insured as a self-employed contributor if, on a review of all the circumstances, he/she is not employed under a contract of service. Typically this will be an owner (proprietary) director or a non-executive director.

3. Voluntary contributor

Individuals can opt to pay voluntary contributions if they are between the ages of 16 and 66 and are no longer covered by compulsory PRSI by way of insurable employment or self-employment. In order to qualify, an individual must have at least 260 weeks’ PRSI paid under the compulsory PRSI scheme in either employment or self-employment in addition to meeting certain other qualifying requirements.

Payment of voluntary contributions can help maintain or improve an individual’s contributory pension entitlements. They do not provide cover for any short-term benefits such as job seekers’, illness, maternity or treatment benefits.

Under EU legislation, it is not possible for an individual to be subject to the social insurance systems of two or more Member States at the same time. This means that an individual cannot pay voluntary contributions in Ireland at the same time as being in insurable employment or self-employment or receiving credited contributions or paying voluntary contributions in another EU Member State.
**Benefits**

Irish social welfare benefits are of three main types:

1. **Contributory benefits**
   These benefits are based on the PRSI contribution record of the claimant, with specific contribution requirements for each type of benefit. (Please note that the range of benefits available to self-employed contributors is more limited than that for employed contributors.)

2. **Non-contributory benefits**
   These benefits are means-tested and are intended for individuals who do not qualify for contributory benefits due to their having made insufficient PRSI contributions. Contributory and non-contributory benefits fall within two headings: long-term benefits (e.g. pensions); and short-term benefits (e.g. unemployment benefits).

3. **Universal payments**
   These include benefits such as child benefit and free travel and are paid regardless of the claimant’s means or social insurance contributions.

Employees’ and employers’ social insurance contributions are paid into the Social Insurance Fund. The social insurance schemes are financed by this Fund, which is administered by the Department of Social Protection. Non-contributory payments and Child Benefit are financed by general taxation. Benefits are categorised as follows:

**Health care**

All people ordinarily resident in Ireland are entitled to the following services free of charge:

- hospital services for children suffering from specified long-term illnesses;
- drugs and medicines for people suffering from specified illnesses;
- hospital, diagnostic and preventive services for infectious diseases.

Entitlement to health services in Ireland is primarily based on residence and means. Any person who is accepted by the Irish health service executive as being ordinarily resident in Ireland is entitled to either full eligibility or limited eligibility.

**Full eligibility: medical card holders**

There is a means test to determine medical card eligibility.

The following services are available to medical card holders: GP services; specialist services in out-patient clinics; certain dental, ophthalmic and aural services and appliances; prescribed drugs, medicines and medical and surgical appliances; maternity care and infant welfare services.

Medical card eligibility also brings secondary benefits such as an exemption from examination fees in second-level schools, assistance with school books and free school transport for certain children.

Individuals working in Ireland assigned from an EEA country with an A1 and S1 portable document in place are entitled to a medical card; there is no means test in this regard.

**Sickness**

Illness benefit is paid weekly to insured people during periods of incapacity for work.

To be eligible for illness benefit:

- the claimant must be unfit for work;
- the claimant must satisfy the contribution conditions of a minimum of 104 weekly contributions paid since first starting employment and have the required weekly contributions for the relevant contribution year.
Illness benefit is normally paid from the fourth day of illness. It is considered as income for tax purposes and it is taxed from the first day of payment.

Illness benefit entitlement continues for as long as the claimant is unfit for work, subject to a maximum of two years, provided that he/she has at least 260 weeks’ paid PRSI contributions.

When moving to another country of the EEA, whenever certain conditions have to be fulfilled in order to become entitled to sickness benefits, the institution in the country in which the individual is insured must take account of periods of insurance, residence or employment that he/she has completed under the legislation of any of the EEA countries. This ensures that he/she will not lose his/her sickness coverage when changing employment and moving to another State.

Maternity and paternity

Maternity benefit may be payable to women who are in employment. To qualify they must have paid:

- at least 39 weeks’ PRSI contributions in the 12 months before the first day of maternity leave; or
- at least 39 weeks’ PRSI since first starting work and have at least 39 weeks’ PRSI contributions paid or credited in the relevant tax year or in the year following the relevant tax year; or
- at least 26 weeks’ PRSI contributions in the relevant tax year and at least 26 weeks’ PRSI contributions in the tax year prior to the relevant tax year.

Self employed women must have at least 52 contributions paid in either the last or second-last complete tax year before the benefit year in which the claim is made.

Maternity benefit is payable for a period of 26 weeks, at least two of which must be taken before, and four after, the date on which the baby is due. The amount paid is 80% of the individual’s earnings in the relevant income tax year, subject to a fixed minimum and maximum weekly payment. The start date of the maternity leave determines the relevant income tax year.

When moving to another country of the EEA, whenever certain conditions have to be fulfilled in order to become entitled to maternity benefits, the institution in the country in which the individual is insured must take account of periods of insurance, residence or employment that the individual has completed under the legislation of any of the EEA countries.

Invalidity

Invalidity pension is payable weekly instead of illness benefit to insured people who are certified as permanently incapable of work and who satisfy the PRSI contribution conditions.

Generally, before qualifying for invalidity pension, the claimant must have received illness benefit for at least 12 months. In certain circumstances, however, it may be possible to qualify earlier.

Invalidity pension is a flat-rate amount depending on age. Subject to conditions, recipients may also qualify for fuel allowance, electricity allowance, TV licence, telephone rental allowance and free travel.

When moving to another country of the EEA, whenever certain conditions have to be fulfilled in order to become entitled to invalidity pension, the institution in the country in which the individual is insured must take account of periods of insurance, residence or employment that the individual has completed under the legislation of any of the EEA countries.

Each country applies its national criteria when determining degree of invalidity.
Old-age pension
State pension (contributory) is payable from pension age (currently 66 years, increasing to 68 years by 2028) to any insured person who satisfies certain PRSI contribution conditions. An individual can receive it even if he/she continues working. The pension should be claimed within three months before pension age is reached. Anyone receiving invalidity pension will, upon reaching pension age, automatically transfer onto the State pension (contributory).

Where an individual who reaches pension age does not qualify for a State pension (contributory), he/she may be entitled to a State pension (non-contributory), subject to habitual residence and means tests.

The State pension (contributory) is a flat-rate weekly payment (subject to a maximum amount) and a reduced pension is payable where conditions for the maximum pension are not met. Supplements are paid for qualifying adults and for each dependent child.

The State pension (non-contributory) is a flat-rate weekly payment (subject to a maximum amount). Supplements are paid for qualifying adults and for each dependent child.

Survivors' benefits
Widows', widowers' or surviving civil partners' (contributory) pensions are payable regardless of age, if the contribution conditions are satisfied on either the late spouse's or the claimant's own insurance record.

Widows', widowers' or surviving civil partners' (contributory) pensions are payable as long as the recipient remains a widow/widower, or does not live with a new partner. There is also an increase for qualifying children. The amount varies according to the age of the surviving spouse or divorced spouse.

Accidents at work and occupational diseases
Occupational injuries benefits are payable to insured people who are injured at work or who contract certain occupational diseases. Accidents while travelling between home and work are covered. Fifty-six occupational diseases are identified.

Injury benefit is paid while an individual continues to be unfit for work. It is payable from the fourth day of incapacity up to a maximum period of 26 weeks commencing with the date of the accident or the onset of the occupational disease. After 26 weeks, the individual may be entitled to illness benefit.

Disablement benefit is payable if, as a result of an occupational accident or disease, an individual suffers from a loss of physical or mental ability, even where he/she is not unfit for work.

The occupational injuries scheme covers the cost of certain medical expenses over and above the expense already paid by the Irish health services executive or treatment benefit.

Family benefits
Child benefit is paid regardless of insurance or means. It is paid in respect of each child under the age of 16. The age limit is extended to 17 where the child is receiving full-time education or is incapacitated. It is a monthly benefit paid to the child's mother or step-mother and the amount depends on the ranking of the child in the family, with rates per child rising up to the fourth child.

Unemployment
Job seeker's benefit is payable weekly to insured people during periods of unemployment.

PRSI contribution conditions must be satisfied and an individual must be capable and available for work, genuinely seeking work and be aged over 16 and under 66. For new claimants from 4 April 2013, it is payable for nine months, provided the claimant has at least 260 paid PRSI contributions for people with fewer than 260 paid PRSI contribution, the benefit is payable for six months.

Job seeker's allowance is payable on largely similar conditions. It is, however, subject to a means and residence test. It is paid for an unlimited period up to the age of 66, subject to the conditions mentioned.
Competent authorities

The Department for Social Protection administers the Irish social security system under the direction of the Minister for Social Protection.

1. Employed contributor
Contributions are paid by employers and employees through the PAYE withholding system to the tax authorities, which then forward the contributions to the Department of Social Protection.

2. Self-employed contributor
Self-employed contributors calculate their annual PRSI liability through their year-end income tax return and pay the liability directly to the tax authorities, which then forward the contributions to the Department of Social Protection.
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General background

The Italian social security scheme intervenes in these events:
- wage loss (e.g. unemployment, retirement, incapacity for work): substitute income;
- social burdens (e.g. children, sickness, maternity): income supplement.

Covered persons

The Italian statutory social security system is divided into two main systems:
- scheme for salaried persons (individuals who are linked to their employer by an employment agreement);
- scheme for self-employed persons (individuals who work outside the scope of an employment agreement/office).

There are also some minor systems related to specific scenarios such as agents, artists, etc.
Contributions

1. Salaried persons

Social security contributions are due by both employees and employers. Employee contributions are deducted from gross pay, whilst employer contributions are paid on top of this gross pay. Contributions are due on total gross pay. Ceilings apply if certain conditions are met. Employee contributions amount to about 10% and employers’ are approximately 35%. Both are tax-deductible. The real applicable rate depends on the company’s business and related percentage assigned by the social security authorities.

2. Self-employed persons

Social security contributions for self-employed persons are calculated on the basis of the earned income (i.e. as determined by the tax administration) during the calendar year. Qualifying earned income for determining contributions is capped at a maximum amount (i.e. for 2014, EUR 100,123).

The applicable rates for 2012 are:

- 27.72% for workers not covered under any other compulsory social security scheme;
- 22% for workers covered under another compulsory social security scheme and for retired people.
Benefits
For salaried persons

1. Sickness benefits
Cash sickness allowance is not really a cash benefit, but a statutory continuation of salary for employees in the form of a per diem allowance to replace pay lost through sickness. It begins on the fourth day of illness (the first three days are covered by the employer), and is paid for a maximum of 180 days per calendar year.

There are additional criteria for workers on fixed-term contracts. Except for certain categories of workers, the benefit is paid directly by the employer and deducted from the amounts payable to the INPS as insurance contributions. The allowance is generally equal to 50% of the person's pay for the first 20 days of illness, rising to 66.66% thereafter.

2. Invalidity
All employed persons are covered for disability insurance. Self-employed professionals are also entitled to a disability pension, but the rules governing this sector vary considerably, depending on the insurance category. There are no supplements for dependants.

To be entitled to invalidity allowance, the degree of disability must exceed 74%. For entitlement to incapacity pension, the disability must be total (100%). Furthermore, to be entitled to an invalidity allowance, claimants must have been insured for at least five years and have paid five years of contributions, of which at least three in the five calendar years preceding the date of application.

The ordinary invalidity allowance is paid to any insured person whose capacity to work, without the assistance of an attendant, at tasks suitable for his or her abilities is reduced permanently due to a disability or a mental or physical infirmity or incapacity. The allowance is initially granted for a period of three years and can be confirmed after reassessment by the Institute – at the beneficiary's request – for further periods of the same length. After two successive renewals, the allowance is confirmed for life. This allowance does not revert to any survivors.

When claimants reach retirement pension age, the invalidity allowance is converted into an old age pension if:

- they meet the insurance period and contributions criteria; and
- they stop working (if they were in paid employment).

The periods while in receipt of the benefit and not engaged in any gainful employment are taken into account for pension entitlement but not for the value of the allowance.

If an illness or a physical or mental deficiency makes it totally and permanently impossible for a claimant to engage in any gainful employment whatsoever, she/he will be entitled to an ordinary disability pension.

To be entitled to this pension, the claimant must have been insured for at least five years and have paid five years of contributions, of which at least three in the five calendar years preceding the date of application. This is a reversionary pension, which can be 'inherited' by the survivors of the deceased pensioner. Disability pension is incompatible with income from salaried or independent work, unemployment benefit or other allowances replacing or supplementing earned income.

Invalidity benefits are paid by the INPS. Invalidity benefits and disability pensions are paid from the first day of the month following the application or onset of disability or incapacity.
3. Maternity benefits

Female employees eligible for maternity benefits are required to stop working two months before the estimated date of childbirth and return to work three months after the actual date of childbirth. Under certain circumstances, benefits are also paid to fathers who work instead of the mother (e.g. death or serious illness of the mother, abandonment, etc.), and to workers, independent workers, self-employed professionals and workers registered with the separate administration (women in these last categories are not obliged to stop work).

During the mandatory period of maternity leave, the compensation paid is 80% of the beneficiary’s pay. Both parents (who are in paid employment) are entitled to a total period of up to 11 months' paid leave until the child is eight years old, at the same time if they wish.

Fathers can take leave even while the mother is on mandatory maternity leave or nursing leave. Mothers who are self-employed are also entitled to parental leave, but only for three months during the child's first year. If they take this leave, they must stop working during that time. Their compensation, in the amount of 30% of their pay or of ‘standard pay’, is payable for an overall maximum, for both parents, of six months in the child's first three years (for adopted and foster children, the first three years that the child is with the family).

The INPS also pays self-employed women a direct per diem maternity benefit for two months before the estimated date of childbirth and three months following the actual date of birth.

4. Unemployment

As a result of recent Italian Law changes introduced by the “Reform of the labor market” (Law 92/2012), “Urgent measures for the growth of the Country” (L.134/2012) and the Stability Law (L.228/2012), from 1 January 2013, the ordinary unemployment benefit has been replaced by the new social insurance (ASPI).

Ordinary unemployment benefit is a form of compensation paid to workers who have been dismissed. To be eligible, the following conditions are required:

- state of involuntary unemployment;
- been insured with the INPS for at least two years;
- at least 52 weeks of contributions in the two years preceding the cessation of employment.

This benefit is also paid to workers who have been suspended by companies affected by temporary events for which neither the workforce nor the employer is responsible. It is not paid to workers who resign voluntarily, unless they do so for what is assessed as being a good reason.

Any worker who, without notifying the competent INPS office, engages in gainful employment while receiving an unemployment allowance forfeits his or her right to benefits. An employer who hires a worker on unemployment benefit is also subject to a penalty.

Periods of suspension for which unemployment compensation is authorized are taken into account for pension entitlement. The unemployment bonus compensation is as follows:

- 75% of the monthly average remuneration taxable at social security purposes in the last two years, if this is less than or equal to the amount fixed by law and revalued annually based on the ISTAT index (for the year 2013 amounted to EUR 1,180.00).
- 75% of the amount determined (for the year 2013 amounted to EUR 1,180.00) plus the 25% of the difference between the average monthly taxable salary and EUR 1,180.00 (for the year 2013), if the average wage monthly taxable income is exceeding that amount.
5. Old-age pension

The criterion for calculating the pension varies depending on the contributions accrued by the employee at 31 December, 1995. The pension is calculated with the method of "calcolo contributivo" for workers without seniority at 31/12/1995 (and for those who exercise the right of option to contribution-based system). The “sistema misto” and “sistema retributivo” continue to live with for the subjects enrolled before 31/12/1995.

As from 1 January 2012, also for workers whose pension contributions is at least 18 years to 31/12/1995 will be applied to the contribution-based system on the share of pension contributions corresponding to the seniority accrued as from 1 January 2012.

The pension is calculated only with the contributions based system for workers without contributions seniority as of January 1st 1996 and for workers who exercise the right of option to contribution-based system.

For those whose pension is based exclusively on the defined contribution system, the contribution and pension base is limited to an annual ceiling. Pensions paid under this system cannot be topped up by the minimum pension supplement.

The defined benefits system (sistema retributivo) is for persons who had accumulated at least 18 years of insurance contributions on 31 December 1995. The pension will continue to be calculated on the basis of the defined benefits system, partially modified by Law 335 of 8 August 1995 on reform of the compulsory and supplementary pension system in respect of the reference period for earnings. The maximum pension is based on 40 years of contributions, and for each year of payment there is an increment of 2% of the average pay that is taken into account for the pension. Regressive rates are applied to pay above a certain ceiling.

A hybrid system (sistema misto) runs in parallel. For persons who had not accumulated 18 years of insurance contributions on 31 December 1995, the pension is calculated according to the defined benefits system for the portion corresponding to this period and according to the defined contributions system for the portion corresponding to the old age pension contributions accumulated since 1 January 1996.

All employed persons are conditionally entitled to an old-age pension. Self-employed professionals are also entitled to a pension, but the rules governing this sector vary considerably, depending on insurance category. Employees must stop working in order to receive a pension.

Applications for retirement benefits must be made directly to the competent Cassa or to the INPS. Many forms can be obtained from the INPS website.

6. Survivors

The survivors’ pension is paid to certain members of a deceased’s family; it is a pensione di reversibilità (survivors’ pension) if the deceased worker was receiving a direct pension and a pensione indiretta (indirect pension) if, at the time of his or her death, the deceased worker was not receiving a direct pension but was fully entitled, with regard to insurance and contributions requirements, to receive an ordinary invalidity allowance or disability pension, or to receive an old-age pension before 1 January 1993.

The family members who are entitled to the pension are: the spouse and any children who, at the time of death, are minors, students or disabled; parents who, at the time of death, are 65 years of age or older, have no pension and are dependent on the deceased, if there is neither spouse nor children, or, if they do exist, they are not eligible; unmarried brothers and sisters who, at the time of death of their predecessor are disabled, without a direct or indirect pension, and dependent on the deceased, if there is no spouse, children or parents, or, if they do exist, they are not eligible.

The pension is paid following application from the first day of the month following that of the death of the retired or insured person. The rate of the direct survivors’ pension is 60% for a surviving spouse, 20% for each child. Any eligible parents, brothers and sisters receive 15% each.
The sum of all fractional survivors’ pensions cannot exceed 100% of the direct pension. For pensions payable after 1 September 1995, the percentage for a single surviving child rises from 60 to 70%, and to 80% for two children. Since 1 September 1995, the amount of the survivor’s pension can be reduced by 25, 40 or 50% if the beneficiary’s income is above a certain level. From this same date, survivors’ pensions paid by the compulsory general insurance following an accident at work or occupational disease cannot be drawn at the same time as a life annuity for the same event, up to the amount of the annuity. The more favourable provisions in effect prior to 1 September 1995 remain in force and will be retired gradually as future improvements are enacted.

Application for survivors’ pension must be made directly to the competent Cassa or to the INPS. Many forms can be obtained from the INPS website.

7. Benefits in respect of accidents at work and occupational diseases

All employed persons engaged in certain types of occupation or business that can give rise to occupational injury or disease according to Italian law are insured against these risks. A worker who suffers an accident at work is entitled to medical assistance and cash benefits. Note that, in order to receive or continue receiving cash benefits, claimants cannot refuse a treatment that is judged necessary, even if they are already receiving a pension. INAIL supplies free prostheses to reduce the degree of disability, either ex officio or upon application. The employee may be eligible for different types of cash benefits paid by INAIL.

The principal benefits are:

Permanent loss of working capacity

INAIL pays a monthly allowance in compensation for permanent disability resulting from an accident at work or an occupational disease when it is assessed as exceeding a certain degree.

In this regard, we note an important recent change in the Italian system: whereas, until recently, only the revenue consequences of the injury were compensated, since 2000, compensation has been paid for any permanent damage to the victim’s physical and mental integrity. INAIL now pays – in the form of a capital settlement if the damage done is assessed at between 6 and 15% and in the form of a life pension if the damage is at least 16% – compensation for the ‘biological damage’ suffered. This is intended to compensate workers for the diminution in their ability to perform the activities through which they can express their personality (affective, social, political, cultural, religious, etc.).

When the damage to claimants’ health is at least 16%, it is considered to also have an effect on their earning capacity, and so, in such cases, compensation is paid to cover the income consequences as well as the ‘quality of life’ consequences. The amount of the pension paid is calculated on the basis of the pay the claimant was receiving in the year before the date of the accident or the onset of the illness and the degree of disability.

Permanent incapacity pensions are re-assessed annually. The degree of disability can be re-assessed, ex officio or at the worker’s request, at any time during the first two years and at least annually afterwards. The application for review must be accompanied by a doctor’s certificate. The amount of the pension is augmented by one twentieth for each dependent child.

Constant attendance supplement

When total permanent disability makes constant attendance necessary, a monthly allowance is paid for this purpose if this assistance is not directly supplied by the INAIL where the person was hospitalised or by any other organisation. This allowance is paid as a supplement to the disability pension.

In the case of an accident at work, workers must notify their employer immediately. If the accident causes injuries that will take more than three days to heal, the employer must report it to INAIL within two days of becoming aware of the event.
Competent authorities

1. Salaried persons

Contributions paid by employers and employees are collected by the National Social Security Office (INPS/AGO) for salaried persons, which then distributes them among the different institutions responsible for paying allowances and benefits.

2. Self-employed persons

Self-employed persons join and pay social contributions to a social insurance fund for the self employed under the oversight of the National Social Security Office for the self-employed (INPS/Gestione separata). Under certain conditions, company directors can be self-employed.
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The social security system in Kazakhstan is a multi-level system that mainly includes the following components:

- obligatory social security contributions;
- obligatory pension contributions.

Covered persons

Employed and self-employed persons, including foreign citizens and persons without citizenship who permanently work and reside in Kazakhstan.
Contributions

1. Salaried persons

Social tax in Kazakhstan is an additional direct tax that is borne by the employer and which is not specifically oriented towards social benefits for employees. Social tax is applied to the gross remuneration (less obligatory pension contributions) of both local and expatriate employees at the rate of 11%.

Payments that are exempt from such social tax include (but are not limited to):

- compensation resulting from the liquidation of an organisation, the termination of the employer’s activities, or personnel reductions;
- compensation paid by an employer to employees for unused vacation time;
- obligatory pension fund contributions.

Social security contributions are also borne by the employer and are levied on the gross remuneration of local employees and expatriate employees having a Kazakhstan residence permit. For 2014, social security contributions are calculated at the rate of 5% and are capped at approximately USD 54 per month. Social security contributions are deductible against the social tax mentioned above.

Obligatory pension contributions are payable by Kazakhstan citizens and foreign citizens having a residence permit, at the rate of 10% of their gross income (to be withheld by their employer). Obligatory pension contributions are capped at approximately USD 811.

Foreign individuals temporarily living in Kazakhstan and persons without citizenship are not liable to pay obligatory pension and social security contributions.

2. Individual entrepreneurs

Self-employed individuals, private notaries and lawyers are liable to pay social tax, social insurance and obligatory pension contributions.

Self-employed individuals pay social tax in the amount of MCI (minimum calculation index) 2 (which is approximately USD 20) for themselves and MCI 1 (approximately USD 12) for each employee.

Self-employed individuals also pay social insurance contributions at the rate of 5% based on the minimum monthly wage, which has been set at approximately USD 108 for 2014.

Obligatory pension contributions also apply for self-employed individuals similarly as for salaried persons, i.e. at a rate 10% of gross income.
Benefits

1. Social security

Social security is guaranteed (in the case of disability, loss of the family breadwinner, maternity leave) to Kazakhstan citizens and foreign citizens having a Kazakhstan residence permit, for whom social contributions were paid. However, in the absence of contributions with respect to a particular individual, material aid is in some cases calculated on the minimum monthly wage set down by the government.

2. Contributions to the State Pension Fund

The Kazakhstan pension system is based on funds being accumulated in individual accounts. Pension contributions of individuals are accumulated in Pension Funds and paid out as pension payments when an individual reaches the retirement age.
Competent authorities

- The Ministry of Labor and Social Protection of the Republic of Kazakhstan
- Territorial Committees on Control and Social Protection
- The State Centre for Pension Payments

Voluntary social security scheme

Individuals can contribute to the Pension Fund on a voluntary basis. They then need to register with the Pension Fund and pay the relevant contributions themselves.
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Lithuania

General background

Lithuania has an extensive statutory social security system based on solidarity.

Three events trigger entitlement under the Lithuanian social security scheme:

- wage loss (e.g. unemployment, retirement, incapacity for work): substitute income;
- social burdens (e.g. children, survivors): income supplements;
- no earned income (outside the claimant’s control): basic income.

Covered persons

All persons working under an employment contract in Lithuania must be covered by the social security scheme.

Social security contributions are also compulsory for self-employed individuals, sportsmen, performers, individuals receiving income under copyright agreements, farmers, notaries and bailiffs, etc.

Social security contributions are not deductible from personal income for taxation purposes. At present, no lower or upper limit is set for social security contributions on employment-related income.
Social security contributions are due by both the employee and the employer. Employee contributions are deducted from gross pay, whilst employer contributions are paid on top of gross pay. Contributions are due on total gross salary (in cash or in kind), without any ceiling.

For persons working under employment contracts, the current social security rates are 30.98% - 32.6% (including 3% compulsory health tax) for employers (insurers) and 9% (including 6% compulsory health tax) for employees (insured).

According to the Lithuanian legislation, an insurer is a legal entity or an individual who has an obligation to pay social security contributions on particular income in Lithuania.

<table>
<thead>
<tr>
<th>Rate</th>
<th>Type of income</th>
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<tbody>
<tr>
<td>29.7% for insurers and 9% for insured</td>
<td>Income derived under copyright agreements not received from an employer</td>
</tr>
<tr>
<td>28.5% for insurers and 9% for insured</td>
<td>Income derived from sports activities and performers’ activities not received from an employer</td>
</tr>
<tr>
<td>30.98% - 32.6% for the insurers and 9% for the insured</td>
<td>Income derived from sports activities, performers’ insured activities or income derived under copyright agreements received from an employer</td>
</tr>
<tr>
<td>37.5%</td>
<td>Income received from individual activities as a person, including lawyers, notaries, and bailiffs, except for income derived under business certificates¹</td>
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</tbody>
</table>

¹ A business certificate is a form of registered individual activities when personal income tax is fixed and paid in advance. In most cases it does not depend on the amount of income received.
1. Health care

Health care covers both preventive and curative care required for maintaining and restoring a claimant’s health (e.g. general medical care, dental care, hospital care).

The Lithuanian Ministry of Health has approved a list of prescription medicines with basic prices and patient charges. This list is available at all pharmacies. Basic prices are reimbursed and patient charges are paid by patients themselves.

2. Sickness benefits

In order to be eligible for sickness benefits in Lithuania, claimants must have paid social security contributions for at least three months during the last 12 months or for at least six months during the last 24 months.

The employer pays sickness benefits for the first two days of sick leave, amounting to 80%-100% of the claimant’s average monthly insured earnings.

The sickness benefits paid by the Lithuanian Social Security Fund is equal to 40% of the average monthly insured earnings of the three months preceding the last calendar month before that when sickness started and is paid from the third to the seventh day of sickness. It rises to 80% from the eighth day of sickness until capacity for work has been restored, or the level of incapacity for work has been defined, or until the first day on which the claimant takes part in an appropriate vocational rehabilitation program.

The maximum monthly reimbursed pay used for calculating sickness benefits is capped and cannot exceed the sum of 3.2 insured income amounts. In 2014 the amount of insured income is LTL 1,488 (EUR 431) and so the monthly maximum is LTL 4,762 (EUR 1,380), applying on the first day of temporary incapacity for work.

3. Maternity and maternity/paternity benefits

The maternity allowance is granted and paid for the period covering the pregnancy and childbirth leave. Expectant and new mothers are eligible for maternity benefits in Lithuania if the following conditions are met:

- they work under an employment agreement;
- they are entitled to maternity leave;
- the period of work was not less than 12 months in the previous 24-month period.

When the child is born maternity/paternity benefit is paid to one of the parents if the following conditions are met:

- the claimant works under an employment agreement;
- they are entitled to maternity/paternity leave;
- the claimant has worked for a period of not less than 12 months in the previous 24 months.
Since 1 July 2011, maternity (or paternity) benefit has been 100% of the compensated salary amount if the recipient chooses only to receive it during the first year after childbirth. Claimants opting to receive benefit for two years receive 70% of the compensated salary amount during the first year and 40% during the second year.

The monthly maximum and insured income are the same as for sickness benefit.

4. Retirement

Retirement pension is a benefit to which permanent residents of Lithuania are entitled based on their work record and age. To be eligible for the State retirement pension, claimants must have worked and contributed for 15 years.

The established retirement age is 65 years. There is a gradual increase of the retirement age starting from 2012 in order to reach 65 by 2026.

The State pension consists of a basic part, a supplementary part and a bonus based on work record. A special formula is used for calculating pensions in Lithuania.

5. Disability

A disability pension is granted to individuals meeting the following requirements:

- permanent resident of Lithuania;
- recognised as incapable or only partially capable of work by the Disability and Capacity for Work Establishment Office (‘DCWEO’);
- minimum qualifying period of work and contributions.

Claimants are deemed partially capable of work if the DWCEO recognises that they have lost 45-55% or 60-70% of their capacity for work (i.e. they are only capable of working 45-55 or 30-40%).

Persons recognised as having lost 0-40% of their capacity for work (i.e. recognised as capable of working 60-100%) are deemed capable of work and are ineligible for a disability pension.

The minimum and compulsory social security contribution record to be eligible for a disability pension is fixed depending on the age of the claimant on the day his/her work incapacity/partial capacity is fixed, i.e. the older the applicant, the longer the social insurance period that is required.

The minimum record ensures the right for obtaining this pension, in other words, if this requirement is not met, the claimant will not receive the pension. If a claimant has the minimum record, however does not have the compulsory record, he/she will not be awarded a work incapacity pension of full amount; in other words, he/she will be paid a ‘partial’ pension. If a claimant has the compulsory record, he/she has the right to receive the full amount of the pension. For example, a 22-year-old claimant should have four months of minimum required record and the compulsory record is one year; a 60-year-old individual should have 14 years of minimum required record and 28 years of the compulsory record.
6. Pensions
Survivor’s and orphan’s pensions are paid if the deceased met certain conditions relating to his/her work record and any incapacity on the date of death.

Survivor’s pension
The following individuals are entitled to a survivor’s pension:

- widows or widowers who have reached retirement age, regardless of their age at the time of their spouse’s death;
- widows or widowers recognised as incapable of work or partially capable of work (prior to 1 July 2005, disabled) provided they meet certain conditions related to the incapability.

The amount is the basic amount for the State survivor’s pension, which is laid down by the government on a recommendation from the Ministry of Social Security and Labour. It may not be less than LTL 70 (EUR 20) per month.

Orphan’s pension
A deceased’s children and adopted children who are under 18, or older if rated as disabled, and those who are duly registered as full-time pupils and students of higher and post-secondary educational institutions and vocational and general education schools and are over 18 are eligible for the orphan’s pension until such time as they leave school or their 24th birthday, whichever occurs earlier.

The amount of orphan’s pension depends on the age and capacity for work of the deceased individual and the number of children (including adopted children) eligible for a pension.

Pensions to orphans who have lost both parents are paid for each. Where, after the death of their biological parents, orphans also qualify for an orphan’s pension due to the death of an adoptive parent, they can opt to claim the latter if that results in a higher payment.

7. Benefits for occupational accidents and occupational diseases
There is no minimum qualifying period for accident-related disability benefits and occupational diseases. In general, accidents that occur while working or commuting to and from work are covered and include cases where an employee becomes partially or fully disabled.

Benefit can be granted in the form of:

- sickness benefit due to an accident at work or occupational disease;
- lump-sum compensation/payment;
- periodic compensation/payments for disability as the result of an occupational accident or disease.

Benefit for accidents at work is paid in the form of sickness benefit when temporary disability occurs as a result of an accident at work and sick leave is approved. It is equal to the average compensated income of the three months before that when the temporary disability started. It is paid for the entire period of disability.
Lithuania

A lump-sum payment is made in cases of temporary disability resulting in a temporary loss of ability to work is more than 20 but less than 30%.

Where the claimant’s working ability is impaired by up to 20%, a lump sum is paid amounting to 10% of the claimant’s average earnings in the last 24 months. With 20 to 30% impairment, it rises to 20%.

In cases of permanent disability representing impairment not exceeding 30%, the benefit is trebled.

Workers can claim periodic payments/compensation for disability if the impairment percentage exceeds 30%. The benefit is paid on a monthly basis.

It is equal to 50% of the amount calculated on the basis of the impairment percentage multiplied by the compensation coefficient, multiplied by the insured income level for the current year (LTL 1,488).

Loss of capacity for work is certified by the DCWEO (see 5, above). The compensation coefficient is calculated on the basis of average annual insured earnings before the onset of disability and average monthly insured earnings at the onset of disability. The compensation coefficient must not be less than 0.25 or greater than 3 (all the related details are set down in law).

8. Unemployment benefit

Unemployment benefit in Lithuania is granted if:

- the period of work was not less than 18 months in the previous 36-month period before the registration with the Lithuanian Labour Office; or
- an individual's employment contract was terminated without the fault of the employee and on the employer's initiative (or in a case of a bankruptcy).

The unemployment insurance benefit consists of a fixed amount which equals to the amount of State Supported Income (LTL 350/EUR 101) and the variable part which is related to the unemployed person's amount of insured income received before the unemployment period. The maximum amount of unemployment benefit in 2014 amounts to LTL 650 (EUR 188) per month.
Lithuanian social security is coordinated by the Ministry of Social Security and Labour. All social security contributions are paid to the State Social Insurance Fund Board under the Ministry of Social Security and Labour ('SODRA').

Most State social insurance benefits are granted and paid by the territorial units of SODRA. However, some benefits/allowances are paid by local municipalities or agencies under the Ministry.

1. Voluntary social pension insurance

Permanent residents of Lithuania or any Member State of the European Union not younger than 16 years may apply for State voluntary social pension insurance cover for just the periods when they are not covered by compulsory state social pension insurance. Plus, individuals covered by compulsory pension insurance for only the basic part of their State social insurance pension may also apply for voluntary pension insurance under the relevant rules.

2. Voluntary social insurance for sickness and maternity benefits

Permanent residents of Lithuania or any Member State of the European Union not younger than 16 years may apply for State social insurance for sickness and maternity benefits on a voluntary basis, provided that:

- they are not covered under compulsory sickness and maternity social insurance;
- they have not reached retirement age;
- they have not been recognised as incapable or partly capable of work (disabled), irrespective of what pension is given.
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**General background**

When compared to other EU Member States, in Luxembourg, contributors to the Luxembourg social security system pay the lowest rates in comparison to the benefits which are granted.

Luxembourg social security covers the following:
- health care;
- sickness and maternity benefits;
- work-related injuries and occupational sickness;
- old-age, disability and widow/widower's pension;
- early retirement benefits;
- incapacitated persons benefits/allowances.

In addition, covered individuals enjoy other benefits such as family allowances and unemployment benefits, which are considered some of the best in Europe.

This profile provides a brief description of the Luxembourg social security system for employees and self-employed individuals working in the private sector. Public servants are not dealt with here.

**Covered persons**

According to the Luxembourg social security code, persons pursuing a professional activity against remuneration on the Luxembourg territory on behalf of others (employed persons) or for their own account (self-employed persons) are to be mandatorily insured under the Luxembourg State social security scheme.

Under specific conditions, persons who are not insured on a mandatory basis have the possibility to request a voluntary membership of the Luxembourg State social security scheme and thus to benefit from the Luxembourg health care system.

Moreover, the Luxembourg State social security scheme covers the following individuals who are not personally insured under a social security scheme:
- the spouse;
- the partner (to the extent that the same-sex or opposite-sex couples entered into a domestic partnership—or registered their civil partnership in Luxembourg);
- the children (whether legitimate, legitimated, adopted or natural) giving rise to entitlement to child allowances.

The conditions of registration of the ‘co-insured’ persons vary depending on whether the person is resident or non-resident.
Contributions

1. Employed persons

In relation to employed persons, regular Luxembourg social security contributions consist of an employer’s and an employee’s portion. Both are computed on a gross remuneration capped at an estimated amount of EUR 115,261.56 for the calendar year 2014. The employee contribution rate is 11.05% and the employer contribution rates are ranging between 12.72% and 14.89% depending on the absenteeism rate in the company and its sector of activity – the above mentioned rates are only applicable to periodic remunerations. Should the employee receive any non-periodic remuneration or benefits in kind, the employee and employer contributions will be assessed on a reduced basis.

In addition, employees are subject to a contribution (‘contribution dépendance’) assessed on the gross yearly remuneration decreased by an amount estimated at EUR 5,763.12 for calendar year 2014. This contribution amounts to 1.4%. Contrary to regular social security contributions, the dependency contribution is assessed on a basis that is not capped and it is not tax deductible.

2. Self-employed persons

In relation to self-employed persons, the rate of social security contribution is 23.20% of net income as defined by the Luxembourg income tax law, up to the social security ceiling of an estimated amount of EUR 115,261.56 for calendar year 2014. Besides, self-employed persons have the possibility to contribute, on a voluntary basis, to the mutual insurance scheme (‘Mutualité des Employeurs’) at a rate of 1.25 % until the end of the following year of their affiliation. This specific contribution covers self-employed persons against the loss of income due to sickness.

In addition, self-employed persons are subject to a monthly contribution (‘contribution dépendance’) assessed on the net income as defined by the Luxembourg income tax law. This contribution amounts to 1.4%. Contrary to regular social security contributions, the dependency contribution is assessed on a basis that is not capped and it is not tax deductible.

The law provides a list of the persons who are considered and/or assimilated to self-employed persons. The assimilation to self-employed person depends on the type of company they work for (e.g. public company (‘société anonyme’), limited liability company (‘société à responsabilité limitée’), partnership limited by shares (‘société en commandite par actions’, etc…), the shareholding in the said company, and the fact whether or not they hold a business licence.

For instance, an executive manager of a private limited liability company holding a business licence and more than 25% of the company shares is to be considered as a self-employed person for social security purposes.
Below follows an overview of the benefits offered under the Luxembourg social security system:

- health care;
- sickness coverage;
- work-related injuries and occupational sickness insurance;
- family benefits;
- maternity benefits;
- dependency insurance;
- unemployment benefits;
- retirement benefits.

1. Health care

Health care covers both preventive and curative care required for maintaining and repairing a person's health.

The benefits accrue, in principle, as from the 1st day of affiliation (after three months of affiliation if the individual is insured on a voluntary basis).

In principle, it is the insured person's responsibility to pay his/her bills related to medical services and to ask for reimbursement from the 'Caisse Nationale de Santé' (competent fund for private sector).

The insured person can freely choose the doctors or any medical suppliers for medical care. Medical care costs are reimbursed with reference to the catalogue of all services and prescriptions ('nomenclature' applicable in Luxembourg).

The Luxembourg health care coverage is recognised as being generous. In general, medical examinations by a general doctor are reimbursed at a rate ranging between 80% and 95%. Most medicine costs are reimbursed at the rate of 80%. Medical care costs relating to childbirth are borne entirely by the social security insurance scheme.

2. Sickness coverage

Sickness insurance covers the insured person but also his/her co-insured family members as referred to under section 'II Covered persons'.

The benefits accrue, in principle, as from the 1st day of affiliation (after three months of affiliation if the individual is insured on a voluntary basis).

In addition to healthcare, insured persons are entitled to compensatory payment for covering the loss of income upon illness or accident (other than work-related injuries and occupational illness).

Generally, the employer is legally obliged to continue to pay the employee remuneration (100% basis) from the day the illness is contracted until the end of the month when the 77th day of the employee's disability occurs. Afterwards, the responsibility of compensation is taken by the sickness fund 'Caisse Nationale de Santé'. The compensatory benefit payment ('indemnité pécuniaire de maladie') is due during the entire period of disability to work, but is limited to a maximum period of 52 weeks (potential disability regime may, however, apply afterwards).
3. Work-related injuries and occupational sickness insurance

This insurance covers injuries related to accidents suffered by the insured in the exercise of his/her employment activity, including travelling to and from the place of work as well as occupational illnesses.

In order to be considered as occupational, the illness has to be the result of conditions to which a certain group of persons are more exposed than the rest of the population.

4. Family benefits

The Luxembourg social security system provides for generous family benefits for individuals with dependent children.

Family benefits consist of:

- maternity allowances (‘allocation de maternité’);
- parental leave allowances (‘indemnités de congé parental’);
- child birth allowances (‘allocations de naissance’);
- family allowances (‘allocations familiales’);
- education allowances (‘allocations d’éducation’);
- annual school allowances (‘allocation de rentrée scolaire’).

As regards family allowances (‘allocations familiales’), individuals who fulfill the conditions receive the following monthly cash allowances for their dependent child(ren) until the age of 18:

<table>
<thead>
<tr>
<th>Number of children</th>
<th>Allowance in EUR (per month)</th>
<th>Allowance in EUR (per year)</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>185.60</td>
<td>2,227.20</td>
</tr>
<tr>
<td>2</td>
<td>440.72</td>
<td>5,288.64</td>
</tr>
<tr>
<td>3</td>
<td>802.74</td>
<td>9,632.88</td>
</tr>
<tr>
<td>4</td>
<td>1,164.56</td>
<td>13,974.72</td>
</tr>
<tr>
<td>5</td>
<td>1,526.38</td>
<td>18,316.56</td>
</tr>
</tbody>
</table>

In addition, a bonus for dependent children (‘boni pour enfants’) is paid on a monthly basis. This bonus amounts to EUR 76.88 per month and per child. All these cash allowances are paid by the ‘Caisse Nationale des Prestations Familiales’.

It is important to note that child benefits are no longer granted to most children aged over 18. To compensate for this, students resident in Luxembourg and studying in Luxembourg (or enrolled in eligible studies abroad) over 18 receive financial aid from the Luxembourg government if they are students in full-time higher education. Since the academic year 2013/2014, this financial aid is also available for non-resident students to the extent that they have a parent who has been working for at least 5 years in Luxembourg (without interruption) and for at least 50% of the legal or contractual number of working hours.

This financial aid from the government, which can amount to a maximum of EUR 13,000 per academic year, consists in the combination of a scholarship and a loan with a 2% interest rate. Enrollment fees up to a maximum amount of EUR 3,700 per academic year can also be added to this, bringing the maximum financial support to EUR 16,700 a year.

This financial aid from the Luxembourg government cannot be combined with possible financial aid obtained in the student’s country of residence.
5. Maternity benefits

The employee or self-employed person is entitled to maternity indemnity ('prestation de maternité') during the prenatal and postnatal leave on the condition that evidence can be produced of a period of insurance affiliation of minimum six months during the year preceding the leave. Women who are not entitled to maternity benefits during maternity leave may be granted a maternity allowance ('allocation de maternité').

Maternity indemnities are paid by the ‘Caisse Nationale de Santé’ and cannot be cumulated with compensation or sickness, or with any other earned (i.e. professional) income. The leave starts eight weeks before the expected date of birth and continues for eight weeks. The latter period can be extended to 12 weeks in case of premature birth, multiple birth or breastfeeding. In principle, the amount of compensation is equal to 100% of the reference salary but may not exceed five times the minimum wage.

At the end of maternity leave, both parents are entitled to a part-time or full-time parental leave. In 2014, gross monthly compensation for full-time leave is EUR 1,778.31 (EUR 889.15 for a part-time leave). The parental leave allowance is not subject to tax or social security contributions, with the exception of the part of the insurance premium for sickness and maternity benefits in kind contribution and dependency insurance. The parental leave allowance is paid by the Caisse Nationale des Prestations Familiales (“CNPF”).

6. Incapacitated persons benefits/allowances ('assurance dépendance')

A dependent person is defined as someone who, as a result of a physical or psychological illness, requires the regular assistance of a third party to live on a day-to-day basis.

Individuals who benefit from health coverage in Luxembourg are also entitled to dependency benefits. Individuals, who are insured on a voluntary basis must have been affiliated for more than one year.

The benefits available for dependent persons are those which are essential for a basic standard of living (i.e. nutrition, body hygiene, etc.). Limits do apply, however.

Instead of directly receiving the benefits themselves, individuals may choose to opt for cash payments.

In addition to the benefits outlined above, dependent persons can also avail themselves of home help assistance, assistance to adapt their home and the provision of specialized appliances if so required due to their disability.

7. Unemployment benefits

A replacement income is paid to those who are dismissed from their salaried employment involuntarily.

In order to qualify for any unemployment benefits, the person must be resident in Luxembourg. Cross border workers who have worked in Luxembourg but live abroad should apply for benefits in their country of residence.

The duration of the compensation is equal to the duration of work, calculated in whole months, performed during the 12 months preceding the date of registration as a job seeker. Any job seeker who meets the admission requirements, may benefit from support for 365 days per 24-month period (extension may be granted under specific conditions).

The amount of the allowance is equal to 80% of the last earned gross income or 85% of the last earned gross income if the claimant has one or more dependent persons creating the right to child allowances. However, the compensation amount may not exceed 250% of the minimum wage for the first nine months.

Job seekers eligible for unemployment benefits must submit a request to their local ‘Administration de l’Emploi’ (‘ADEM’) within 15 days following the end of an employment contract and after registration at the employment office.
8. **Retirement benefits**

The legal pension is a benefit to which a person is entitled based on his/her career and once he/she has reached a given age.

According to Luxembourg social security law, pension benefits include the following:

- old-age pension (‘pension de vieillesse’);
- disability pension (‘pension d’invalidité’);
- widow/er’s orphans pension (‘pension de survie’).

Only the old-age pension is commented on hereinafter.

In order to be eligible for a Luxembourg old-age state pension (‘pension de vieillesse’), the person must meet the following requirements:

- he/she must have contributed to the Luxembourg social security system for at least 12 months;
- the overall period of contributions under the Luxembourg (mandatory or voluntary) system and under any State social security scheme within the EU or in a country with which Luxembourg has a social security agreement should be at least 120 months.

In order to claim the payment of an old-age pension in Luxembourg, in principle the person must have reached the legal retirement age which is set at 65 years in Luxembourg (exceptions may apply).

If the above requirements are not met, pension contributions are reimbursed (upon request) at the legal age of retirement (65 years). The reimbursement will amount to the pension contributions paid by both employer and employees (i.e. 16% up to the social security ceiling).

Under specific conditions, one can benefit from an early old-age pension (‘pension de vieillesse anticipée’) from age 57 or 60.

In 2014, the minimum gross old-age pension amounts to EUR 1,718.86 and the maximum one to EUR 7,957.69. Payment of (early) old-age pension is made by the ‘Caisse Nationale d'Assurance Pension’.
The competent authorities for social security purposes are the following:

**Registration/collection of social security contributions**
*(for employers/employees and self-employed persons)*
- **Centre Commun de la Sécurité Sociale (‘CCSS’) Mutualité des employeurs (‘MDE’)***
  - L-2975 Luxembourg
  - Tél. : +352 40141-1
  - [www.ccss.lu](http://www.ccss.lu)/[www.mde.lu](http://www.mde.lu)

**Sickness benefits**
*(including maternity leave allowances)*
- **Caisse Nationale de Santé (‘CNS’)***
  - L-1471 Luxembourg
  - Tél. : +352 477153-1
  - [www.cns.lu](http://www.cns.lu)

**Family benefits**
*(including parental leave allowances)*
- **Caisse Nationale des Prestations Familiales (‘CNPF’)***
  - B.P. 394
  - L-2013 Luxembourg
  - [www.cnpf.lu](http://www.cnpf.lu)

**Unemployment allowances**
- **Agence pour le développement de l'emploi (‘ADEM’)***
  - 10, rue Bender
  - L-1229 Luxembourg
  - [www.adem.public.lu](http://www.adem.public.lu)

**Retirement benefits**
- **Caisse Nationale d'Assurance Pension (‘CNAP’)***
  - L-2096 Luxembourg
  - [www.cnap.lu](http://www.cnap.lu)
Voluntary social security scheme - Healthcare
(Voluntary personal pension insurance also applies in Luxembourg under specific conditions)

Luxembourg residents who are not mandatorily subject to the Luxembourg social security scheme and therefore not able to benefit from health care coverage can in fact request to be allowed to contribute voluntarily ('assurance volontaire').

By contributing voluntarily, individuals and their dependents can benefit from the Luxembourg health care system under the same conditions as the ones applicable to individuals who normally contribute through mandatory social security contributions.

Two types of voluntary insurance exist: continual insurance ('assurance volontaire continuée') and optional insurance ('assurance volontaire facultative').

Continual insurance is available to Luxembourg residents who are over 18 years and who:
- previously contributed or were a dependent of someone who contributed to the Luxembourg social security scheme for at least six months on a continuous basis; and
- lost their membership as insured or co-insured within three months following the date the employee's membership to the Luxembourg scheme terminated.

The optional insurance is available for Luxembourg residents who cannot otherwise benefit from health care coverage.

Under both types of voluntary insurance, a three-month probation period must be respected. As such, an individual may only benefit from the health system (e.g. request reimbursement of medical expenses) three months after the application form is received by the competent authority (i.e. the 'Centre Commun de Sécurité Sociale').
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Macedonia's social security contributions scheme is a system of public interest based on the principle of fairness. It is a system of measures, activities and policies for preventing and covering the basic social risks that Macedonian citizens are facing throughout their lifespan, for the purpose of lowering poverty and social exclusion, as well as fostering the capacity for self-protection. The basic social risks are defined as follows:

- health risks,
- risk of seniority and aging;
- risk of single parent family;
- unemployment risk, loss of income minimal for existence;
- risk of poverty;
- other type of social exclusion.

Social security contributions ('SSC') are due by:

- Macedonian residents employed by a Macedonian or foreign company in Macedonia;
- Macedonian residents employed abroad where they cannot participate in or benefit from the social security scheme in the country of employment;
- Macedonian non-residents employed in Macedonia or working there under an assignment for a foreign entity, unless otherwise provided in a social security agreement;
- self-employed persons, individual farmers, independent artists, etc. in Macedonia.
 Contributions

1. Employees

According to Macedonian SSC Law, SSC are due by the employees. However, it is the obligation of their employer to calculate and withhold the SSC from the employee’s gross salary and pay it to the relevant authorities. The current level of contributions is as follows:

- pension insurance 18%
- health insurance 7.3%
- additional health insurance 0.5%
- unemployment insurance 1.2%

Total 27%

There is a prescribed minimum base for calculating contributions equal to 50% of the average salary in Macedonia (which is currently EUR 497). There is also a prescribed maximum base, which is six times the average salary in Macedonia (EUR 3,012).

2. Self-employed individuals

Self-employed individuals have to calculate and pay their own SSC. The SSC are calculated on the basis of the person’s earned income, i.e. on the income as determined for the purposes of the Personal Income Tax (‘PIT’). The minimum base is the average salary in Macedonia for the previous year.
1. Health care
The rights arising from health insurance contributions include:

- health protection in cases of illness and injury not related to work;
- health protection for work-related injury and diseases;
- salary compensation in case of pregnancy and maternity leave.

Health protection is a system of community and individual measures, activities and actions with the purpose of retainment and improvement of health, inhibition, cure and early discovery of diseases, injuries and other health hazards, timely and effective treatment, health care and rehabilitation.

2. Sickness benefits
According to the Health Insurance Law ('HIL'), which imposes mandatory health insurance, insured persons are entitled to basic health services and health protection from illness, work-related injuries and occupational diseases.

Insured persons are also entitled to salary compensation due to illness-related work absences provided they were employed for at least six months prior to the absence.

The employer is obliged to compensate the employee during the first 30 days of sick leave. The compensation is calculated as a percentage of the monthly average salary for the last 12 months, as follows:

- days 0-7: 70%
- days 8-14: 80%
- days 15-30: 90%

Thereafter, any salary compensation should be paid by the Health Insurance Fund ('HIF').

3. Accidents at work
Employees are covered against accidents at work and they are entitled to receive an allowance in the amount of 100% of their salary during the period of their absence.

This allowance is calculated and paid by the employer within the first month and after this period by the Macedonian HIF. Should the injury or accident occur due to failure of the employer to secure the measures of safety and health at work the cost of allowance will fall on his behalf for the duration of the whole period of absence, the employer bears the cost for paying the allowance during the whole period of absence.

4. Occupational diseases
Employees are entitled to compensation by the employer in the event of occupational diseases. As per the HIL employees are entitled to reimbursement of the hospital care costs, physiotherapy and medical, surgical, dental and pharmaceutical care, as well as the cost for orthopedic equipment.

5. Family benefits
Under the Macedonian Child Protection Law child allowance and parental allowance are considered as child support rights. The right to child allowance belongs to a child, citizen of Macedonia, who is studying regularly in the mandatory education system. The allowance is allocated to the child, but can also be realised by the parent or someone else responsible for the child (e.g. legal guardians).
Depending on the child’s age and its family’s economic status, the amounts available for allowance are:

- child age 0-15: MKD 740 (EUR 12)
- child age 16-18: MKD 1,175 (EUR 19)

The monthly child allowance can be granted for families with monthly income not exceeding MKD 2,415 (EUR 39) or for single parents with income not exceeding MKD 4,226 (EUR 69). The total monthly allowance for children realised by the parent(s) is MKD 2,415 (EUR 39).

Furthermore, a parental one-time allowance can be claimed by one parent of a family for the first newborn or adopted child. The allowed amount is MKD 4,829 (EUR 79), adjusted by an annual statistical living expenses factor published by the National Statistical Office.

An additional parental allowance can be claimed by mothers resident in Macedonia for their third child. It is paid monthly for a period of ten years in the amount of MKD 8,048 (EUR 131).

### 6. Maternity benefits

Under the Labour Relations Act, women are given special protection. Female employees are entitled to nine months’ uninterrupted leave from work during pregnancy, birth and maternity, and one year’s leave in cases of multiple births. Based on the findings of authorised medical institutions, female employees may start the maternity leave 45 days prior to giving birth and must do so 28 days before the date the baby is expected. In addition, subsequent to the leave from work due to pregnancy, birth and maternity, the female employee is entitled to unpaid parental leave up to three months in the period of the child’s first three years, at most in three parts, due to the child care.

### 7. Unemployment

The individuals insured under the SSC scheme are entitled to the following rights in case of unemployment provided they are actively seeking a new employment:

- monetary allowance, in the amount of 50% of the average monthly salary for the last 12-24 months of their last employment (this amount cannot exceed 80% of the published average monthly salary per worker in the republic);
- employment-related training;
- pension and health insurance for some unemployed categories;
- beneficial employment conditions for the disabled.

### 8. Retirement

The retirement age for an employee is 64 years (men)/62 years (women), and a minimum period of active employment spanning 15 years is required.

The rights arising from contributions to pension and disability insurance include:

- retirement and disability pension;
- vocational training;
- family pension;
- monetary allowance for work-related injury and diseases.

In addition, the Pension and Disability Insurance Law sets down a pension system comprising three tiers:

- first tier – a compulsory State pension fund, into which 65% of total compulsory pension and disability contributions are paid;
- second tier – a compulsory private pension fund, into which 35% of total compulsory pension and disability contributions are paid; and
- third tier – a private pension fund made up of voluntary contributions.

For the second tier, employees can contribute to either of the two private pension funds. Voluntary pension contributions can be made to voluntary pension funds.
Competent authorities

The Public Revenue Office is the authorised body overseeing the calculation and payment of SSC. The process of calculation of the SSC payable upon salary is automated, cross-checked and confirmed by the PRO. Upon confirmation the employers pay the SSC and the net salaries.

Voluntary social security scheme

In Macedonia, there is a voluntarily social security scheme for pension and health insurance.

Under the Pension and Disability Insurance Law, there is a multi-tier pension system in Macedonia. The third tier is for additional voluntarily contributions by individuals over the age of 15 into a pension insurance scheme.

Under the HIL the voluntary health insurance can be offered by private insurance companies and can cover the costs of medical services not covered by regular health insurance.
Macedonia

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The Maltese Social Security Act provides for a number of benefits, including retirement and disability pensions, sickness, injury and unemployment benefits, medical assistance and other social allowances and benefits. Entitlement to certain assistance arises regardless of contributions while other benefits can be claimed on the basis of the contributions paid, or deemed paid, by the beneficiary. Maltese law also provides free hospitalisation for all Maltese citizens.

The Maltese social security scheme is mainly aimed at assisting individuals in three particular circumstances:

- wage loss (e.g. unemployment, retirement, incapacity for work): substitute income;
- social burdens (e.g. children, sickness): income supplements;
- no earned income (outside the claimant’s control): assistance allowances.

For the purpose of contribution obligations, the Social Security Act categorises individuals as persons in insurable employment, self-occupied persons and self-employed persons.

Generally speaking, persons in insurable employment are all persons employed in Malta, save for certain exceptions. Foreign (non-EU) workers who are not ordinarily resident in Malta should not be deemed to be in an insurable employment if their employer is already paying or has opted to pay contributions in respect of them under a national social insurance scheme in another country. Self-occupied persons are persons who are ordinarily resident in Malta and who derive income from a gainful occupation, other than employment. Persons who are ordinarily resident in Malta and who are not in an insurable employment or self-occupied are categorised as self-employed persons (i.e. generally persons in receipt of passive income).
1. Salaried persons

Social security contributions are due both by the employee and by the employer. The employee's contributions are deducted from his/her gross pay, whilst the employer's contributions are paid on top of his/her gross pay. Contributions are due on the total gross salary, excluding remuneration for overtime, any form of bonus, any extra allowances, any remuneration in kind and commissions.

Social security contributions amount to 10% of the employee's basic weekly wage, payable by both the employee and the employer subject to a minimum and maximum contribution. The maximum contribution varies depending on the age of the insured person – for employees born before 1 January 1962, the current maximum weekly contribution is EUR 34.25 and for employees born on or after 1 January 1962, it is EUR 41.21.

Certain reduction schemes are in place and apply to certain targeted groups (e.g. students). Employers' contributions are paid by means of a deduction from salary. Each employer is responsible for forwarding both the employees' and his share of social security contributions to the Department of Inland Revenue each month.

2. Self-occupied/self-employed

Social security contributions amount to 15% of annual net income, and are also subject to a minimum and maximum contribution. The maximum varies depending on age – for persons born before 1 January 1962, the current maximum weekly contribution is EUR 51.38 and for persons born on or after 1 January 1962, it is EUR 61.82.

Contributions due by self-occupied and self-employed persons are payable every four months in arrears.
Malta

Benefits for salaried persons

1. Health care
Maltese law also provides free hospitalisation for all Maltese citizens.

2. Sickness benefits
According to Maltese law and collective agreements, employees are entitled to wages during illness. The length of entitlement to sick pay depends on how long the employee has worked for the employer. When the illness continues in the long term, the employer is no longer obliged to pay wages. Employees are entitled to sickness benefits provided that they are insured under the Social Security Act.

Conditions of entitlement
Proof of incapacity: a medical certificate from a general practitioner is required from the first day of sickness. The patient is re-examined every week if the period of sickness exceeds one week. If, after 60 benefit days, the patient is still producing medical certificates, he/she is examined by a medical panel appointed by the Social Security Division to determine whether sickness benefit is still warranted.

Qualifying period: entitlement to sickness benefit is subject to at least 50 weekly paid contributions, of which 20 should have been paid or credited in the preceding two years.

3. Unemployment benefit
Any person in employment prior to applying can claim unemployment social benefit.

Conditions of entitlement
Unemployed persons must be registered with the Employment and Training Corporation (ETC), be fit and available for work and have 50 weeks of paid contributions, of which at least 20 should be paid or credited in the two previous years.

If the claimant leaves employment voluntarily or because of misconduct, no benefit is paid for a period of six months. Registered unemployed lose their unemployment benefit entitlement if they refuse work offers for no justifiable reason.

4. Maternity benefits
Employed women who give birth and avail themselves of the 14 week maternity leave entitlement (maternity benefit) as stipulated in Maltese labour law will also be eligible for maternity leave benefit of a maximum of a further four weeks as from 2013 onwards.

A self-employed woman who has recently given birth and is eligible for Maternity Benefit will also be eligible to a Maternity Leave Benefit. This benefit is paid for four weeks as from 2013 onwards and is in addition to the maternity benefit entitlement.

The maternity benefit for 2014 amounts to EUR 86.77 per week and is paid for a maximum of 14 weeks depending on the amount availed of by the women who have recently given birth up to a maximum of 14 weeks. The additional maternity leave benefit for 2014 amounts to EUR 160 per week and is paid for a maximum of four weeks depending on the amount availed of by the women who have recently given birth.

Conditions of entitlement
A medical certificate from a general practitioner should confirm that the claimant is pregnant and the expected date of confinement.

The employee may apply for maternity leave for an uninterrupted period of 14 weeks. She has to notify her employer at least four weeks before the maternity leave begins, in so far as practicable.

An employee on maternity leave is entitled to full wages during the first 14 weeks. As from 2013, the government will pay maternity leave benefit for four weeks following these 14 weeks.
5. Family benefits

Beneficiaries are all families residing in Malta, subject to means testing.

There are various family benefits but two of the main ones are:

(a) the supplementary allowance which is payable subject to a 'means testing' where the latter means, in respect of a single person, aggregate income not exceeding EUR 8,618 per annum and, in respect of a married person, aggregate income not exceeding EUR 10,786 per annum. These rates apply up to June 2014. Revised rates of EUR 8,800 per annum for single persons and EUR 10,968 per annum for married persons are applicable as from July 2014. In order for persons to benefit from the supplementary allowance they must not be in receipt of a children's allowance;

(b) the energy benefit which is provided to both single and married persons and is subject to a 'means test' which is set at annual income not exceeding EUR 8,795.

Conditions of entitlement

For a family to claim such a benefit, children of the household must reside in Malta and not have past their 16th birthday, and the recipient must have care and custody of the child(ren).

6. Retirement pension

One of the main benefits under the Maltese social security system is the two-thirds retirement pension. Every insured person (subject to minimum paid contributions) is entitled to a retirement pension at retirement age. The full pension is equivalent to two-thirds of the pensionable income. The pensionable income for employees and self-employed/ self-occupied persons is the average annual basic wage calculated by reference to a number of years, where the calculation basis may differ on the basis of the date of birth of the particular individual. The current maximum two-thirds retirement pension is EUR 228.36 per week. It reduces in cases where the retiree does not have a full contribution record. Those not entitled to the two-thirds pension or whose two-thirds pension would otherwise be reduced to below the national minimum pension are entitled to the national minimum pension, which is EUR 137.57 weekly for a married person (maintaining his/her spouse) and EUR 118.30 weekly for any other person.

Conditions of entitlement

The full rate of the two-thirds pension is equal to two-thirds of the pensionable income of a person who, following his or her 18th birthday has paid or been credited with a yearly average of 50 weeks of contributions over a period of:

- 30 years in the case of a person born on or before 31 December 1951;
- 35 years for a person born during 1952 to 1961;
- 40 years in the case of a person born on or after 1 January 1962.

7. Survivor’s pension

A survivor’s pension may be due to a widow(er) of a deceased contributor who was entitled to a retirement pension.

Conditions of entitlement

The surviving spouse of a contributor must, immediately prior to widowhood, have had a legal right to be maintained by the other spouse. A surviving spouse can be gainfully occupied and still entitled to a survivor’s pension regardless of his/her earnings if he/she has children who have not yet reached their 18th birthday or is over 65 years of age, or if his/her earnings are less than the minimum wage.
Competent authorities

The Income Tax Department collects contributions made by salaried persons as well as those for self-employed/self-occupied persons. The social security authorities administer any funds payable to insured persons.

Voluntary social security scheme

It should not generally be possible to pay voluntary contributions into the Maltese social security scheme, although there may be certain exceptions.
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General background

The Mexican Social Security Institute (IMSS) system is mandatory with regard to all non-government employees throughout the country and is also applicable to foreign employees working in Mexico for Mexican companies. Employers and employees are required to register at the IMSS and pay premiums.

Covered persons

Anyone who renders a remunerated, subordinate, personal service to another on a full-time or part-time basis is covered by the mandatory scheme. Self-employed workers are covered by the Voluntary scheme.
Social security systems around the globe

Social security premiums are imposed via a contribution. Premiums are determined as a percentage of each employee’s wages. The computation differs depending on the following categories: sickness and maternity, life and disability, day care centres and social benefits, retirement and old age, and occupational risks. The premiums are higher for the employer than the employee, as detailed in the following table:

<table>
<thead>
<tr>
<th>Insurance</th>
<th>Sub-insurance</th>
<th>Employer</th>
<th>Employee</th>
<th>Government</th>
</tr>
</thead>
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<tr>
<td>Sickness and maternity</td>
<td>Benefits in kind</td>
<td>20.40% 1</td>
<td>-</td>
<td>13.90% 1</td>
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<td></td>
<td></td>
<td>1.10% 2</td>
<td>0.40% 2</td>
<td></td>
</tr>
<tr>
<td>Cash benefits</td>
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<td>0.70% 3</td>
<td>0.25% 3</td>
<td>0.05% 3</td>
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<tr>
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<td>0.375% 3</td>
<td>0.075% 3</td>
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<tr>
<td>Life and disability</td>
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<td>1.75% 3</td>
<td>0.625% 3</td>
<td>0.13% 3</td>
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<tr>
<td>Early retirement and old age</td>
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<td>1.13% 3</td>
<td>0.2340% 3</td>
</tr>
<tr>
<td>Retirement</td>
<td></td>
<td>2.00% 3</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

1 Applied to one daily Mexico City minimum wage (MCMW)
2 Applied to the difference between the daily base salary and three times the daily MCMW
3 Based on the daily base salary

1. Base salary for calculating premiums

The contribution basis is the daily wage for each worker registered, and is the same basis for determining the benefits.

Under the Social Security Law (SSL), base salary is composed of payments made in cash for daily wages, food, housing, bonuses, commissions, allowances in kind and any other amount paid to the employee for his/her work.

The SSL also contemplates that certain items provided to employees are not part of base salary, such as: working tools, savings funds, food baskets, attendance and punctuality awards and payments for overtime, among others. Certain prerequisites must be complied with in order to exclude those items.

For the purpose of determining the basis for calculating premiums, daily salary must be at least as high as the daily general minimum wage, but is limited to 25 times the general minimum wage per day.

Social security premiums are deductible in determining the taxable income of the employer.
2. Premium for Occupational Risks

As part of the social security system, the employer must also pay a premium for occupational risks.

The basis for determining the premium is the same as for calculating general IMSS benefits, capped at 25 times the general minimum wage per day. The rate varies from 0.5% to 15%, depending on the risk level of the company's operations (type of industry and the company's own history of work-related injuries).

3. Housing Fund

In addition to the premiums required by the SSL, the Labour Law requires employers to contribute to the National Worker's Housing Institute (INFONAVIT) in an amount equal to 5% of employees' daily basic salary. The basis for determining housing fund contributions is generally the same as that for calculating IMSS benefits, capped at 25 times the general minimum wage per day.
IMSS provides benefits in kind and cash to employees and their dependents, as follows:

Benefits in kind: medical, maternity, surgical, physiotherapy and pharmaceutical care as well as orthopedic equipment. Day care centre, vacation, sport and cultural activities.

Cash benefits: Limited compensation in cases of illness, occupational disease, work accident or maternity, as well as marriage and funeral. Disability, early retirement and old-age pension.

Old-age pension benefits
Currently, employees can qualify for one of two different pensions, depending on certain economic conditions and rules, and when the employee first enrolled with the IMSS.

### Pre-1997 Social Security Law
For employees first enrolled before 1 July 1997.
To qualify for monthly early retirement pension, the employee must:
- be over 60;
- have contributed to the IMSS for at least 500 weeks;
- not be enrolled with IMSS at the time of the application;
- not currently be in employment.

To qualify for a monthly old-age pension, the employee must:
- have reached 65 years of age;
- have contributed to the IMSS for at least 500 weeks;
- not be enrolled with the IMSS.

### 1997 Social Security Law
For employees first enrolled from 1 July 1997 and voluntary for employees registered before 1 July 1997.
To qualify for monthly early retirement pension, the employee must:
- be over 60;
- have contributed to the IMSS for at least 1,250 weeks;
- not be enrolled with the IMSS at the time of the application;
- not currently be in employment.

To qualify for a monthly old-age pension, the employee must:
- have reached 65 years of age;
- have contributed to the IMSS for at least 1,250 weeks;
- not be enrolled with the IMSS at the time of the application.

The IMSS provides the following covered benefits:
- retirement;
- disability;
- hospital insurance (Medicare);
- maternity;
- occupational disease and accidents.
The contributions are remitted to the social security authorities every month, except for retirement, old-age and housing premiums, which are paid bimonthly.

The IMSS is the competent authority to administer the workers' social security and related resources. The INFONAVIT manage the housing fund, and they are fund manager for the individual retirement funds.
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Moldova has an extensive statutory social security system based on solidarity. The Moldovan social security scheme intervenes in order to replace the total or partial loss of income due to:

- retirement;
- temporary work incapacity;
- maternity;
- childcare;
- unemployment;
- death.

Moldovan statutory social security system covers the following individuals:

- employed people (individuals linked to their employer by an employment agreement);
- civil servants (individuals subject to the statute of public service) – not described in this social security profile;
- self-employed people (individuals who perform their professional activities outside the scope of an employment agreement/statute);
- other categories.
Contributions

1. Employed people

Based on Moldova legislation, social security contributions are mandatory for both employers and employees.

According to the applicable 2014 regulations, employers have to make social security payments to the Social Security Fund in an amount of 23% of the gross salary of their employees. Employees have to pay an individual contribution in an amount of 6% of their gross salary. This percentage applies to an annual base capped at MDL 253,500, approximately EUR 15,158. The social security contributions should be paid by the end of the month following the month for which the contributions were calculated.

An exception from the general rule applies to employers operating in civil aviation, which pay SSC of 33% of their employees’ gross remuneration. This is the highest SSC rate under Moldovan legislation.

Apart from the provisions above, employers operating in the agriculture sector have SSC liabilities of 22% of each employee's gross salary, with 16% being paid directly by the companies and 6% being transferred on their behalf to the Social Security Fund from the State Budget. As a result, the social security burden for agriculture companies is 16%.

There is also a special social security contributions incentive for employers operating in the IT sector, as their monthly social security contributions per employee are capped at twice the monthly national average salary forecast for the year (i.e. in 2014 this cap is set at MDL 8,450, approximately EUR 505).

According to Moldovan law, foreign citizens with local labour agreements, temporarily living and working in Moldova, are liable to pay social security contributions, with some specific exceptions.

Social security contributions are deductible for income tax purposes for both employers and employees.

2. Self-employed people

For other categories of taxpayers, the Moldovan legislation provides for an annual fixed social security contribution of MDL 5,748 (approximately EUR 344), which covers only the minimum retirement pension and death benefits. These amounts are paid based on insurance agreements concluded by these individuals with the NSIH, with payments due when the agreements are registered with the NSIH.
Contributions to the social security system give employees the right to pensions, illness, maternity and childcare benefits, unemployment insurance and other social care services.

1. Retirement

The retirement pension is a benefit to which a person is entitled based on age, income earned and years worked.

The normal retirement age in Moldova is 62 years for men and 57 years for women, with some exceptions. In order to be entitled to a full pension a woman has to work for 30 years. There is a different threshold for men in 2014 - 32 years. Please note that this threshold for men is to be increased in phases to 35 years in 2020.

People exceeding this threshold benefit from a pension increase of 2% of the monthly average insured income for each supplementary year.

Should a person reach the retirement age and have not worked the number of years required to receive a full pension, he/she will be entitled to a partial retirement pension proportional to his/her social security coverage period.

The pension is calculated on the basis of the social security coverage period, retirement age and monthly average insured income.

2. Temporary work incapacity

Anyone becoming ill can be entitled to an allowance for temporary work incapacity period due to a common illness or accident unrelated to work provided that the person has paid contributions for at least three years or at least three months during the 12 months prior to becoming incapacitated. A similar allowance is paid to anyone with a sick child of up to seven (and in some cases 16) years.

The monthly amount of this allowance varies between 60% and 100% the person's monthly average income for the last six months and depends on the social security coverage period and the type of illness. Please note that the basis for computation of this allowance is capped at MDL 21,125 (approximately EUR 1,263).

As of 1 January 2013, allowances for temporary disability caused by common illnesses or accidents unrelated to work are paid (with some exceptions) by:

- the employer - for the first five days of temporary disability, and
- the state social security budget - starting with the sixth calendar day of temporary disability.

3. Maternity

Pregnant women are entitled to maternity leave of 18 weeks and an allowance during that leave.

Two periods can be distinguished:

- the pre-natal rest period: nine weeks before the presumed date of giving birth;
- the post-natal rest period: nine weeks after giving birth (could be completed with two weeks in the case of difficult births or multiple births).

During maternity leave, employed women are entitled to a monthly maternity allowance. The basis for its computation is of 100% of their normal average gross salary for the previous six months or 100% of their husband's gross average salary in the case of women who have not worked during the six months prior to the maternity leave. Please note that the monthly basis for calculation of the maternity leave allowance is capped at MDL 21,125 (approximately EUR 1,263).

In 2014, on the occasion of the birth of her child, the mother is also entitled to a one-off allowance which is planned to be increased to MDL 3,100 (EUR 185) for the first child and MDL 3,400 (EUR 203) for subsequent children.
4. Childcare

In Moldova, the following people are entitled to benefits during the three years of childcare allowance: one of the parents, grandparents or other relative responsible for the child’s care provided they have paid contributions for at least three years or at least three months during the 12 months prior to the birth of the child.

The monthly amount of this allowance is of 30% of their average monthly salary for the previous six months. Please note that the monthly basis for calculation of this allowance is capped at MDL 21,125 (approximately EUR 1,263), but cannot be lower than MDL 300 (EUR 18) per child.

5. Unemployment

A replacement income is granted to a person in the event of involuntary loss of employment.

Being subject to the social security scheme for employed people is not sufficient to be able to claim unemployment benefits, however. To receive unemployment benefits, a person has to meet the following conditions: (i) worked at least nine out of the last 24 months, (ii) is registered with the employment authorities and (iii) does not obtain taxable income.

The person is entitled to unemployed benefits of 30-50% of the personal average income during a period of six to 12 months depending on the social security coverage period. The monthly unemployment benefits cannot be lower than the national minimum salary and cannot exceed the monthly national average salary for the previous year.

6. Death

In the event of the death of an insured, retired or unemployed person or of a person whose social contribution coverage period exceeds three years, the family are entitled to MDL 1,100 (EUR 66).
Competent authorities

The development, promotion and implementation of state social security policies are the responsibility of the MLSPF.

Contributions paid to the state social security budget by employers and employees, as well as other categories, are transferred to the accounts of the NSIH, the independent authority which manages the Moldovan public social security system, which then distributes them for the payment of allowances and benefits provided by law.

Voluntary social security scheme

If a person is not obliged by law to pay social security contributions, he/she can opt for a voluntary social insurance based on an individual agreement concluded with the NSIH (i.e. the minimum amount to be paid in 2014 is MDL 5,748 (EUR 344)).

Such agreements can also be concluded for the previous periods from 1999. This type of insurance covers the retirement pension and death-related benefits.
Moldova

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General background

The Netherlands has an extensive statutory social security system based on solidarity.

The Dutch social security scheme intervenes in three events:

- wage loss (e.g. unemployment, retirement, incapacity for work): substitute income;
- social burdens (e.g. children, survivors): income supplements;
- no earned income (outside the claimant’s control): basic income.

Covered persons

The Dutch statutory social security system is divided into two schemes:

- scheme for residents: National insurance (benefits for all residents, regardless whether they work or not);
- scheme for employees: Employees insurances (benefits for employees).

Please note that most company directors qualify as employees in the Netherlands.
1. National insurance

National insurance contributions are due by all residents. Contributions are levied together with wage tax. For people who do not have a Dutch wage tax withholding agent, contributions are paid via their personal income tax return. Corrections to the amounts withheld via wage tax are also taken care of via personal income tax returns. Contributions are due on taxable income, up to a maximum income of EUR 33,363.

The National insurance contributions are calculated at a rate of 31.15%. This results in a maximum contribution amount of EUR 10,392. This is reduced by a levy rebate of EUR 1,489 for people with income from employment. Contributions are lower for those over the pensionable age. People without income from employment receive a lower levy rebate.

Those who are covered by National insurance but do not earn any income pay no contributions.

Contributions for health insurance are not included in the 31.15% rate. An income-dependent contribution is payable by the employer via the payroll. For employees, the rate is 7.50% at a maximum contribution base of EUR 51,414. Those who are not employed pay an income-dependent contribution of 5.4%, via an assessment from the Dutch tax authorities. Apart from this contribution, everyone must take out medical insurance. The average annual premium is EUR 1,101. Children under 18 are covered for the basic package free of charge.

The first EUR 360 of annual medical costs are not reimbursed by the insurance company. On a voluntary basis, you can increase the amount of EUR 360 to EUR 860 which will lower the annual premium for medical insurance. General practitioner charges are excluded for this purpose.

2. Employees’ insurances

Employees’ insurance contributions are fully paid by employers. Contributions are levied via the wage tax return and paid to the Dutch tax authorities. The premiums depend on the employer’s type of business and the company’s history of employee disability.

The maximum income on which contributions are charged is EUR 51,414. The average rate for unemployment contributions is 4.83%. The maximum amount of unemployment contributions at the average rate is EUR 2,483. The average rate for disability contributions is 6.48%. The maximum amount of disability contributions at the average rate is EUR 3,331.

As a result, the maximum contributions (at average rates) for Employees’ Insurances is EUR 5,814.
Benefits

1. National insurance

**Retirement**

Retirement pension is a benefit to which claimants are entitled based on age and years of Dutch social security coverage. A single person receives a state pension benefit of EUR 9,715 (married) per year or EUR 14,034 (single) per year. It is not dependent on income earned or years worked.

The normal retirement age in the Netherlands is 65. It will be increased to 66 in 2019 and 67 in 2023 by being increased by one or more months annually as of 2013.

Pension is calculated on the basis of years of Dutch social security coverage and family situation. A resident builds up an entitlement of 2% a year between the ages of 15 and 65. People with a full build-up receive the same amount regardless of their employment history.

**Survivors’ benefits**

Survivors’ benefits are paid to those who have lost their partner, and children who have lost both of their parents. Widow(er)s only receive benefits if they are younger than pensionable age and take care of an under aged child (18), born before 1 January 1950, or are at least 45% disabled.

Widow(er)s’ benefit is reduced if the claimant receives employment income. In order to receive benefits, the deceased must have been covered by Dutch social security for at least part of his/her career.

The amount of widowers’ benefit is EUR 14,731 a year. A widower who takes care of an under aged child receives a benefit of EUR 18,353 per year. For a child who has lost both parents, the amount varies between EUR 4,848 and EUR 9,499 per year depending on age.

**Health care**

Those subject to Dutch social security are mandatory covered for health care. They must take out a health insurance policy with a Dutch insurance company. It needs to provide a basic package (set by the government) to all applicants. This covers ordinary medical care by a general practitioner, hospital care, medicines, etc.

Those who want more extensive coverage than the basic package can take out an additional insurance. Insurance companies can do medical checks before accepting applicants or can refuse requests for additional coverage. Additional packages usually cover dental care for adults, more extensive treatment from a physiotherapist, etc.

People who become subject to Dutch social security should apply for medical insurance within four months of their arrival.

Specific types of long-term care for the elderly, handicapped and other categories are not covered by medical insurance from insurance companies but by National Insurance. Examples are homes for the elderly, homes for the handicapped, medical/practical assistance at home.

**Family benefits**

There are several types of family allowances in the Netherlands, of which child benefits are the most important.

The amount of child benefits depends on age. No child benefits are paid for children 18 and older. The amounts are paid quarterly.

Age of child:
- 0-5: EUR 191.65
- 6-11: EUR 232.71
- 12-17: EUR 273.78

If both parents work, they can be entitled to an allowance for child care or nursery if they meet certain conditions.
2. Employees’ insurances

**Sickness benefits**

Sick employees are entitled to benefits covering loss of income.

Employers must continue to pay salary for the first 104 weeks of sickness. There is no entitlement to sickness benefits based on social security during this period. The employer needs to pay at least 70% of the employee’s salary, though limited to the maximum social security base of EUR 51,414. However, in most collective labour agreements, it is agreed that employers continue to pay full salary during the first 52 weeks.

Sickness benefits based on social security are available to a limited category of people, such as those on temporary contracts.

Employers must make every effort to reintegrate the employee into the company. If the employee is still sick or incapable of working after 104 weeks, he/she will need to apply for disability benefit.

**Disability**

Employees who are not able to earn at least 65% of the wage they earned before they became sick can be entitled to disability benefits after 104 weeks. There are two different types of benefits: one for employees who are not able to work at all and are not expected to do so in the near future; and one for employees who are able to work partly.

The former are entitled to 75% of the maximum social security base of EUR 51,414. This benefit ends when the employee reaches pensionable age (currently 65) or is (partly) able to resume work.

The latter receive benefits based on the level of their disability and their employment history. Disability benefit for partly disabled employees varies between a maximum of 70% of the maximum social security base of EUR 51,414 and 28% of the minimum wage (EUR 19,253).

**Unemployment**

Replacement income is granted to employees in cases of involuntary loss of employment.

However, it is not enough for claimants just to be subject to the social security scheme for salaried persons. The first condition they need to meet is to have worked at least 26 of the last 36 weeks. If this condition is met, claimants are entitled to unemployment benefit for three months.

In order to qualify for unemployment benefits for a longer period of time, claimants’ employment history in years is looked at. Employees who have worked at least four out of the last five years receive unemployment benefits for each year that they were covered for unemployment benefits (up to a maximum of 38 months). For example an employee who worked at least four out of the last five years and in total ten years receives a benefit for a total period of ten months.

In addition, claimants must comply with certain formalities (e.g. register with the authorities, write application letters, etc.). During the first two months, claimants are entitled to 75% of the maximum social security base (EUR 51,414). After that, the amount is reduced to 70%. Those who lose their entitlement to unemployment benefit and still have no job should apply for special welfare at the minimum level if they qualify.

**Maternity benefits**

Expectant mothers are entitled to maternity leave of 16 weeks and an allowance during that leave.

Two periods can be distinguished:
- the prenatal rest period: 6-4 weeks before the presumed date of delivery;
- the postnatal rest period: 10-12 weeks after delivery (ten weeks if six weeks of prenatal rest are taken and 12 weeks if there are four weeks of prenatal rest).

During maternity leave, employees are entitled to a maternity benefit of at most the maximum social security base of EUR 51,414. In practice, this benefit is often paid to the employer, whilst at the same time the employer continues to pay the regular wages. Employers usually continue full payment of the employees’ regular wages, even if this exceeds the maximum social security base. This is regulated by a collective labour agreement or the company’s terms of employment.

Fathers are also entitled to paternity leave of two days, to be taken during the four weeks following the birth.
Competent authorities

1. National insurance
Contributions are paid to the Dutch tax authorities by employers via wage tax returns. A final calculation is made via the Dutch income tax return. People who are not subject to wage tax pay their contributions to the tax authorities via the Dutch income tax return.

The competent authority with respect to benefits is the ‘Sociale Verzekeringsbank’ (SVB).

2. Employees’ insurances
Contributions are paid to the Dutch tax authorities via the wage tax return. The competent authority with respect to benefits is the ‘Uitvoeringsinstantie Werknemersverzekeringen’ (UWV).
Voluntary social security scheme

Provided certain conditions are met, it is possible to get voluntary social security coverage in the Netherlands.

Applicants for voluntary retirement and survivors’ pension coverage should have been subject to Dutch social security for at least one year prior to the time at which compulsory coverage ended. Applications should be filed with the SVB within one year. The maximum length of voluntary coverage is in general 10 years.

It is also possible to get voluntary retirement and survivors’ pension coverage if the applicant did not work before the assignment. Hence, non-working partners can also obtain coverage. They pay 10% of the maximum premium.

Applicants for voluntary unemployment and disability coverage need to be employed and have been subject to Dutch or EU/EEA/Swiss social security for at least one year prior to the time at which compulsory coverage ended. Furthermore, employees should have either a Dutch employer or be resident in the Netherlands. Applications should be filed with the UWV within 13 weeks. The maximum length of voluntary coverage is in general five years for non-residents and unlimited for residents.

Voluntary coverage for sickness benefits (substitute income) is possible but not usually beneficial since only a small group of employees receive benefits and the conditions are very strict. Most situations are covered by the fact that employers are under an obligation to continue salary payments during the first 104 weeks under Dutch labour law.

It is the employee who takes out voluntary insurances but, in practice, most employers pay the contributions.

Social security rates 2014

<table>
<thead>
<tr>
<th>Code</th>
<th>Description</th>
</tr>
</thead>
<tbody>
<tr>
<td>AOW</td>
<td>Retirement</td>
</tr>
<tr>
<td>ANW</td>
<td>Survivors’ benefits</td>
</tr>
<tr>
<td>AWBZ</td>
<td>Exceptional medical expenses</td>
</tr>
<tr>
<td>AKW</td>
<td>Child benefits</td>
</tr>
<tr>
<td>ZVW</td>
<td>Health Insurance</td>
</tr>
<tr>
<td>WW</td>
<td>Unemployment benefits</td>
</tr>
<tr>
<td>WIA</td>
<td>Disability</td>
</tr>
</tbody>
</table>
### National insurance rates 2014

<table>
<thead>
<tr>
<th>National insurance</th>
<th>Maximum income</th>
<th>Rate</th>
<th>Maximum employee contributions</th>
</tr>
</thead>
<tbody>
<tr>
<td>AOW</td>
<td>EUR 33,363</td>
<td>17.90%</td>
<td>EUR 5,972</td>
</tr>
<tr>
<td>ANW</td>
<td>EUR 33,363</td>
<td>0.60%</td>
<td>EUR 200</td>
</tr>
<tr>
<td>AWBZ</td>
<td>EUR 33,363</td>
<td>12.65%</td>
<td>EUR 4,220</td>
</tr>
<tr>
<td>AKW</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td></td>
<td>31.15%</td>
<td>EUR 10,392</td>
</tr>
<tr>
<td><strong>Less: general levy rebate (N.I. part)</strong></td>
<td></td>
<td></td>
<td>(EUR 1,174)</td>
</tr>
<tr>
<td><strong>Less: employment levy rebate</strong></td>
<td></td>
<td></td>
<td>(EUR 315)</td>
</tr>
<tr>
<td><strong>(N.I. part) Total net costs</strong></td>
<td></td>
<td></td>
<td>EUR 8,903</td>
</tr>
</tbody>
</table>

**General levy rebate (national insurance part):**
- EUR 1,174 for employees with income higher than EUR 56,531;
- EUR 1,807 for employees with income lower than EUR 19,645.

General levy rebate is reduced gradually (with 2% of the employment income above EUR 19,645) when the income is between EUR 19,645 and EUR 56,531.

**Employment levy rebate (national insurance part):**
- EUR 315 for employees with income higher than EUR 83,498;
- EUR 1,802 for employees with income between EUR 29,646 and EUR 40,248.

Employment levy rebate is reduced gradually (with 4%) for income between EUR 40,248 and EUR 83,498.
Health insurance rates 2014

<table>
<thead>
<tr>
<th>Health insurance</th>
<th>Maximum income (EUR)</th>
<th>Rate (Employer/Employee)</th>
<th>Maximum contribution (EUR)</th>
</tr>
</thead>
<tbody>
<tr>
<td>ZVW</td>
<td>EUR 51,414</td>
<td>7.50%/0.00%</td>
<td>EUR 3,856/EUR 0.00</td>
</tr>
</tbody>
</table>

People who are not employed pay a rate of 5.4%.

Dutch employees’ insurance rates 2014

<table>
<thead>
<tr>
<th>Employees’ insurance</th>
<th>Maximum income (EUR)</th>
<th>Rate (Employer/Employee)</th>
<th>Maximum contribution (EUR)</th>
</tr>
</thead>
<tbody>
<tr>
<td>WW</td>
<td>EUR 51,414</td>
<td>2.15%/0.00%</td>
<td>EUR 1,105/EUR 0</td>
</tr>
<tr>
<td>&gt; Awf</td>
<td>EUR 51,414</td>
<td>4.95%/0.00%</td>
<td>EUR 2,545/EUR 0</td>
</tr>
<tr>
<td>&gt; Whk (average)</td>
<td>EUR 51,414</td>
<td>2.68%/0.00%</td>
<td>EUR 1,378/EUR 0</td>
</tr>
<tr>
<td>&gt; basic</td>
<td>EUR 51,414</td>
<td>1.03%/0.00%</td>
<td>EUR 529/EUR 0</td>
</tr>
<tr>
<td>&gt; diff. (average)</td>
<td>EUR 51,414</td>
<td>0.5%/0.00%</td>
<td>EUR 257/EUR 0</td>
</tr>
<tr>
<td>&gt; Surcharge</td>
<td>EUR 51,414</td>
<td>0.00%</td>
<td>EUR 0/EUR 0</td>
</tr>
<tr>
<td>Total</td>
<td>EUR 5,814</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

Unemployment benefits act (WW)

Contribution is paid on max. amount per wage period (EUR 4,284.50 a month or EUR 197.74 a day).

Disablement benefits act (WIA)

WIA contribution is paid on a max. amount per wage period (EUR 4,284.50 a month or EUR 197.74 a day).
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Social security systems around the globe

Norway

Last update: February 2014

General background

Normally all persons who are either resident or working as employees in Norway or on permanent or movable installations on the Norwegian Continental Shelf are mandatorily in the Norwegian National Insurance Scheme (provided they are not exempted under a social security agreement). Mandatory cover also extends to certain categories of Norwegian citizens working abroad.

Compulsory contributors to the Norwegian National Insurance Scheme are entitled to old-age, survivors’ and disability pensions, basic benefit and attendance benefit in cases of disablement, work assessment allowance, occupational injury benefits, benefits to single parents, cash benefits in cases of sickness, maternity, adoption and unemployment, medical benefits in cases of sickness and maternity, and funeral grants.

Most benefits from NAV are determined according to a basic amount (referred to as ‘G’). As per 1 May 2013, G amounts to NOK 85,245. This amount is adjusted by parliament each year in accordance with changes in the general income level.

Contributions

Rates for social security contributions applicable per January 2014:

- employee: 8.2% of gross income;
- employer: 14.1%;
- self employed: 11.4%.

The employer’s contribution is calculated on total Norwegian gross salary (and taxable benefit) costs, and is levied at a rate of 14.1%, but it can be lower if the employer is established in one of a number of sparsely populated areas.

Contributions from employees (8.2%) and self-employed persons (11.4%) are calculated on the basis of pensionable income. Contributions on pensionable income are not paid on income less than NOK 39,600. Contributions do not exceed 25% of income exceeding this threshold amount.

They are calculated on the full amount and there is no cap. Paid-up social contributions are not reimbursed.

Norway

General background

Contributions

Benefits

Competent authorities

Voluntary social security scheme

Contacts
Benefits

1. Health Care
Persons covered by the Norwegian social security system receive free ‘health care’, i.e. free accommodation and treatment, including medicines in hospitals, with the following exceptions:

- an own contribution is payable for doctor’s visits (approx. NOK 140 per visit – NOK 315 for visits to specialists). Children under the age of 16 are free of charge;
- individuals only get reimbursed 38% of the expenses of important medication (max. NOK 520 per prescription);
- dental care is fully payable by the individual. Children are free of charge until the year they turn 18.

There are some exemptions from the cost-sharing provisions. A ceiling for cost-sharing is fixed by parliament from year to year. The personal doctor system (‘fastlegeordningen’) gives all residents of Norway the right to have their personal doctor: patients under this system need to be registered at a Norwegian address with the national registration office. In addition, a Norwegian national identity number must be provided.

2. Sickness benefit
Employees with an annual income of at least 0.5G are entitled to daily cash benefits in the case of sickness. The occupational activity must have lasted at least four weeks prior to the sickness. Daily cash benefits for employees equal 100% of pensionable income (the maximum benefit basis is 6G) and are paid from the first day of sickness and for up to 52 weeks, including the employer’s part of 16 days.

Self-employed persons receive sickness benefits corresponding to 65% of pensionable income from the 17th day of sickness for a period of 248 days. It is possible to pay a higher rate of contributions in order to receive better coverage.

3. Parental benefit
Employees can receive parental benefit if they have had pensionable income for at least six of the last ten months before the benefit period starts (where both parents fulfil the requirements). The annual income must be at least 0.5G. The self-employed are also entitled to parental benefit.

If both parents are entitled to parental benefit, the benefit period is 49 weeks for full benefit, or 59 weeks at 80% of full benefit (for children born on or after July 1, 2013). The parental leave benefit period is divided into three parts. A period of 14 weeks is reserved for the mother (maternal quota) and a period of 14 weeks is reserved for the father (the paternal quota). The rest of the benefit period (period of 18 or 28 weeks, depending on compensation rate) is to be shared between the parents upon their request. However, three of these weeks are reserved the mother before due date. Parental benefit is granted for income up to 6G.

4. Lump-sum maternity
Women who do not qualify for parental benefit can be granted a lump sum of NOK 38,750.
5. Child benefit
Child benefit is granted for children who are resident in Norway and under the age of 18. It amounts to NOK 970 per month per child and is not taxable.

Cash benefit for families with small children or cash-for-care benefit
Cash benefit can be granted for a child resident in Norway between the ages of one and two who does not have a full-time place in a day care centre that receives public subsidies (public grant). The rates depend on weekly attendance at the day care centre. The maximum benefit period is 11 months.

6. Unemployment benefit
Daily cash benefits during unemployment compensate loss of income due to unemployment. Working hours must have been reduced by at least 50%. Claimants must be capable of work and be registered at the employment office (the local NAV (social security) office).

Claimants must previously have earned employment income to be entitled to daily cash benefits. They must have had income from work of at least 1.5G the preceding calendar year or at least 3G during the three preceding calendar years.

The benefit period varies depending on the claimant’s income from work record. The daily cash benefits amount to around 62.4% of previous income (the maximum benefit basis is 6G).

7. Old-age pension
On 1 January 2011, new legislation was introduced for drawing a national insurance retirement pension.

The pension reform made it possible for pensioners aged 62 to 75 to draw their old-age pensions flexibly with effect from 1 January 2011. In order to draw an old-age pension before age of 67, the pension must be equal to or more than the minimum pension level for persons with an insurance period of 40 years once the claimant reaches age 67.

The effect the transition from the old legislation to the new legislation has on the accumulation of pension rights depends on when the claimant was born. There are transitional rules for all persons born between 1943 and 1962. Those born in 1954 will receive a pension calculated nine tenths according to the ‘old legislation’ and one tenth according to the ‘new legislation’. For those born in or after 1963, the new pension legislation will apply in full.

8. ‘Old’ pension system – basic pension and supplementary pension
The old age pension benefit consists of a basic pension and a supplementary pension and/or a special supplement.

1. Basic pension is calculated on the basis of periods of residence and a full basic pension requires a minimum insurance period of 40 years. As a main rule, a minimum of three years is required to earn any pension entitlements at all. If the insurance period is less than 40 years, the basic pension will be reduced proportionally. A full basic pension amounts to 100% of the basic amount (NOK 85,245) for a single person. A special supplement may be granted.

2. There is entitlement to a supplementary pension if the claimant’s annual income has exceeded the average G of any year for three years. Full pension points are earned for income up to 6G (NOK 511,470). In addition, one third of the income between 6G and 12G is credited as pensionable. Income exceeding 12G is disregarded and the maximum achievable pension point is seven. The amount of supplementary pension depends on the number of pension-earning years and the yearly pension points. A full supplementary pension requires 40 pension-earning years. The aim of the supplementary pension is to prevent a marked decline in standard of living upon retirement.
9. New pension reform

As mentioned above, a new pension reform has been introduced in Norway. The new legislation will have an impact on pensions already earned.

The main features are:

• employment income and retirement pension can be combined without restriction;
• optional retirement from age 62 if satisfactory contribution record;
• possibility of part pension;
• the retirement pension will be adjusted according to the anticipated duration of the claimant’s life;
• all years of employment will be counted/ included in the pension benefit.

10. Income-based pension

All pensionable income earned between the ages of 13 and 75 counts towards the State pension. The income-based pension is determined on the basis of the pension pot at the time of drawing. The pension pot is then converted into an annual pension by dividing it by the pensioner’s annuity divisor, which reflects his/her remaining life expectancy at the time of drawing. The pension reserve will increase by 18.1% of the contributor’s gross income each calendar year. Income exceeding 7.1G is disregarded.

11. Guaranteed pension

Persons insured for pension purposes and who have a total insurance period of three years between the age of 16 and the year they become 66 are entitled to a guaranteed pension. It is not a requirement that claimants have to be contributing at the time of claiming if they have been insured for at least 20 years (on the basis of periods of residence).
Competent authorities

NAV – the Norwegian Labour and Welfare Administration (www.nav.no).

Voluntary social security scheme

Persons working/staying outside Norway may apply to contribute voluntarily to the Norwegian National Insurance Scheme. Applicants must have been insured in Norway for at least three of the last five calendar years preceding the application, and having close connections (business/social) with Norwegian society.
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Poland

General background

Poland has an extensive statutory social security system based on solidarity.

The social security system in Poland consists of:
- old-age pension insurance;
- invalidity and survivor’s pension insurance;
- sickness and maternity/paternity insurance;
- work accidents and occupational diseases insurance;
- health insurance (within the health care system).

Additionally, Poland has a system of family benefits, social assistance benefits and unemployment benefits.

Covered persons

The Polish social security system covers virtually all people in active employment, including:
- employees;
- self-employed persons;
- farmers (special scheme not gone into in this country profile);
- judges and public prosecutors (special scheme not gone into in this country profile); and
- their family members.

Social insurance may be compulsory or voluntary. Insurance is compulsory for all people in active employment and they need to be affiliated to the social security system either by virtue of their employer paying contributions for them (in the case of employees) or by their paying their own contributions (e.g. for the self-employed or the clergy).
Contributions

Contributions in Poland should be reconciled, paid and declared on the appropriate declarations on a monthly basis by the tenth (for self-employed persons) or 15th day of the following month (for employees).

1. Salaried persons

Contributions to old-age pension insurance are financed in equal parts by insured persons and contribution payers (i.e. employers). The rate is 9.76% of the assessment basis for each of these groups, which makes a total of 19.52%. Contributions to invalidity pension insurance are financed at a rate of 1.5% of the assessment basis by beneficiaries, and 6.5% by employers, totaling 8%. Old-age pension and invalidity pension contributions are paid on gross earnings up to an annual cap of PLN 112,380 in 2014 (it changes for each calendar year).

Contributions to sickness insurance (2.45%) and health insurance (9%) are fully financed by insured persons.

Contributions to work accident insurance are fully financed by employers. Different percentage rates apply for individual contribution payers. It is 1.93% if work accident insurance is taken out for up to nine employees, and 0.67%-3.86% depending on the type of economic activity/risk category if more than nine employees are affiliated. Contributions to the Labour Fund (at a rate of 2.45%) and the Fund for Guaranteed Employee Benefits (at a rate of 0.1%) are also fully financed by employers.

Apart from employees, persons engaged under civil law agreements (e.g. personal service contract or specific task agreement) are covered under the Polish social security system to a similar extent.

2. Self-employed persons

The percentage rates presented above for salaried persons apply accordingly to self-employed individuals, but they are fully financed by the insured persons.

The assessment basis for calculation of the social security contributions is the amount declared by the beneficiaries. However, it cannot be lower than 60% of the forecast average monthly income for a given year (i.e. PLN 2,247.60 a month in 2014), while, for certain contributions (pension and disability insurance), it cannot be higher than the cap for a given year (PLN 112,380 in 2014). As for health insurance contributions, the declared basis cannot be lower than 75% of the average monthly remuneration in the relevant business sector in the fourth quarter of the previous year (i.e. PLN 3,004.48 a month for 2014).

A reduction scheme is available for persons commencing business activities (not in favour of a former employer) for up to two years.

The basis for calculating the social security contributions for such persons is the declared amount, but no less than 30% of the minimum remuneration in a given year (i.e. PLN 504 in 2014).
Benefits
For insured persons and their family members

1. Health care
Beneficiaries of free health care in Poland include those covered by general health insurance (either compulsory or voluntary) as well as persons who are not directly insured: these are Polish citizens that require to meet certain conditions.

Free health care benefits are provided by service providers with which the NFZ (the National Health Fund) has contracted. Such providers include doctors who practise within the health insurance system (general practitioners, dentists), health care establishments (hospitals, first-aid services, dispensaries, health centres, outpatient clinics, etc.) and private surgeries. Beneficiaries and eligible persons are entitled to medicines and medical devices on the basis of a prescription issued by a doctor who practises within the health insurance system or by a doctor who does not practise within that system but has a contract with the NFZ authorising him to issue prescriptions.

2. Sickness cash benefits
Sickness insurance provides cash benefits if the insured or a member of their family falls ill or becomes pregnant. The fund pays the following benefits: sickness allowance, rehabilitation allowance, compensation allowance and child-minding allowance.

Sickness allowances are granted on the basis of medical certification using the ZUS's form ZLA to confirm temporary inability to work after a certain period of sickness. For the first 33 days of sickness (or 14 days of sickness in case of employees who are at least 50 years old), employees continue to be paid by their employers. The allowance is due for each day they are unable to work, including legal holidays. It is calculated on the basis of 1/30 of monthly pay and paid for a period of up to 182 days, or 270 days if the inability is caused by tuberculosis or occurred within the period of pregnancy. The sickness allowance usually amounts to 80% of the calculation basis, with some exemptions (e.g. 70% for the period of hospitalisation, 100% if the inability was caused by an accident at work, and so on).

3. Accidents at work and occupational diseases
Sickness, disability pension and indemnity benefits connected with an accident at work or an occupational disease are paid from the accident insurance fund. They can be as follows:

• sickness allowance – paid from the first day that the person is unable to work because of an accident at work or occupational disease;
• rehabilitation allowance – paid for up to 12 months to persons still unable to work when their eligibility for sickness allowance lapses, and who are expected to be able to recover the ability to work with further treatment or therapeutic rehabilitation;
• compensation allowance – paid to a person who has suffered a reduction in pay due to permanent or long-lasting damage to his health;
• invalidity pension.

In addition, an insured person who has suffered permanent or long-lasting damage to his health as a result of an accident at work or an occupational disease may receive from the ZUS lump-sum refunds of the costs of dental treatment, vaccinations and orthopaedic equipment as provided by law.

The above insurance is only available within the compulsory social security system.
4. Invalidity benefits

Invalidity benefits are paid in the event of loss of cash income if an insured person becomes unable to work. They include invalidity pension due to inability to work, training, and survivors’ pensions.

The right to an invalidity pension due to inability to work may be claimed by people who meet the following requirements:

• they are unable to work (they are deemed partially or totally unable to hold any gainful employment because of the state of their health);
• they can demonstrate that they have completed the required period for coverage (contributory and non-contributory);
• the inability to work arose during periods specifically set out in the regulations (e.g. during the period of employment, etc.) or not later than 18 months after the end of these periods.

5. Survivor's benefits

Survivors’ benefits consist of a survivor’s pension and a funeral allowance. Both are paid to members of the family (mainly children and the spouse) of a deceased person.

Children may receive a survivor's pension if they have not reached the age of 16 (or 25 if they are still in education). Widow(er)s receive the pension if, at the time of death, they are 50 years of age or unable to work. They are also eligible if they are younger than 50 but are raising at least one child who is under 16 and eligible for a survivor's pension in respect of the deceased. If the child of the deceased is in education, the widow(er) may also claim the survivor's pension until the child's 18th birthday. Widow(er)s who reach the age of 50 and become unable to work within less than five years after their spouse's death are also entitled to a survivor's pension. Divorced widow(er)s are still eligible to receive the pension (even if they remarry) if they were receiving alimony from the deceased.

The amount of the survivor’s pension corresponds to 85-95% (depending on the number of beneficiaries) of the pension to which the deceased was entitled. The statutory minimum pension is PLN 831. All eligible family members receive a single joint survivor's pension, which, if necessary, is divided equally among all the beneficiaries. To receive a survivor's pension, an application needs to be submitted to the social security authorities.

The funeral allowance is paid only once. It may be granted to the person who has covered the funeral costs. The funeral allowance is a one-off payment of PLN 4,000. The relevant application to the authorities has to be submitted within 12 months of the death.
6. Family benefits

Family benefits comprise family allowance and its supplements as well as attendance benefits.

Family benefits may be claimed by people who reside in Poland and whose family income does not exceed PLN 539 per person in the family (PLN 623 per person if one of the family members is a disabled child).

Family allowance is payable from the child’s birth until his/her 18th birthday, or until the child completes his/her education (but no later than his/her 24th birthday if the child is disabled and is in education, and his/her 21st birthday for other children in education).

The allowance is paid monthly and amounts to PLN 77–115 depending on the child’s age.

Supplements amount to:

- a childbirth lump-sum supplement – PLN 1,000 (paid only to those whose family income does not exceed PLN 1,922 per person);
- a childcare allowance paid to persons on parental leave – PLN 400 monthly (paid for the period not exceeding 24 months after the child’s birth);
- a single-parent’s supplement – PLN 170 monthly per child (but no more than PLN 340 in total) or, for a disabled child, PLN 250 monthly per child (the maximum then being PLN 500);
- a large-family supplement – PLN 80 monthly;
- a disabled child’s training and rehabilitation supplement – PLN 60-80 monthly;
- a school year starter’s supplement – PLN 100 (yearly);
- a supplement for educating a child away from home – PLN 50-140 monthly (10 payments a year).

Family benefits also cover attendance benefits (nursing allowance, nursing benefit and special welfare benefit).

The nursing allowance, which amounts to PLN 153 monthly, is paid for disabled children until age 16 and those over 16 who hold an official certificate of severe or moderate disability that arose before their 21st birthday. This allowance is also granted to people over 75 who are not eligible for an allowance in addition to the old-age or invalidity pension. This allowance is paid to eligible individuals regardless of the family’s income.

Nursing benefit is paid to people forced to give up their job to take care of a child of theirs who suffers from an officially certified disability. It amounts to PLN 620 monthly and is paid to eligible individuals regardless of the family’s income.

Special welfare benefit is paid to people required to provide maintenance to members of their families who suffer from an officially certified disability. It amounts to PLN 520 but is paid only to those whose family income does not exceed PLN 623 per person.

7. Maternity and paternity benefits

According to new draft regulations parents of children born after 31 December 2012 are entitled to 20 weeks of maternity leave (with 14 weeks being reserved for the mother of a child), six weeks of an additional maternity leave and another 26 weeks of parental leave. The additional maternity leave and parental leave can be shared between the mother and the father of a child.

During the whole period of a leave related to the birth (or adoption of a child), the insured person has a right to a parental allowance.

It amounts to 100% of the average monthly remuneration paid over the last 12 calendar months before the claimant became unable to work (if it is chosen by parents to receive it for the period not exceeding 26 weeks). In case the benefit is received for the whole period of 52 weeks, it amounts to 80% of the average monthly remuneration paid over the last 12 calendar months before the claimant became unable to work. Alternatively, one may receive 100% of the allowance for the first 26 weeks and then 60% for the additional 26 weeks.
8. Unemployment

Replacement income is granted to persons who involuntarily lose their salaried employment. However, being subject to the social security scheme for salaried persons is not sufficient to claim unemployment benefits. The claimant must also prove a sufficient number of working days (e.g. invalidity, holidays) during a particular reference period. Unemployment insurance is also only granted if there are no offers of employment, training or internships with an employer, or public works appropriate for an unemployed person.

Unemployment benefit amounts to PLN 824 a month for a period of three months, and PLN 647 thereafter.

Depending on the length of the claimant’s employment period and the unemployment rate within the area where he/she lives, the benefit may amount to 80-120% of the aforementioned amounts and may be paid for a period of from six to 12 months.

In order to receive benefit, claimants must register as unemployed with the employment agency.

If the unemployed person is close to retirement age, there is also an early retirement benefit which may be granted by the social security authorities.

9. Old-age pension and benefits

Retirement pension is a benefit to which a person is entitled based on his or her working lifetime and once a retirement age is reached. The normal retirement age in Poland until recently used to be 65 for men and 60 for women. Recently, higher limit have been laid down: 67 for both men and women. This change is gradually implemented by increasing the retirement age by one month every four months as from 2013, and will last till 2020 for men and till 2040 for women.

Depending on the year of birth, the retirement pension may be paid on the basis of the length of the claimant’s working career (for people born before 1949) or on the basis of the capital paid into the system throughout their working life (for people born after 1968). People born between 1949 and 1967 may receive a pension depending on their choice of one of the above bases.

More favourable conditions for old-age pension eligibility are enjoyed by some special groups, such as war invalids or the military, public sector employees, teachers, miners and railway employees.

The statutory minimum pension is PLN 831 and the maximum is 100% of the reference wage.
Competent authorities

1. Social security

The social security system for people employed outside the special schemes (for farmers, judges and public prosecutors) is managed by the Social Insurance Institution (‘ZUS’) and its regional branches.

It collects all contributions to the system and transfers them to the appropriate organisations (e.g. health insurance contributions to the National Health Fund, a part of the pension insurance contribution to the open pension funds selected by each insured). It is also responsible for sickness and maternity cash benefits, retirement, invalidity and survivors’ pensions, and employment injuries and occupational diseases benefits.

An Agricultural Social Insurance Fund (‘KRUS’) operates in Poland to provide administrative services for the social security scheme for farmers.

2. Health insurance

The health care system is managed by the National Health Fund (‘NFZ’) and its local branches. It is broadly responsible for financing health care benefits and refunding the costs of medicines. The regional health funds are responsible for providing sickness and maternity health care benefits.

3. Other authorities

Other authorities also provide specific social benefits in Poland, i.e. Community Social Policy Centres providing family benefits, Local and Regional Labour Offices providing unemployment benefits, and the State Fund for Rehabilitation of the Disabled, which is responsible for rehabilitation and employment programmes for disabled persons.
Voluntary social security scheme

In Poland, it is possible to pay just pension and disability insurance premiums on a voluntary basis.

It is also possible to contribute separately to the voluntary health insurance scheme. For that purpose, individuals need to enter into a special agreement with the NFZ. Voluntary contributions are payable on the declared value of income..

1. Social security rates 2014 in Poland

<table>
<thead>
<tr>
<th>Type of insurance</th>
<th>Total percentage rate</th>
<th>Employer’s part</th>
<th>Employee’s part</th>
</tr>
</thead>
<tbody>
<tr>
<td>Pension¹</td>
<td>19.52%</td>
<td>9.76%</td>
<td>9.76%</td>
</tr>
<tr>
<td>Disability²</td>
<td>8.00%</td>
<td>6.50%</td>
<td>1.50%</td>
</tr>
<tr>
<td>Sickness</td>
<td>2.45%</td>
<td>–</td>
<td>2.45%</td>
</tr>
<tr>
<td>Accident</td>
<td>1.93%² / (0.67% – 3.86%)³</td>
<td>1.93%² / (0.67% – 3.86%)³</td>
<td>–</td>
</tr>
<tr>
<td>Labour fund</td>
<td>2.45%</td>
<td>2.45%</td>
<td>–</td>
</tr>
<tr>
<td>Employee guaranteed benefits fund</td>
<td>0.10%</td>
<td>0.10%</td>
<td>–</td>
</tr>
<tr>
<td>Total</td>
<td>34.45%² / (33.19% – 36.38%)³</td>
<td>20.74%² / (19.48% – 22.67%)³</td>
<td>13.71%</td>
</tr>
</tbody>
</table>

¹ Contributions paid on gross earnings up to annual cap of PLN 112,380
² Employing up to nine employees
³ Employing above nine employees – percentage rate depends on type of economic activity

2. Health insurance contribution in Poland for 2014

The contribution in 2014 amounts to 9% of the assessment basis, i.e. gross income decreased by the amount of the employee’s part of social security contributions. The amount of 7.75% of the assessment basis is deducted from the employee’s personal income tax liability while the remaining 1.25% is financed from the employee’s net income. There is no cap on the health insurance contributions’ assessment basis.
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The Portuguese social security system aims to ensure basic rights and equal opportunities for all citizens. It also aims to promote social cohesion both for Portuguese citizens and for foreign citizens developing a professional activity or residing in Portuguese territory.

The top priorities of Portuguese social security system are to ensure the right to social security; to promote sustained improvement of conditions and levels of social protection while enhancing equity; and to promote the efficiency of the system and its efficient management.

In general terms, the Portuguese social security system covers the following eventualities: sickness, parenthood, professional diseases, unemployment, disability, death and retirement.

Employees subject to Portuguese social security have to be registered when starting to work and deregistered upon termination. The deadlines for registration are very short and failure to comply may result in several penalties.

The Portuguese social security system is divided into three regimes:

- a regime for salaried persons (individuals who are linked to an employer by an employment agreement). This regime includes a sub-regime for members of statutory bodies within a company;
- a regime for self-employed persons (individuals who work outside the scope of an employment agreement);
- a voluntary social security regime (for individuals who are not affiliated to the statutory social security system).
Portugal

Contributions

1. Salaried persons
Social security contributions are due by both employees and employers on a monthly basis.

The employee's contributions are withheld by the employer and deducted from his/her gross remuneration, whilst the employer's contributions are paid on top of the gross remuneration.

Generally, social security contributions are chargeable at flat rates of 11% for employee contributions, and of 23.75% for employer contributions (uncapped). Both contributions are tax deductible.

Work injury insurance is not included in the above. Employers are required by law to pay a separate fee to an insurance company to protect their employees in the event of work injury.

In general terms, employees have the following eventualities covered: sickness, parenthood, professional diseases, unemployment, disability, death and retirement.

2. Self-employed persons

The Portuguese social security rate applicable to self-employed persons varies from 29.6% to 34.75%. The rate applicable to self-employed entrepreneurs and holders of an individual limited liability establishment (EIRL) corresponds to 34.75%. The contributions are due on a monthly basis.

The basis for contributions due by self-employed persons is a notional income. The contribution basis will be determined by the social security authorities, by reference to the income actually obtained by the self-employed person but limited to a monthly amount of EUR 5,030.64. The social security authorities will determine the contribution basis in October, and afterwards will inform the self-employed person of the amount to be contributed by him or her.

However, self-employed persons are not subject to Portuguese social security during, at least, the first year of activity.

Based on the Portuguese social security code, acquirers of services rendered by self-employed persons are liable to social security contributions at 5% (on the fees paid) if the company/entity benefits from 80% (or more) of the self-employed person's activity, i.e. if the self-employed person renders 80% or more of his or her services to a single entity.

Contributions to social security regarding self-employed persons cover sickness, parenthood, professional disease, disability, death and retirement benefits. Unemployment benefits are only available for economically dependent self-employed persons and for self-employed entrepreneurs and holders of an individual limited liability establishment (EIRL). A self-employed person is considered economically dependent when 80% or more of his or her services are rendered to one and the same company or group.
Members of statutory bodies within a company

Social security contributions are due by both members of the board and employers on a monthly basis. These contributions vary from 9.3% to 11% as far as the board member contributions are concerned, and from 20.3% to 23.75% as far as the employer contributions are concerned. Members of statutory bodies who hold management or administration positions in the company are taxed at 11% (payable by the board member) and 23.75% (payable by the employer).

Up to the end of 2013, the taxable basis for Portuguese social security purposes applicable to board members was capped at EUR 5,030.64. However, as from this year (2014), that limit has been revoked.

Contributions to social security for members of the board cover sickness, parenthood, professional disease, disability, death and retirement benefits. Unemployment benefits are only available for members of statutory bodies who hold management or administration positions.
Portugal

Benefits

1. Healthcare
Healthcare is not financed by the social security authorities. All citizens have the right to basic healthcare, even if they do not pay social security contributions.

2. Sickness subsidy
This benefit is allocated to beneficiaries to compensate the loss of earnings resulting from temporary incapacity for work due to illness. There is a waiting period of three days for salaried persons and of 30 days for self-employed persons and for those under the voluntary social security scheme. However, for some situations, there is no waiting period. Salaried persons are entitled to sickness benefits if they meet certain conditions (they should e.g. have completed a minimum contribution period of six months). The maximum duration of the subsidy is 1,095 days and 365 days for employees and self-employed persons, respectively. After the maximum period of attribution of sickness subsidy, the beneficiary will start to receive a disability pension if he/she obtains a certificate of permanent incapacity for work.

In general terms, the amount of sickness subsidy depends on the salary level in the last eight months, as well as the duration and nature of the sickness and the duration of the disease.

The sickness subsidy is subject to a contribution of 5% (some exceptions are applicable).

3. Unemployment benefits
Replacement income is paid to those who are dismissed/lose their work involuntarily.

Salaried persons are entitled to unemployment benefits if they meet certain conditions (they should e.g. have completed a minimum contribution period of 365 days in the 24 months preceding unemployment). The duration of this type of benefit depends on the age of the beneficiary and the number of months of contributions to Portuguese social security. The maximum duration ranges between 270 days and 1,140 days.

In general terms, the amount of the unemployment benefit corresponds to a percentage of the average of the remuneration received by the beneficiary in the first 12 months of the last 14 months preceding unemployment. After 180 days, the benefit is reduced by 10%.

The monthly unemployment allowance cannot exceed the monthly net remuneration earned by the unemployed person while he/she was still working and cannot exceed 2.5 times the monthly salary of reference (EUR 1,048.05). Entitlement to unemployment benefits is subject to a contribution of 6% (some exceptions are applicable).

4. Retirement pension and disability pension
Retirement pension and disability pension are allocated to beneficiaries to compensate the loss of earnings resulting from old age and permanent incapacity for work, respectively.

The calculation for the retirement age is very complex and differs according to life expectancy. The normal retirement age in 2014 and 2015 is 66. For the following years, the normal retirement age will be determined based on the evolution of the average life expectancy at the age of 65. Indeed, the Government has recently published legislation establishing that the retirement age will be published every two years and will be indexed to the Portuguese average life expectancy.

The monthly unemployment allowance cannot exceed the monthly net remuneration earned by the unemployed person while he/she was still working and cannot exceed 2.5 times the monthly salary of reference (EUR 1,048.05). Entitlement to unemployment benefits is subject to a contribution of 6% (some exceptions are applicable).
Early retirement is possible as from the age of 55 provided that the employee has contributed to the social security system for minimum 30 years. However, in this case, the retirement pension amount may be reduced by a factor of 0.5% multiplied by the number of months of anticipation by reference to the normal retirement age. In addition, a sustainability factor is applicable, which depends on the evolution of average life expectancy at the age of 65. Nevertheless, the early retirement regime is suspended (with some exceptions) during the Economic and Financial Assistance Program for Portugal (which is expected to end mid-2014).

A beneficiary is entitled to a full retirement pension in Portugal if he/she has made social security contributions for minimum 15 years. In order to obtain the disability pension, the beneficiary should have five contributing years (in the case of partial disability) and three contributing years (in the case of absolute disability).

The formula to calculate the retirement and disability pension is very complex. However, it generally corresponds to a percentage of between 2% and 2.3% of the average remuneration received by the beneficiary multiplied by the number of contributing years.

Up to 2001, the pension calculation took into account the 10 years of highest social security contributions in the last 15 years preceding retirement/disability (so-called “old calculation method”). However, in 2002, the social security legislation changed in order to consider the total contributing career of the beneficiary in the calculation of the pension (so-called “new calculation method”). In order to guarantee the rights acquired by beneficiaries who were registered for social security purposes prior to 2002, the pension calculation formula combines the “old calculation method” and the “new calculation method”.

Pensions paid to a sole individual in the sum of over EUR 1,000 (sum of total pensions, including private pensions received in Portugal) are subject to an extraordinary solidarity contribution (CES) at a rate that varies between 3.5% and 5%.

5. Maternity/paternity subsidy

A parental subsidy is allocated to the mother and father to compensate the loss of earnings during parental leave upon the birth of a child.

In order to obtain the subsidy, the mother/father should have completed minimum six months of social security contributions.

The subsidy may be attributed up to a period of 120 days or 150 days, depending on the option of the parents (in some situations this period may be extended by 30 days).

In general terms, this type of benefit corresponds to a percentage of the remuneration of reference (depending on the duration of the leave). The remuneration of reference corresponds to the average of the remuneration received by the beneficiary in the first six months of the last eight months preceding the leave.
6. Family allowance

The family allowance aims to compensate the family charges related to the education and support of children.

In order to qualify for the family allowance, the child must be resident in Portugal and may not work. In addition, the parents should not have a yearly remuneration of reference higher than EUR 8,803.63. Remuneration of reference corresponds to the total earnings of the household, divided by the number of children (qualifying for the family allowance) plus one.

The family allowance may be attributed to children up till age 16. However, it can also be attributed to children over 16 years old provided that some criteria are met.

The amount of the family allowance is calculated based on the age of the child qualifying for the benefit; the number of family members in the household; and the level of the remuneration of reference of the household. For children aged 12 months or less, the monthly benefit varies between EUR 92.29 and EUR 140.76; for children between 12 and 36 months old, the benefit varies between EUR 26.54 and EUR 105.57; for children over 36 months old, the benefit varies between EUR 26.54 and EUR 35.19. These amounts may be increased provided that some criteria are met.

7. Survivor's pension

This benefit is granted to the beneficiary’s family upon his/her death, and aims to compensate the beneficiary’s family for the loss of earnings due to that death.

The survivor’s pension is attributed to the family (spouse; ex-spouse; de facto married partner; descendants; ascendants) if the beneficiary had contributed to social security during 36 months. However, the beneficiary family should also meet some criteria in order to be entitled to the benefit.

If the spouse/ex-spouse/partner is less than 35 years old, he/she is entitled to the pension during five years. If he/she is more than 35 years old, there is no time limit. Descendants are entitled to the pension up to age 18 and, subject to certain criteria, up to age 27.

The monthly amount of pension corresponds to a percentage of the value of the pension the beneficiary was receiving or the pension that the beneficiary would be entitled to by the time of death.
Contributions paid by employers and employees are collected by National Social Security (i.e. the competent authority for salaried and self-employed persons). For salaried persons, the employer must report the remuneration of its employees by no later than the 10th day of the month following the month to which the income relates and then the contributions due on that income must be paid between the 10th and the 20th day of the month following the month to which the income relates. For self-employed persons, the contributions must be paid by no later than the 20th day of the month following the month to which the income relates.

Individuals not subject to the mandatory Portuguese social security scheme may register under the voluntary social security scheme, which aims to guarantee social security protection for both national citizens and for foreign citizens who are resident in Portugal for at least one year, are over 18 years old and are able to work.

The voluntary social security scheme may also be applicable, among other situations, to national citizens who exercise an activity abroad and are not covered by a social security totalisation agreement to which Portugal is a party.

In general, the voluntary social security rate is 22%, and the basis for contributions is a notional income. Regarding the contribution basis, the individual may choose among 10 brackets of notional income, which vary between EUR 419.22 and EUR 3,353.76.

For most situations, the voluntary social security scheme only covers disability, death and retirement benefits. It is not possible to pay more in order to cover also other risks.
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Romania

General background

The Romanian social security system includes a range of contribution-based and means-tested benefits and is based on solidarity. The following main areas are covered:

- retirement;
- bereavement;
- incapacity for work;
- job-loss;
- family support;
- health care.

Covered persons

As a general rule, all individuals with a temporary or permanent residence in Romania must pay into the Romanian social security system, unless exemptions apply under international social security arrangements Romania applies. Liability depends on the type of income the individual is in receipt of.
Contributions

1. Social security contributions on salary income

Social security contributions are due by both employers and employees. The employee’s contributions are deductible for tax purposes. They are charged on the entire gross income received by employees; general and special exemptions apply.

In addition, companies failing to employ the minimum number of employees with disabilities required by law may instead either pay a monthly amount to the Treasury or purchase products or services created or provided by individuals with disabilities.

The applicable social security rates are:

<table>
<thead>
<tr>
<th>Insurance type</th>
<th>Employer</th>
<th>Employee</th>
</tr>
</thead>
<tbody>
<tr>
<td>Social security insurance – pension (old age pension, bereavement and survivor’s benefits)</td>
<td>20.8%-30.8% (capped) (depending on working conditions) Cap: RON 11,490/EUR 2,553 multiplied by the number of employees</td>
<td>10.5% (capped) Cap: 5 times the annual average gross salary (RON 11,490/EUR 2,553)</td>
</tr>
<tr>
<td>Health insurance</td>
<td>5.2% (uncapped)</td>
<td>5.5% (uncapped)</td>
</tr>
<tr>
<td>Unemployment insurance</td>
<td>0.5% (uncapped)</td>
<td>0.5% (uncapped)</td>
</tr>
<tr>
<td>Sick leave and sickness benefit insurance</td>
<td>0.85% (capped) Cap: RON 10,200/EUR 2,266 multiplied by the number of insured employees</td>
<td>N/A</td>
</tr>
<tr>
<td>Accidents at work and occupational diseases insurance</td>
<td>0.15%-0.85% (uncapped) (depending on working conditions)</td>
<td>N/A</td>
</tr>
<tr>
<td>Salary payment guarantee fund</td>
<td>0.25% (uncapped)</td>
<td>N/A</td>
</tr>
</tbody>
</table>

2. Social security contributions on income from self-employment

Income from self-employment is subject to individual health insurance contributions of 5.5%.

In addition, social insurance contributions of 31.3% are due unless the individual already contributes to the public pension system in a given capacity, e.g. as employee. Contributions are due on insured income, which can vary between 35% of the annual gross average wage (RON 804/EUR 179) and five times that amount (RON 11,490/EUR 2,553).

3. Social security contributions due by self-sufficient individuals

Romanian nationals keeping their domicile in Romania and foreign nationals residing in Romania have to pay monthly health insurance contributions of 5.5% of the Romanian minimum wage (RON 850/EUR 189) provided they do not derive other income in Romania on which health insurance contributions are due and they are not subject to the social security legislation of a country for which Romania applies international social security arrangements.
Benefits

1. Pensions

The following main types of pensions may be granted in Romania to individuals insured under the public pensions system:

**Standard old-age pension**

In order to be eligible for a standard old-age pension, two cumulative conditions must be met on the date of retirement: the standard pensionable age must have been reached (currently 65 for men, 63 for women) and the minimum period of contributions into the public pensions system (currently 15 years for both men and women). The complete contribution period is 35 for both sexes.

**Early old-age pension**

In order to be eligible for an early old-age pension, claimants must have contributed for the complete period or have exceeded it by up to eight years. The pension may be applied for no more than five years before reaching the standard retirement age. The amount paid is reduced by 0.75% for each month the pension is brought forward.

**Invalidity pensions**

Invalidity pensions are paid to claimants who have either partially or entirely lost their capacity to work due to employment injuries, occupational diseases and other causes.

Under certain conditions, invalidity pensions are paid irrespective of the period the claimant contributed for. In other cases, the required contribution period varies depending on the claimant's age at the time the invalidity occurs. If the conditions for granting an old-age pension are met, it takes the place of invalidity pension. The amount more favourable to the claimant will apply.

**Part early old-age pension**

To be eligible for part early old-age pension, claimants must have contributed for the complete period or have exceeded it by up to eight years. The pension may be applied for no more than five years before reaching the standard retirement age. The amount paid is reduced by 0.75% for each month the pension is brought forward.

**Survivor’s pensions**

The children and surviving spouse of the deceased are entitled to a survivor’s pension provided the deceased was a pensioner or was entitled to a pension. The pension amount and the time for which it is paid vary depending on certain conditions (age, duration of marriage).

Survivors’ pensions are based on the deceased's old-age pension (entitlement or already paid out) or his/her first degree invalidity pension. The amount varies according to the number of entitled survivors (50% for one survivor, 75% for two, 100% for three or more).
2. Unemployment benefit

Unemployment benefit is available to claimants with completed contribution periods of at least 12 months during the last 24 months before signing on. They must actively look for work, be able to work and not be eligible for old-age pension benefits; their income must also be below a certain level.

Benefit may be granted for periods from six to 12 months depending on the length of the contribution period. The amount depends on the claimant’s gross average salary during the last 12 months and the period for which he/she has contributed.

In addition to unemployment benefit, the unemployed may be entitled to other services provided by employment agencies, which are meant to increase the chances of integrating into the labour market (e.g. career-orientation services, vocational training or advice on starting a business).

3. Family benefits

There are several types of family support allowances in Romania, like State child allowance, child-raising benefit and leave, and family support benefit.

Children up to 18 or up to secondary or post-secondary school-leaving age are entitled to receive State child allowance. It is paid monthly and is RON 200 for children up to two, RON 42 for children between the ages of two and 18 and other children entitled to receive State child allowance, and RON 84 for children between the ages of three and 18 with disabilities.

In addition, parents are entitled to child-raising benefit and leave, provided they live together with the child who is in their care and have received taxable income from employed/self-employed/agricultural activities for at least 12 months. It may be paid monthly for 12 or 24 months and represents 85% of the average net revenue received by the applicant parent during the last 12 months. The amount of benefit cannot be less than RON 600 (computed based on ISR, a social benchmark indicator currently of RON 500, as 1.2 x ISR) or more than RON 3,400 (6.8 x ISR), if paid for 12 months, or higher than RON 1,200 (2.4 x ISR), if paid for 24 months.

Family support benefit is social aid aimed at families with at least one child in their care and whose average monthly income is below a certain level. The benefit varies depending on the number of children and the average monthly income of the family.

4. Health care benefits

Insured individuals may benefit from health care services in Romania for cases of illness or accident, from the first day of sickness or the date of the accident until full recovery.

In particular, claimants are entitled: to choose their medical service provider; to be referred to a family physician of their choice; to receive medical services, certain medicines, sanitary products and medical devices in an non-discriminatory manner, in accordance with the law; to reimbursement of expenses incurred during hospitalisation in respect of medicines, sanitary products and other medical tests and examinations to which they should be entitled without charge; to undergo medical examinations for preventive purposes; to receive medical assistance services aimed at illness prevention and health promotion; to receive medical services in infirmaries or hospitals that are contracted with the health insurance authorities; to receive medical services in cases of emergency; to receive limited dental care services; and to receive medical care at home.
5. Sickness/maternity cash benefits

Victims of illness or those unable to work may be entitled to leave and benefits intended to replace the attendant loss of income. The minimum contribution period to qualify for sickness/maternity cash benefits and leave is one month during the last 12 months before the benefit is granted.

Sick leave and benefit for temporary incapacity of work are usually granted for up to 183 days within 12 consecutive months counting as from the first day of sickness. Starting with the 91st day of sickness, sick leave can be extended by a specialist physician with the approval of a social insurance practitioner. Sickness benefits 75% of the patient’s average monthly income for the last six months, capped at 75% of the amount representing 12 times the national gross minimum wage (RON 10,200).

Maternity leave and allowances are aimed at expectant/new mothers and may be granted for periods of up to 126 days, of which 63 are prior to giving birth and 63 afterwards. The allowance is 85% of the claimant’s average monthly income for the last six months, capped at 85% of the amount representing 12 times the national gross minimum wage (RON 10,200).

Child care leave and allowances may be granted to one of the child's parents, foster parents or guardians, provided they contributed for a minimum of one month during the last 12 months and their sick child is under seven, or 18 in the case of children with disabilities. Child care leave and allowances may be granted for up to 45 days for each child within a calendar year; the amount is 85% of the claimant’s average monthly income for the last six months, capped at 85% of the amount representing 12 times the national gross minimum wage (RON 10,200).

6. Accidents at work and occupational diseases benefits

Individuals insured within the Romanian insurance system for accidents at work and occupational diseases are entitled to the following main services and benefits:

Rehabilitation and job retraining services

These services are provided to insured individuals who can no longer perform their usual activities as result of a work accident or occupational disease. They are entitled to medical and psychological services to assess their physical and medical condition and the skills they possess with a view to job retraining. They are also entitled to receive retraining courses and allowances are paid during the qualification and retraining period. The allowances are paid monthly at 70% of the claimant’s gross basic wage at the time the accident at work or occupational disease occurred.

Allowances for temporary incapacity for work

Individuals suffering a temporary loss of work capacity as the result of an accident at work or an occupational disease are entitled to an allowance which covers 80% of the average gross salary earned during the last six months before the risk occurred. In cases of medical and surgical emergencies, this amount shall rise to 100% of the same amount. It is paid for up to 180 days within a reference period of one year as from the first day of medical leave. In exceptional circumstances, it may be paid for longer, but the extension may not exceed 90 days. It is paid by the employer for the first three days of incapacity of work and then by the insurer.

Allowances for temporary transfer to another work place and a reduction in working time

Individuals may be temporarily transferred to another work place or their normal working time may be reduced by 25% if they can no longer carry out their work at their current work place or according to current work patterns due to an occupational disease or an accident at work. The allowance is equal to the difference between the average gross salary earned over the last six months and the gross salary earned after the change, but cannot exceed 25% of the claimant’s basic income. It is paid monthly for up to 90 days within a calendar year.
Competent authorities

1. Social security contributions

Social security contributions due on employment income are calculated, withheld and paid by employers to the Romanian Tax Administration Agency (Agenţia Naţională de Administrare Fiscală – ANAF) via its local tax offices. Employers are required to file monthly income tax and social security contributions returns.

As of 1 July 2012, social security contributions due by self-employed and self-sufficient individuals are also payable to the ANAF, which has taken over responsibility for managing and collecting their social security contributions from the social security authorities.

The ANAF is also the competent authority to register EEA/Swiss employers in Romania for social security purposes, and to manage and collect social security contributions due in Romania on the salaries of foreign non-resident employers.

2. Social benefits

Competence for implementing the legal provisions in the area of social benefits lies with:

- the National Office for Public Pensions (Casa Nationala de Pensii Publice) in respect of old-age pensions, bereavement, survivor’s pensions and benefits related to accidents at work and occupational diseases;
- the National Agency for Employment (Agentia Nationala pentru Ocuparea Forței de Munca) in respect of unemployment benefit and labour market integration measures;
- the National Office for Health Insurance (Casa Nationala de Asigurari de Sanatate) in respect of sickness benefits in cash and in kind;
- the National Agency for Social Benefits and Inspection (Agentia Nationala pentru Plati si Inspectie Sociala) in respect of family and social assistance benefits.
Voluntary social security scheme

Romania

Voluntary insurance contributions in the public pensions system are 31.3% and apply to an insured amount freely chosen by the individual, which cannot be less than 35% of the Romanian annual gross average wage (RON 804/EUR 179) or more than five times that amount (RON 11,490/EUR 2,553).

Voluntary insurance in the unemployment system is allowed provided contributors are also insured under the Romanian public pensions and health insurance systems. Individuals wishing to voluntarily insure under the unemployment system have to pay contributions of 1%, charged on an insured amount freely chosen by the individual, which cannot be less than the Romanian minimum wage (RON 850/EUR 189) or higher than five times the Romanian annual gross average wage (RON 11,490/EUR 2,553).

Voluntary social security scheme

Romanian nationals and foreign nationals residing in Romania may take out voluntary insurance under the Romanian public pensions and unemployment insurance systems. Voluntary insurance is allowed for those not compulsorily insured under the Romanian social security system, and for persons who are already insured and want to increase their insured amount up to the maximum provided by regulation.
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The obligation to pay social insurance contributions in Russia generally lies with the payer of income, not the recipient. Reduced tariffs could be applicable for employers operating in specific sectors. The summary below covers general tariffs only.

Different requirements are set for social insurance contributions paid by employers on remuneration of Russian and foreign nationals.

Highly Qualified Specialist regime is a migration regime that assumes that a person is a holder of a work permit of a special format and certain requirements imposed by a Russian law are met. The regime is not applicable for Russian citizens.

- Salaried individuals (including those who work under civil law agreements).
- Civil servants
- Individual entrepreneurs
Social security systems around the globe

**Contributions**

1. **Salaried individuals**

Under Russian law, employees do not pay social insurance contributions on their employment income. Contributions are paid solely by employers, on top of employees’ remuneration.

Insurance contributions to the social security funds for 2014 are calculated at 30% on pay up to RUB 624,000, calculated as a cumulative total from the beginning of the year. Contributions on pay exceeding RUB 624,000 are charged at 10%. The threshold is subject to annual indexation.

The 30% contributions up to RUB 624,000 are split among the funds as follows:

- 22% – State Pension Fund
- 2.9% – Social Insurance Fund
- 5.1% – Medical Insurance Fund

The 10% contributions on amounts exceeding RUB 624,000 are paid to the State Pension Fund only.

In addition, Obligatory Accidental Insurance Contributions (‘OAIC’) are also due. The rates vary from 0.2% to 8.5% depending on the level of risk associated with the company’s industry.

2. **Foreign nationals temporarily staying in Russia**

Effective 1 January 2012, insurance contributions are due to the State Pension Fund on the pay of foreign nationals temporarily staying in Russia, except for highly qualified specialists (‘HQSs’) and those whose employment is for a term of less than six months. No contributions are paid to the Social Insurance and Medical Insurance Funds on the pay of foreign nationals on a temporary stay. Hence, the rates charged are 22% for the first RUB 624,000 and 10% on anything over that threshold.

Therefore, the rates applicable to the annual remuneration of employees who are foreign national employees temporarily staying in Russia (except for HQSs and those the term of whose employment is less than six months) are 22% for the first RUB 624,000 and 10% for amount exceeding that figure.

3. **Individual entrepreneurs**

Individual entrepreneurs (who do not have employees) pay annual insurance contributions to the State Pension Fund and the Medical Insurance Fund at the rate based on the ‘cost of an insurance year’, which is:

- the minimum monthly wage set down for the year for which insurance contributions are paid, multiplied by the relevant tariff and then multiplied by 12 for income below 300,000 per annum and
- the minimum monthly wage set down for the year for which insurance contributions are paid, multiplied by the relevant tariff and then multiplied by 12 plus 1% on income in excess of 300,000.

The minimum monthly wage as of 1 January 2014 was RUB 5,554.

The following tariffs apply for 2014:

- Pension Fund – 26%
- Medical Insurance Fund – 5.1%

Thus, the minimim cost of insurance year 2014 is RUB 17,328.48 (Pension Fund) and RUB 3,399.05(Medical Insurance Fund).

Contributions are payable by 31 December of the current year.
1. Contributions to State Pension Fund

Fund contributions can be paid out as a labour pension on retirement (for individuals working in normal conditions, at age 55 for women, 60 for men; in cases of disability, loss of breadwinner, etc.). However, please be aware that only Russian citizens and foreign nationals permanently living in Russia are entitled to a Russian pension. Foreign nationals temporarily living and staying in Russia (the vast majority of expatriates to Russia) have no right to this pension.

The amount of the actual contributions paid by employers to the State Pension Fund conferring entitlement to a Russian labour pension and the length of service for which contributions are paid (so-called ‘pensionable service’, which may not be less than five years) have a direct impact on the amount of pension that may be claimed.

2. Contributions to Federal Medical Insurance Fund

All employees who have an obligatory medical insurance policy should be covered by free medical care.

Foreign nationals temporarily living and staying in Russia and HQSs plus their family members have no right to state medical insurance.

3. Contributions to Social Insurance Fund

In practice, social insurance (i.e. unemployment material aid, material aid for confinement, etc.) is available to all Russian citizens and foreign nationals (as well as stateless persons) permanently and temporarily living in Russia irrespective of their employment status. However, in the absence of contributions with respect to a particular employee, material aid is in some cases calculated on the minimum monthly wage set down by the government (since 1 January 2014 - RUB 5,554).

4. Obligatory Accidental Insurance Contributions

In the case of disability due to an accident or occupational disease, compensation will be paid to employees during the period of disability. The compensation is paid by the employer, and costs are recoverable from central government providing all supporting documentation is in order.
Russia

Competent authorities

- Ministry of Labour and Social Protection
- Ministry of Health Care
- State Pension Fund
- Federal Medical Insurance Fund
- Social Insurance Fund

Voluntary social security scheme

Individuals may continue to contribute to the State Pension Fund on a voluntary basis, in which case they have to register with the State Pension Fund and then pay the relevant contributions themselves. The scheme entails a certain administrative burden for individuals.
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Sierra Leone has a statutory social security system to provide retirement and other benefits to meet the contingency needs of workers and their dependants and to provide for other related matters.

Sierra Leone’s statutory social security covers the following persons:

- **salaried persons** – individuals who are linked to their employer by an employment agreement;
- **self-employed persons** – individuals who do not have an employer but work on their own account, including members who have left their formal employment before retirement but desire to continue contributing to the fund.
Contributions

1. Salaried persons

Social security contributions are due by both employees and employers. Employees contribute 5% of their total monthly earnings, whilst employers contribute 10% of their employees' monthly earnings.

Contributions are due on the total emoluments earned by employees without any ceiling, except for the value of any food concessions, rent allowances, overtime allowances, travel allowances, bonuses, commissions or any other similar allowance payable to workers.

2. Self-employed persons

The self-employed and other voluntary contributors contribute 15% of their monthly income from their profession, vocation, business or occupation.

Contributions are expected to be remitted to the NASSIT within 15 days after the end of the month to which they relate.
Benefits
For both salaried and self-employed persons

1. Old-age pension and old-age gratuity
An old age pension is paid when a member attains the age of 60 and has contributed to the fund for a minimum of 180 months (15 years). The amount payable is calculated on the basis of 30% of average earnings for the first 15 years of coverage, plus 2% of average earnings for each additional 12-month period. The old-age gratuity is a lump sum equal to 12 months of initial pension paid when members qualify for the old-age pension.

2. Retirement grant
This is paid to members who reached retirement age but have not reached the minimum contribution period of 15 years. A grant is paid equal to 1.5 times the insured's average monthly earnings for each 12-month period of contributions.

3. Invalidity pension
This is granted when a determinable physical or mental impairment prevents a member from engaging in any meaningful gainful employment. A medical board appointed by the authority certifies whether the member is permanently and totally incapable of further employment. To qualify, members should have contributed to the fund for 15 years. The pension is calculated on the basis of 30% of the insured's average earnings for the first 15 years of coverage, plus 2% of their average earnings for each additional 12-month period. A six-month credit period is awarded for every year before age 60 that the claim is made.

4. Invalidity grant
Where members are permanently and totally incapable of further employment but do not qualify for invalidity pension as a result of not meeting the minimum contribution period of 15 years, they are given an invalidity grant. It is equal to 1.5 times the insured's average monthly earnings for each 12-month period of paid contributions.

5. Survivor's pension
This payment is made on the death of a member who was in receipt of old-age pension or invalidity pension, or would have been entitled to an old-age pension at the time of death, or contributed for a minimum of 60 months, of which 12 months' contributions had been paid in the 36 months preceding death and would have entitled him/her to an invalidity pension at the time of death. Surviving widow(er)s are entitled to 40% of the insured's pension payment and dependent children up to the age of 18 (not in formal education) and 23 (in formal education) are entitled to 60%.

6. Survivor's grant
If the qualifying conditions for a survivor's pension are not met, a grant is paid equal to 1.5 times the deceased's average monthly earnings for each 12-month period of contributions.
Competent authorities

National Social Security and Insurance Trust (NASSIT).
Sierra Leone

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General background

The Central Provident Fund (CPF) scheme is a statutory savings scheme which aims to assist working Singapore citizens and Singapore permanent residents (SPRs) with their retirement planning and with meeting their basic needs in terms of health care and housing.

The CPF scheme is a fully vested scheme whereby all contributions made by the employer and employee are credited to the account of the member.

Covered persons

Singapore citizens and SPRs working in Singapore, as well as their employers, are required to contribute to the CPF.

Foreigners are exempt from CPF contributions. Further, Singapore citizens and SPRs working outside Singapore are also exempt from CPF contributions.
Contributions

Employers and covered employees are mandatorily required to contribute to the CPF on a monthly basis. Contributions are computed by applying rates prescribed under the CPF rules to employees’ ordinary wages and additional wages. The terms ‘ordinary wages’ and ‘additional wages’ are defined as follows:

• **Ordinary wages** – wages due or granted wholly and exclusively in respect of an employee’s employment in a given month and payable before the due date for payment of CPF contributions for that month. This usually comprises basic wages for the month, plus any overtime pay, commission or allowances earned in that month.

• **Additional wages** – wages which are not granted wholly and exclusively for the month. This usually refers to annual bonuses, annual commissions and other such payments that are paid at intervals of more than a month.

However, the statutory employer and employee contributions to the CPF based on both ordinary wages and additional wages are subject to capping as follows:

<table>
<thead>
<tr>
<th>Ordinary wage ceiling</th>
<th>Maximum amount payable to the CPF is based on a monthly salary ceiling of S$ 5,000 (since 1 September 2011) for ordinary wages.</th>
</tr>
</thead>
<tbody>
<tr>
<td>Additional wage ceiling</td>
<td>Maximum amount of additional wages on which CPF contributions are payable = S$ 85,000 – total ordinary wages subject to CPF contributions in the year, or actual additional wages, whichever is lower (since 1 January 2012).</td>
</tr>
</tbody>
</table>

The monthly contributions to CPF get allocated to the following three accounts:

1. **ordinary account** – savings can be used to buy a home, pay for CPF insurance, investment and education;
2. **special account** – for old age and investment in retirement-related financial products;
3. **medisave account** – savings can be used for hospitalisation expenses and approved medical insurance.

1. **Rate of CPF contributions**

The rate of CPF contributions is dependent on three factors:

• Singapore citizen or SPR;
• age group;
• wage band.

With respect to SPRs, CPF contributions are payable once a foreign employee obtains SPR status. To help an SPR employee adjust to the lower take-home pay, both the employer and employee are permitted to make CPF contributions at graduated rates for the first two years. The first-year rate is payable from the day the employee obtains SPR status (which is the date indicated on the entry permit (Form 5/5A) that is issued by the Immigration and Checkpoints Authority of Singapore).
### 2. CPF rates (since 1 September 2012)

**A. Rates applicable for:**
- Singapore citizens;
- SPRs in the third and later years of obtaining SPR status;
- SPRs in the first and second years of obtaining SPR status but who have jointly applied with their employer to contribute at full employer and employee rates.

<table>
<thead>
<tr>
<th>Employee age (Years)</th>
<th>Contribution rate (for monthly wages ≥ $1,500)</th>
<th>Credited into</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Employer (% of wage)</td>
<td>Employee (% of wage)</td>
</tr>
<tr>
<td>35 &amp; below</td>
<td>16</td>
<td>20</td>
</tr>
<tr>
<td>Above 35-45</td>
<td>16</td>
<td>20</td>
</tr>
<tr>
<td>Above 45-50</td>
<td>16</td>
<td>20</td>
</tr>
<tr>
<td>Above 50-55</td>
<td>14</td>
<td>18.5</td>
</tr>
<tr>
<td>Above 55-60</td>
<td>10.5</td>
<td>13</td>
</tr>
<tr>
<td>Above 60-65</td>
<td>7</td>
<td>7.5</td>
</tr>
<tr>
<td>Above 65</td>
<td>6.5</td>
<td>5</td>
</tr>
</tbody>
</table>
B. Rates applicable for SPRs in the first and second years of obtaining SPR status

<table>
<thead>
<tr>
<th>Employee's total wages for the month</th>
<th>Total contributions</th>
<th>Contribution by employee</th>
<th>Total contributions</th>
<th>Contribution by employee</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>First-year rates</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Above S$ 750</td>
<td>[9% (OW)] # + 9% (AW)</td>
<td>[5% (OW)] # + 5% (AW)</td>
<td>[9% (OW)] # + 9% (AW)</td>
<td>[5% (OW)] # + 5% (AW)</td>
</tr>
<tr>
<td>50 years and below</td>
<td># Up to a maximum of S$ 450</td>
<td># Up to a maximum of S$ 250</td>
<td># Up to a maximum of S$ 450</td>
<td># Up to a maximum of S$ 250</td>
</tr>
<tr>
<td>Above 50-60 years</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>2nd year rates</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Above S$ 1200</td>
<td>[24% (OW)] # + 24% (AW)</td>
<td>[15% (OW)] # + 15% (AW)</td>
<td>[24% (OW)] # + 24% (AW)</td>
<td>[15% (OW)] # + 15% (AW)</td>
</tr>
<tr>
<td>50 years and below</td>
<td># Up to a maximum of S$ 1200</td>
<td># Up to a maximum of S$ 750</td>
<td>#Up to a maximum of S$ 1,200</td>
<td>#Up to a maximum of S$ 750</td>
</tr>
<tr>
<td>Above 50-55 years</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

OW – Ordinary wages
AW – Additional wages
TW – Total wages (original + additional wages)

Note:
1. The above rates are applicable for private sector and non-pensionable employees.
2. For first and second-year SPRs, rates for age bands above 55 and wage bands between S$ 50.01-S$ 1500 can be accessed at the following link:
Benefits

Contributions to CPF give rise to the following benefits for contributing employees:

- **Retirement**: CPF savings can be withdrawn when employees turn 55, after meeting the CPF minimum sum (MS) requirements under the MS Scheme. The CPF MS can be used to buy a life annuity from a participating insurance company or can be left in the retirement account (RA) with the CPF Board.

- **Health care**: Medisave can be used to pay for the employee’s or his/her dependants’ hospital expenses. It can also be used for certain outpatient treatments like chemotherapy and radiotherapy treatments. Employees can also use Medisave savings to pay the premiums for MediShield or private medical insurance plans under the Private Medical Insurance Scheme (PMIS).

- **Home ownership**: ordinary account savings can be used to buy a home under the CPF housing schemes.

Competent authorities

CPF is managed by the CPF Board.

Employers have a grace period of 14 days to make payment of contributions to the Board after the end of the month for which CPF contributions are due. If the due date falls on a Saturday, Sunday or public holiday, CPF contributions must be paid by the next working day. The details of the CPF contribution also need to be submitted along with the payment.

Employers are entitled to recover the employee's share when the contributions are paid for that month. If they fail to do so and the failure was not due to the employer's negligence, it can still make a recovery provided:

1. it has paid the CPF contributions to the Board; and
2. it has either forwarded its employee’s written consent to the Board, or obtained the Board’s written permission on the matter.

This must be done within six months from the time the contributions should have been recovered.
Employers can choose to make voluntary contributions to their employees’ CPF account in the case of Singapore citizens and SPR employees working outside Singapore.

The maximum amount of voluntary contributions that can be made for a single person is the difference between the CPF Annual Limit of S$ 30,600 and the amount of mandatory contributions paid for the calendar year. No further voluntary contributions can be made if the mandatory and voluntary contributions have already reached the prevailing CPF annual limit of S$ 30,600.
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**General background**

Slovakia has an extensive statutory social security system based on solidarity. Social security law is split into two separate areas; public health insurance and social insurance. The two areas are regulated by different sets of rules. The social security system in Slovakia includes benefit provisions for old-age disability, death, sickness, maternity, unemployment, industrial injury and health.

1. **Social insurance**
   - employees who have an employment income taxable in Slovakia, regardless of whether the employee works in Slovakia and regardless of whether the employee is considered a tax resident or a tax non-resident in Slovakia; This also includes so-called ‘economic employees’, i.e. assigned employees whose labour contract is with a foreign firm but who work under the instructions of the Slovak company as such individuals are taxed in Slovakia even if they are only in Slovakia for less than 183 days in any twelve month period;
   - self-employed persons: individuals who work outside the scope of an employment contract (not gone into in this country profile);
   - voluntarily insured persons (not gone into in this country profile).

2. **Health insurance**
   Contributions are compulsory for individuals who:
   - have their permanent residence in Slovakia;
   - do not have a permanent residence in Slovakia but are not insured in another European Economic Area member state or Switzerland and have an employment contract with a Slovak employer or a foreigner employer that has a Slovak permanent establishment;
   - do not have permanent residence in Slovakia but are not insured in another European Economic Area member state or Switzerland and carry on entrepreneurial activities in Slovakia;
   - are third-country nationals that are economic employees of a Slovak company.
Employers calculate and pay insurance contributions for both themselves and their employees. For a given calendar month, they are payable on the relevant payday into the account of the insurance company.

The amount of contributions to health and social insurance (sickness, pension, guarantee, injury, unemployment, and the reserve fund) is a percentage of the assessment base.

1. The assessment base for social insurance

The assessment base for an employee is the same as the tax base (all employment income subject to tax is also subject to social insurance contributions). With effect from 1 January 2014, the maximum assessment base was unified for all types of social insurance contributions. The maximum assessment base for paying monthly insurance contributions has been set at five times the average monthly wage in the Slovak economy, effective two years ago (EUR 805 in 2012). For 2014 it is set at EUR 4,025.00 per month. Employers pay also injury insurance contributions out of their employees' taxable employment income, with no maximum limit.

2. The assessment base for health insurance

The assessment base for the employee’s contributions to the health insurance is the same as the one applicable for social insurance, i.e. tax base. The maximum assessment base is five times the average monthly wage in the Slovak economy, effective two years ago. For 2014 it is set at EUR 4,025.00 per month. The health insurance is also assessed on dividends and other income, e.g. sales of shares, subject to maximum annual capping of the assessment base. This is assessed by the health insurance companies based on the health insurance reconciliation of all contributions made during the year.
1. Health insurance benefits

With health insurance, an insured person is entitled to full or partial compensation for health care provided to prevent and treat sickness or injury.

In Slovakia, health care is generally provided free of charge. However, the majority of dispensed medicines carry a patient charge, fixed by the government. There are currently no obligatory fees for a doctor’s visit or for prescriptions. However, different rules may apply to private medical practices.

2. Social insurance benefits

Pension

Old-age pension

Under the current law, people are entitled to receive an old-age pension based on the number of years they were insured.

In general, insured qualify for an old-age pension (its proportional part) if they are insured for at least 15 years (time spent working and contributing in other EU countries counts towards the 15-year threshold) and have reached the pensionable age of 62.

The pension insurance period is the period for both statutory and voluntary insurance. It also includes any period when contributions to pension insurance were not required, such as when the insured individual was receiving maternity benefits, benefits while taking care of a sick family member, sick benefits, or during military service.

Early old-age pension

An insured individual qualifies for an early old-age pension if he/she has paid old-age pension contributions for at least 15 years, is no more than two years before pensionable age and the amount of his/her early old-age pension would be no less than 1.2 times the subsistence level for each adult (the official minimum subsistence level for the period from 1 July 2013 is EUR 198.09 a month). If the insured contributes to the second pillar of the pension system (i.e. old-age pension savings), the amount of early pension must be no less than 0.6 times the subsistence level for each adult.

After the recipient reaches pensionable age, the early old-age pension is considered a regular old-age pension.

Disability pension

Disabled insured persons who do not qualify for an early or regular old-age pension are eligible for a disability pension.

However, they must have been insured for the required number of years, which depends on how old the disabled person is. The method for computing the amount of disability pension is similar to that for computing an old-age pension. However, it depends on how much the claimant’s ability to work is reduced.

Widow or widower’s pension

A widow or widower is entitled to receive a pension if their deceased spouse was in receipt of an old-age pension or met the conditions set out in the Social Insurance Act, or if the spouse died of an injury at work or an occupational illness. The pension is provided for one year (under certain circumstances, the period can be longer). It is 60% of the pension the deceased spouse was entitled to.
Orphan’s pension

A dependent child may claim an orphan’s pension if his or her deceased parent was in receipt of a pension at the date of death or met the pension eligibility conditions, or if the parent died as a result of an accident at work or an occupational illness.

The orphan’s pension is 40% of the pension the deceased parent was entitled to.

Sickness insurance

Sickness benefit

Sickness benefit is payable to employees as compensation for their wages or work remuneration if they are temporarily unable to work as a result of sickness, an accident or hospitalisation.

Over the first ten days of temporary inability to work, the employer pays compensation as follows:

• for the first, second and third days of sickness, 25% of the employee's daily assessment base;
• from the fourth day of sickness, 55% of the daily assessment base.

In a collective agreement, it is possible to agree a higher rate of compensation, up to 80% of the employee’s assessment base.

Starting on the eleventh day, sickness benefit is paid by the Social Insurance Agency instead of the employer, at 55% of the daily assessment base.

The daily assessment base is calculated as a quotient of the total assessment bases for the payment of sickness insurance in the relevant period and the number of days in the relevant period. In general, the relevant period is the calendar year preceding that in which the eligibility for sickness benefit arises. The assessment base thus fixed also applies to all other benefits payable from sickness insurance.

The maximum length of temporary inability to work is one calendar year.

Nursing benefit

Nursing benefit is provided to employees who must take care of:

• a sick child or other family member, if his/her health condition requires care by another person; or
• a sick child up to the age of ten who is in quarantine or whose care centre has been closed by the authorities or whose regular carer is sick.

Support for taking care of a family member is provided for no more than ten days, but not when the employee receives compensation for temporary inability to work or sickness or maternity benefits.

The amount of this support is 55% of the claimant’s daily assessment base.

Maternity benefits

In addition to meeting the general eligibility conditions for sickness benefits specified above, women must be insured for at least 270 days over the last two years before childbirth in order to receive maternity benefits.

Maternity benefits are provided to women for childbirth and for taking care of their child for 34 weeks as from the date they are entitled to go on maternity leave. In case of multiple births the eligibility for maternity benefits is extended to 43 weeks and in case of single female employees taking care of newborn babies, maternity benefits are extended to 37 weeks. Women usually go on maternity leave six weeks, but no earlier than eight weeks, before the expected birth.

Maternity benefits are also provided to an insured individual other than a mother who:

• takes care of a child based on a decision of the competent authority;
• takes care of a child whose mother has died;
• takes care of a child, and the mother does not receive monetary aid during the maternity period; or
• takes care of a child because the mother is unable to do so.
The amount of maternity benefit is 65% of the daily assessment base for each calendar day. On request, employers must grant insured employees parental leave until the child is three years old. If the child suffers from a prolonged illness, parental leave can be provided until the child reaches the age of six. While taking parental leave, the individual taking care of the child is entitled to parental benefits (see section 'Parental benefits and childcare payment').

**Compensatory allowance**

If a female employee performs work that pregnant women, or women up to the end of the ninth month after childbirth, are not legally allowed to do, or submits a doctor’s statement that her work poses a danger for the pregnancy or maternity, the employer must assign her a different job. If she receives a lower salary during the re-assignment, she is eligible for a compensatory allowance from sickness insurance funds.

This compensation is provided for the period during which the employee was eligible to receive a salary from employment. During pregnancy, this compensatory allowance is provided only until she goes on maternity leave. After returning from maternity leave, it can be provided up to the end of the ninth month after childbirth.

The compensatory allowance is provided for calendar months at 55% of the difference between the monthly assessment bases before re-assignment.

**Injury allowances**

Injury allowances are provided to employees suffering injuries at work or occupational illness.

In the case of inability to work due to an injury at work or an occupational illness, an employee is eligible for injury compensation in addition to salary compensation for a temporary inability to work, or in addition to sickness benefits:

- for the first to the third day, at 55% of the daily assessment base;
- for the fourth day onwards, at 25% of the daily assessment base.

If the employee’s ability to work is reduced by 40% or more due to an injury at work or occupational illness, he is eligible for an injury annuity. If the reduction ranges between 10% and 40%, the employee is eligible for one-time compensation.

If it is expected that the employee will be able to return to work, he/she can be offered rehabilitation or retraining, during which rehabilitation or retraining allowances are paid.

An employee who suffers from an injury at work or an occupational illness may claim compensation for pain and limited social opportunities, as well as compensation for costs incurred for medical treatment which have not been covered by the mandatory health insurance.

If an employee dies as a result of an injury at work or an occupational illness, specified survivors will receive a survivor’s injury annuity and one-time indemnity. The person who pays the funeral costs may also claim compensation for this.

**Guarantee insurance allowance**

Employees can claim guarantee insurance allowance if their employer becomes insolvent and cannot fulfil their rights under the Social Insurance Act.

The guarantee allowance is payable for a maximum of three months from the last 18 months of employment preceding the start of insolvency.
Unemployment

An unemployed individual is someone who has signed on as an unemployed job seeker and contributed to the unemployment fund for at least two years in the three-year period before signing on; or who, in the four years before signing on, was insured as an employee with an employment contract for a fixed term of at least two years.

Eligibility for unemployment benefit ends when the claimant signs off as a job seeker or after six months, whichever is sooner. This six-month period is shortened to four months in the case of claimants who, in the four years before signing on, paid contributions under an employment contract for a fixed term of at least two years. Eligibility also ends on the day the claimant is granted an old-age, early old-age or disability pension.

Unemployment benefit is not paid to claimants in receipt of sickness, maternity or parental benefit, or benefit as a carer for a sick family member.

Entitlement to unemployment benefit resumes no earlier than two years after stopping receiving it.

It is 50% of the daily assessment base for each calendar day.

State social allowances and state social aid

In addition to health care and social insurance, the system of social protection in Slovakia includes State social allowances and social aid to persons in hardship and to disabled persons.

Childbirth payment and parental payment

The childbirth payment is a State social allowance in the form of compensation for necessary costs related to the needs of a newborn baby. Mothers or other eligible persons are entitled to the payment only once for a given child. It is EUR 829.86. In the case of multiple births, the payment will increase by EUR 75.69 per child.

Parental payments are made once a year for the increased costs of caring for three or more children born at the same time, or two pairs of twins born within two years. The amount is EUR 110.36 and is provided if at least three of these children are below 15 years.

One of the conditions for being eligible for these payments is that recipients must have their permanent residence in Slovakia.

Childbirth and parental payments are paid by the Ministry of Labour, Social Affairs and the Family, and must be claimed in writing.

The amount may be reviewed by government decree each 1 September.

Parental benefit and childcare payment

Individuals permanently or temporarily resident in Slovakia who are not employed or engaged in business activities and take care of one or more children aged up to three years are eligible for monthly parental benefit. The amount of the Parental benefit is not dependent on the number of children cared for.

In general, parental benefit is EUR 203.20 a month until the child reaches age three. Under certain conditions, the amount is EUR 304.80, e.g. in case of multiple births.

Childcare payment claimants must have income from employment, a business activity or self-employment or must be students.

The purpose of the payment is to cover the expenses parents incur for nurseries or similar institutions, or individuals taking care of their children, up to a certain limit. It can be claimed until the child's third birthday, or to age six if the child suffers from an illness. Both parent and child must have their permanent or temporary residence in Slovakia. The amount depends on the actual expenses covered, but it is not more than EUR 203.20 a month.

Parental benefit and childcare payments are paid by the local Office of Labour, Social Affairs and Family, and must be claimed in writing.
Child allowances

The parent of a dependent child, a person taking care of a child in loco parentis, or a carer of an adult dependent child is eligible for child allowances. Both the carer and the child must have their permanent or temporary residence in Slovakia.

A child is considered dependent until no longer legally required to attend school, but no later than age 25. The amount of child allowance is EUR 23.52 per child per month, regardless of the child's age and the joint income of the carers.

Claimants have to claim child allowances from their local Office of Labour, Social Affairs and the Family in writing.

Social aid allowances

A social aid allowance is provided to individuals in 'material need' to ensure that they have basic living conditions. Material need means that the individual's income does not reach the statutory subsistence level and the individual is unable to ensure or increase his income by his own efforts.

The Act defines the subsistence level as the minimum socially acceptable individual income, below which is considered the poverty level. From 1 July 2013, the subsistence level is EUR 198.09 a month for an adult person. It is EUR 138.19 for other adult family members and EUR 90.42 for a dependent child. For jointly assessed persons it is a total of these amounts. The subsistence level is always reviewed on 1 July each year.

The social aid allowances range from EUR 61.60 for an individual to EUR 216.10 for a couple with more than four children. They may be increased each 1 September.

Other allowances paid as part of social aid include special allowances (payable to individuals performing work for the community or attending retraining courses), allowances for health care, housing or protection, as well as other allowances provided to the disabled.
1. **Social insurance**

The Ministry of Labour, Social Affairs and Family is the competent authority for social insurance.

All persons covered are insured with a Social Insurance Company.

2. **Health insurance**

The Ministry of Health is the competent authority for health insurance.

Those covered can choose among three health insurance companies: the Dóvera and Union private health insurance companies; and the Všeobecná zdravotná poistovňa public health insurance company.
Voluntary social security scheme

Social security rates in Slovakia in 2013 and 2014

The Slovak government has amended the Social Insurance Act, consolidating the maximum assessment base at five times the average monthly wage in Slovakia in 2012 (EUR 805) for all insurances. The increased maxima come into effect on 1 January 2014.

<table>
<thead>
<tr>
<th>In EUR</th>
<th>Employee contributions</th>
<th>Employer contributions</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Rates</td>
<td>Maximum base</td>
</tr>
<tr>
<td>Sickness 2013</td>
<td>1.4%</td>
<td>3,930.00</td>
</tr>
<tr>
<td>Sickness 2014</td>
<td>1.4%</td>
<td>4,025.00</td>
</tr>
<tr>
<td>Retirement 2013</td>
<td>4%</td>
<td>3,930.00</td>
</tr>
<tr>
<td>Retirement 2014</td>
<td>4%</td>
<td>4,025.00</td>
</tr>
<tr>
<td>Permanent disability 2013</td>
<td>3%</td>
<td>3,930.00</td>
</tr>
<tr>
<td>Permanent disability 2014</td>
<td>3%</td>
<td>4,025.00</td>
</tr>
<tr>
<td>Unemployment 2013</td>
<td>1%</td>
<td>3,930.00</td>
</tr>
<tr>
<td>Unemployment 2014</td>
<td>1%</td>
<td>4,025.00</td>
</tr>
<tr>
<td>Health insurance 2013</td>
<td>4%</td>
<td>3,930.00</td>
</tr>
<tr>
<td>Health insurance 2014</td>
<td>4%</td>
<td>4,025.00</td>
</tr>
<tr>
<td>Guarantee insurance* 2013</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Guarantee insurance* 2014</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Accident insurance 2013</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Accident insurance 2014</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Reserve fund** 2103</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Reserve fund** 2014</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Total 2013</td>
<td>13.4%</td>
<td>-</td>
</tr>
<tr>
<td>Total 2014</td>
<td>-</td>
<td>-</td>
</tr>
</tbody>
</table>

* Guarantee insurance represents the employer’s contribution to the fund from which remuneration-related claims against insolvent employers are settled.
** The reserve fund is a fund of the Social Insurance Company that it may use to cover the insolvency of other insurance funds (e.g. retirement pension funds).
*** Injury insurance will increase the amount accordingly.
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General background

Slovene social security comprises insurance in the following areas: illness, unemployment, old age, injury at work, disability, maternity, maintenance of children and benefits to family members after the breadwinner dies, and rights regulated by the Social Assistance Act. The State regulates compulsory health, pension, disability and other social insurances, and ensures their proper functioning. At the same time, it protects the family, motherhood, fatherhood, children and young people and creates the necessary conditions for such protection.

Social security contributions are paid by employees, insured persons, employers, the Republic of Slovenia, the Pension and Disability Insurance Institute of the Republic of Slovenia, the Health Insurance Institute of the Republic of Slovenia, the Employment Service of Slovenia and other taxpayers in accordance with the Pension and Disability Insurance Act, the Health Care and Health Insurance Act, the Parental Protection and Family Benefit Act, and the Labour Market Regulation Act.

Covered persons

The following persons are covered by the mandatory Slovene social security system:

- employees (i.e. persons in an employment relationship);
- self-employed persons;
- shareholders;
- farmers;
- professional sportsmen;
- persons in other contractual relationships;
- unemployment benefit recipients;
- parents;
- home care assistants;
- foster carers;
- military worker;
- …

Persons who do not fulfill the conditions for mandatory entrance into the compulsory social security system, can enter voluntarily.
Social security systems around the globe

Slovenia

Contributions

Employers, employees and self-employed persons pay social security contributions at the following rates:

<table>
<thead>
<tr>
<th>Contributions</th>
<th>Employee’s contributions</th>
<th>Employer’s contributions</th>
</tr>
</thead>
<tbody>
<tr>
<td>Pension and disability insurance</td>
<td>15.50%</td>
<td>8.85%</td>
</tr>
<tr>
<td>Health insurance</td>
<td>6.36%</td>
<td>6.56%</td>
</tr>
<tr>
<td>Parental insurance</td>
<td>0.10%</td>
<td>0.10%</td>
</tr>
<tr>
<td>Unemployment insurance</td>
<td>0.14%</td>
<td>0.06%</td>
</tr>
<tr>
<td>Accident at work and occupational disease insurance</td>
<td>0.53%</td>
<td></td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>22.10%</strong></td>
<td><strong>16.10%</strong></td>
</tr>
</tbody>
</table>

1. Employed persons

Social security contributions are paid on gross wages and gross wage compensation for absences from work in line with the labour legislation. Social security contributions are also paid on other employment income including incentives and benefits and reimbursements of work-related expenses paid in cash, payment notes or in kind.

Severance payments paid due to a termination of employment for business reasons in accordance with the labour law and premiums paid into voluntary supplementary pension insurance in accordance with the Pension and Disability Insurance Act are not subject to social security contributions.

Individuals who are in an employment relationship with an employer in Slovenia and have been assigned to work in another country pay social security contributions on the basis of a wage for equivalent work in Slovenia.

Certain employment income (e.g. severance payments, solidarity aid, reimbursement of work-related expenses) is subject to social security contributions only in an amount exceeding the level subject to personal income tax based on the Slovene Personal income tax act.

Social security contributions are due by employers and employees:

- employers pay social security contributions on top of gross wages and other employment income at the total rate of 16.10% (without cap);
- employees pay social security contributions on gross wages and other employment income at the total rate of 22.10% (without cap).
2. Persons in other contractual relationships

A person working under any other contractual relationship (i.e. not an employment relationship) is under certain conditions insured for disability and death resulting from an injury at work or an occupational disease. The contributions should be paid more specifically on the following types of income:

- income on the basis of a work (service) contract;
- income for the performance of functions on the basis of an appointment or election (e.g. procurators authorised to represent the company);
- awards of bankruptcy administrators, liquidation administrators and compulsory settlements administrators;
- pay for work of court experts, certified appraisers and court interpreters;
- income from copyrighted works;
- management fees based on the management contract.

From 1 January 2014 onwards, the payer of the income from other legal relationship should calculate, withhold and pay contributions of 15.5% of the gross income in the name of the insured person, and pay the employer’s contribution of 8.85% of the gross income, if the income from other legal relationships will be paid to a person who is not insured on another basis (e.g. to an unemployed person). If the income is paid to a person who is employed abroad and the person will provide the payer of the income with the form A1, the contributions for pension and disability insurance will not be charged.

As of 1 January 2014 changes with respect to health contributions were introduced based on the Act Amending the Health Care and Health Insurance Act (ZZVZZ-M). ZZVZZ-M is expanding the panel of the insured persons under compulsory health insurance in case of accidents at work and occupational diseases, if the following conditions are met:

- if a person under other legal relationship performs work or services for remuneration;
- if such remuneration is not considered as exempt from taxation is not considered as other income under ZDoh-2;
- if the person is not already insured for accidents at work and occupational disease based on such work.

The insured persons’ contribution for occupational injuries and occupational diseases amount to 0.53% of each payment for work or services received on the basis of other legal relationship. The new Act also introduces insurer’s contribution for health insurance in the amount of 6.36% of the income received on the basis of other legal relationship, if the person is covered by compulsory health insurance on this basis.

3. Self-employed persons

Self-employed persons pay social security contributions on the insurance basis determined based on their revenues. The minimum insurance basis ranges between the minimum wage and 2.4 times the average salary in Slovenia. The self-employed persons pay the employer's and employee's part of the contributions from the determined basis (i.e. 38.20% in total).
1. Pension and disability insurance

The mandatory pension and disability insurance guarantees the following rights:

- the right to pension:
  - old-age pension;
  - disability pension;
  - widow’s pension;
  - survivor’s pension;
  - partial pension;

- the rights resulting from the disability insurance:
  - vocational rehabilitation;
  - compensation for disability;
  - transfer to another workplace and to part-time work;
  - other allowances under disability insurance;
  - reimbursement of travel expenses;

- supplementary rights:
  - attendance allowance;
  - disability allowance;
  - income support allowance in addition to a pension;

- other benefits:
  - severance payment;
  - care allowance;
  - annual supplement.

The minimum requirements for entitlement to an old-age pension are:

For women:

<table>
<thead>
<tr>
<th>Age</th>
<th>Pension qualifying period</th>
</tr>
</thead>
<tbody>
<tr>
<td>58 years and 4 months</td>
<td>38 years and 8 months</td>
</tr>
<tr>
<td>62 years</td>
<td>At least 20 years</td>
</tr>
<tr>
<td>64 years</td>
<td>At least 15 years</td>
</tr>
</tbody>
</table>

For men:

<table>
<thead>
<tr>
<th>Age</th>
<th>Pension qualifying period</th>
</tr>
</thead>
<tbody>
<tr>
<td>58 years and 8 months</td>
<td>40 years</td>
</tr>
<tr>
<td>64 years</td>
<td>At least 20 years</td>
</tr>
<tr>
<td>65 years</td>
<td>At least 15 years</td>
</tr>
</tbody>
</table>
2. Health insurance

Under the compulsory health insurance, the insured persons are entitled to:

- payment of health care services:
  - basic healthcare services;
  - dental care services;
  - services in special social institutions;
  - services of specialist clinics, hospitals and tertiary health care;
  - health resort treatments;
  - reconstruction rehabilitation;
  - transport with ambulances and other vehicles;
  - medicines and dietary foods for special medical purposes based on prescription;
  - medical assistive devices;
  - services during travel and stay abroad;
  - treatment abroad;

- right to allowances:
  - reimbursement of salary during the temporary absence from work;
  - death grant;
  - funeral allowance;
  - reimbursement of travel expenses related to healthcare services.

3. Unemployment insurance

The unemployment insurance scheme guarantees payment of unemployment benefits:

- unemployment allowance: The person is entitled to it if:
  - the person was insured for unemployment for at least nine months in the last 24 months;
  - the unemployment insurance contributions have been paid;
  - the employment has not been terminated due to the employee's fault or will;
  - the person is registered at the Unemployment office and has filed a claim for an unemployment allowance within 30 days after the end of mandatory insurance.

- payment of mandatory social security insurance contributions (from the recognised unemployment allowance);

- payment of pension and disability insurance contributions:
  - for the unemployed persons who have, after the end of the right to unemployment allowance, up to one year until fulfillment of minimum conditions for entitlement to old-age pension.

The period of entitlement to unemployment benefit is:

- three months for an insurance period of nine months to five years;
- six months for insurance period of five years to 15 years;
- nine months for insurance period of 15 years to 25 years;
- 12 months for insurance period above 25 years;
- 19 months for insured persons aged over 50 and insured for more than 25 years;
- 25 months for insured persons aged over 55 and insured for more than 25 years.
4. Parental protection insurance

**Rights under the insurance for parental protection**

- **parental leave:**
  - maternity leave (105 days);
  - child nursing and care leave (generally 260 days);
  - paternity leave (90 days);
  - adoption leave (120 days for a child aged from four to ten years or 150 days for a child aged from one to four years);

- **parental compensation:**
  - maternity allowance (during the maternity leave);
  - paternity allowance (during the paternity leave, for 15 days of paternity leave; for the remaining 75 days the Republic of Slovenia is providing for the payment of the social security contributions on the amount of the minimum wage);
  - child nursing and care allowance (during the child nursing and care leave);
  - parental credit;
  - adoption allowance (during the adoption leave);

- **right to part-time working due to parenthood (i.e. at least 20 hours a week):**
  - until the child is three years old or until the younger child is six years old (in case the parent is caring for and protecting two children); until the child is 18 years in case of caring for and protecting a severe physically handicapped or moderate to severe mentally handicapped child;
  - the employer guarantees the payments of social security contributions according to actual working duties, and the Republic of Slovenia guarantees payment of social security contributions based on full-time work;

- **right to payment of social security contributions:**
  - in case a parent leaves the labour market to protect and care for four or more children; until the youngest child is ten years old.

**Family benefits**

- **parental allowance:**
  - it lasts 365 days from the birth of the child;
  - the parents are entitled to this financial assistance when, after the birth of a child, they are not entitled to parental benefit;

- **childbirth allowance:**
  - one-time payment intended for purchase of accessories for the newborn;

- **child allowance:**
  - a supplementary benefit for maintenance, care and education of children;
  - the family is entitled to it when the income per family member does not exceed 99% of the average pay in the Republic of Slovenia;

- **large family allowance:**
  - it is an annual allowance for families with three or more children younger than 18 years, or 26 years if they have the status of pupil, student or apprentice;

- **allowance for care of a child:**
  - intended for a child that requires special care and protection until the child is 18 years old;

- **partial payment for lost income:**
  - intended for a parent who terminates the employment relationship or starts working part time due to the fact that he/she is caring for and protecting a child with a severe mental or physical handicap.
Social security systems around the globe

Competent authorities

Social security contributions are collected by the Slovene tax authority and are administered by and paid to the following:

- parental insurance: social work centres, under the supervision of the Ministry of Labour, Family and Social Affairs;
- unemployment insurance contributions: Employment Service of Slovenia, under the supervision of the Ministry of Labor, Family and Social Affairs;
- pension and disability insurance: Pension and Disability Insurance Institute of the Republic of Slovenia, under the supervision of the Ministry of Labor, Family and Social Affairs;
- compulsory health insurance and accident at work and occupational disease insurance: Health Insurance Institute of the Republic of Slovenia.

Voluntary social security scheme

Individuals can, under certain conditions, enter into a voluntary supplementary health and/or pension insurance.

Supplementary health insurance:
This insurance is provided for persons who are already included in the compulsory health insurance scheme and covers the costs of health services (and related services), supply of medicines and medical-technical devices. The insurance also provides for the payment of cash benefits in case of illness, injury or a specific medical condition. Different Slovenian insurance companies offer such voluntary health insurance.

Supplementary pension insurance:
This type of insurance is a form of long-term savings in individual accounts with the purpose to obtain additional pension or other rights (from realised savings with the return on investment) at a certain age or in other cases specified in the pension plan. The main characteristics are:
- only insured persons or persons benefitting from the compulsory pension and disability insurance can be included;
- payment of premiums;
- the policy holder bears the investment risk with a minimum guaranteed payment;
- supplementary pension in addition to the one built up on the basis of the mandatory pension and disability insurance.

Two types of supplementary pension insurance schemes exist:
1. Individual insurance; and
2. Collective insurance: different individuals are included into the collective insurance through their employer who is wholly or partly funding the pension plan.
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South Africa has no State-sponsored social security other than the Unemployment Insurance Fund (‘UIF’) and the Compensation for Occupational Injuries and Diseases (‘COID’) and, as a result, South Africa is not party to any social security treaties.

In respect of health care benefits, sickness benefits, family benefits, personal accident cover and retirement, these are all typically covered by private policies in South Africa. They are usually privately funded, by either the employee or employer or both, and costs are generally based on the employee’s cost to the company and the extent of cover in relation to the employee.

With a few specific exceptions (e.g. in the case of UIF, state employees and expatriate employees required to repatriate at the end of their contracts), most employers would be required to register for and pay both UIF and COID and, consequently, most employees would be covered.

As regards the private cover referred to above, this would differ from employer to employer as there is no statutory obligation to provide these benefits to employees and the provisions of such benefits would be governed by employer’s individual employment practices as well as specific agreements with employees.
1. UIF

The UIF has been established in order to provide short-term relief to workers when they become unemployed or are unable to work because of illness, maternity or adoption leave and also to provide relief to the dependants of a deceased contributor in terms of the Unemployment Insurance Act (‘UI Act’). It is managed by the Compensation Commissioner under the auspices of the Department of Labour. It provides five types of benefits:

• unemployment benefits;
• illness benefits;
• maternity benefits;
• adoption benefits; and
• dependants’ benefits.

A 1% contribution, based on the remuneration paid to the employee, must be made each month by both the employer and the employee for UIF cover. The amount of remuneration upon which the contribution is currently based is capped R 178,464 per annum. This effectively means that the maximum amount that an employee and employer can each make in respect of UIF contributions is R 148.72 a month.

However, with regard to foreign inbound assignees to South Africa who are present on a work permit which requires them to repatriate at the end of their assignment, both they and their employers are exempt from paying UIF contributions and, consequently, are not entitled to claim any UIF benefits.

2. COID

COID allows for compensation to be paid to employees who, as a result of their work activities, are partially or totally disabled or contract an occupational disease. Employers are responsible for paying a rate determined with reference to the industry that they are in, which is applied to the earnings paid to employees. The contribution rate can vary between 0.11% (banking and insurance) and 8.26% (tunnelling, rock drilling and blasting). The amount is paid annually, also to the Department of Labour.
Benefits

1. UIF

Maximum benefits apply after four years of contribution. Unemployment benefits apply for eight months at a rate of 38% of the monthly salary up to a maximum monthly salary of R 14,872. Maternity benefits apply for up to 121 days, and illness benefit applies for up to 238 days in a four year period. Benefits are calculated as a percentage of monthly salary subject to a monthly cap.

2. COID

Compensation is based on the earnings of the employee at the time of the accident and the extent of the injury or disease and could include a percentage of salary for a limited period, reasonable medical costs, funeral costs, a monthly pension for surviving family, and transport to receive medical attention.

Competent authorities

UIF AND COID

The competent authority for both UIF and COID is the Department of Labour (www.labour.gov.za) through the Unemployment Insurance Commissioner in the case of UIF and the Compensation Commissioner in the case of COID.
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Sweden has an extensive statutory social security system based on solidarity. The general social security system encompasses health insurance, benefits in respect of accidents at work and occupational diseases, invalidity benefits, old-age and survivor’s pensions, unemployment insurance and family benefits and parental insurance.

Sweden’s current first pillar pension system is of a notional defined contribution (NDC) type - the first implemented in the world - and has attracted a lot of attention since. NDC operates conceptually as a pay-as-you-go system, under the assumption that it will incentivize labour force participation.

The first pillar also includes a mandatory individual account system. The first pillar pension provision is an organised structure of mandatory individual accounts where part of the social security contribution is paid into a structure where the individual can make his or her own investment choices (as described further below).

The Swedish social security system mainly covers everyone working or residing in Sweden.

The Swedish system is divided into two parts:

- residence-based schemes – benefits to residents regardless if they are working or not, such as healthcare, a child allowance and a guaranteed pension providing a guaranteed minimum level of benefits at retirement;
- earnings-related schemes – benefits to employees, such as sickness compensation and an earnings-based state pension.

An individual is considered resident when the intention is to reside in Sweden for more than a year.
1. Salaried persons

**Employee**

The compulsory contribution for employees is 7% (old-age pension fee) of the annual taxable income, capped at SEK 32,100 (2013). The maximum annual income used to calculate contributions is SEK 458,700 (2013).

The contributions are withheld by the employer and included in the preliminary tax assessment. However, the employee will receive a tax reduction by exactly the same amount, so in practice the employee does not incur extra costs in relation to social security charges. Of the combined insured person and employer contributions, 2.5% finances the first pillar of the pension system.

**Employer**

The system is financed through taxation and earnings-related contributions. Compulsory employer contributions amount to 31.42% of payroll without any cap, broken down as follows: 10.21% of payroll (old-age benefit), 4.35% of payroll (disability (sickness compensation)); 1.17% of payroll (survivor’s benefit), 2.6% of payroll (parent’s insurance fee), 0.3% (workplace injury fee), 2.91% (labour market fee) and 9.88% (general salary fee). For employees older than 65 or who are born in 1987 or later, the fees are reduced.

Even foreign employers have to register and pay Swedish social security contributions if any of their employees are covered by the Swedish system. Foreign employers with a branch or permanent establishment in Sweden pay the same rate as Swedish employers. Foreign employers without a permanent establishment in Sweden pay 21.54% (2014) and are entitled to the same benefits as an employee of a Swedish employer. The rate is reduced for employees older than 65 and employees who are born in 1987 or later. Foreign employers without a permanent establishment in Sweden can agree with the employee that he/she pays the social security contributions on behalf of the employer.

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The Swedish social security contributions should be reported and paid to the Swedish Tax Agency on a monthly basis.

2. Self-employed persons

Compulsory social security contributions for self-employed persons correspond to 28.97% of net income and consist of the following components: 10.21% (old-age provisions), 1.17% (survivor’s provisions), 4.44% (disability/sickness compensation), 2.6% (parent’s insurance fee), 0.30% (workplace injury fee), 0.37% (labour market fee) and 9.88% (general salary fee). The contributions for self-employed persons can be slightly decreased if they accept a longer waiting period for sickness insurance purposes. For self-employed persons older than 65 or who are born in 1987 or later, the fees are reduced.
Sweden

1. Health insurance

Sweden has a regional healthcare system where all residents (including all individuals in Sweden recently immigrated with the intent of residing in Sweden for at least 12 months) are entitled to healthcare without a qualifying period. The system is largely independent of the social insurance regime. The county councils or regions administer most medical care, but there are also private doctors who have contracts with the county councils. The regional authorities are responsible for some healthcare provisions, primarily relating to medical care for persons living in homes for the elderly.

Healthcare includes general medical assistance, hospital care, physiotherapy and any other medical treatment, dental care and medicine. Patients pay a fee for the visit but the amount is capped at SEK 1,100 per 12 months. Healthcare is free for children under 18 (under 20 in some regions).

Insured persons pay the full cost of medicines up to SEK 2,200 in a 12-month period. No subsidy is provided for medicines not covered by the health insurance system or for non-prescription drugs.

Dental care is provided either by private dentists or by dental hygienists, or by the public dental service. Dental care is free for children up to and including the calendar year in which a person reaches the age of 19.

The insurance includes a high-cost protection scheme combined with a dental care voucher to encourage regular dental care check-ups. The compensation in the high-cost protection scheme is based on “reference prices” – 0% of the insured person's cost up to SEK 2,999, 50% of the insured person's costs between SEK 3,000 and SEK 15,000, and 85% of the insured person's costs exceeding SEK 15,000.

The fee paid by the patient for different treatments may vary, since dental practitioners set their own rates.

2. Sickness / invalidity benefits

Benefits when falling ill consist of sick pay (sjuklön), a sickness cash benefit (sjukpenning), activity compensation (aktivitetsersättning) and sickness compensation (sjukersättning), in chronological order. The sickness cash benefit (sjukpenning) and sick pay (sjuklön) are intended to compensate for a loss of income when a person cannot work because of illness. Coverage is mandatory for both salaried and self-employed workers, but the self-employed can choose between different insurance categories allowing for varying waiting periods (seven, 14, 30, 60 or 90 days, respectively, before receiving a benefit).

For salaried persons, a waiting period of one day is mandatory. After that, a salaried person who cannot work because of illness receives sick pay, which is paid by the employer from the second day up to and including the 14th day. Sick pay equals 80% of salary. From the 15th day and up to a maximum of the 550th day of sickness (based on the outcome of various evaluations), the Swedish Social Insurance Agency pays a sickness cash benefit. The sickness cash benefit corresponds to 97% of 80% of the income base, which is the annual cash income that persons can expect to earn over a period of at least six consecutive months capped at an annual limit of 7.5 times the Price Base Amount (PBA), i.e. SEK 333,000 (2014). In the event the work capacity of a salaried person is permanently reduced by at least a quarter, a continued right to sickness compensation exists. In those situations, the sickness compensation can either be related to income or take the form of a guaranteed benefit.
3. Accidents at work / workplace injuries

All employees, self-employed persons and contract workers are covered for accidents at work as well as occupational diseases. Students are also covered if their studies involve a particular hazard.

An accident at work/occupational disease is defined as any injury resulting from an accident at the workplace, including accidents occurring on the necessary journey to and from work. Further, diseases caused by harmful factors in the workplace environment can be considered as occupational diseases; such factors include arduous and repetitive work, noise, vibrations and chemical substances.

Benefits enjoyed from workplace injuries or occupational diseases include: the sickness cash benefit (paid according to the same provisions and in the same amount as for any other illness), healthcare (same as is also provided under the same conditions as those applicable to any other illness, and including reimbursement of all expenses relating to medical care abroad, dental care and appliances (e.g. crutches and prostheses); reimbursement of dental care (if performed by a public sector practitioner affiliated with the general insurance system); rehabilitation (if the accident prevents the person from performing the same or a similar job following the accident); and compensation to cover damages sustained from the accident or disease (i.e. the person is entitled to an annuity, in the amount of the difference between the income prior to the accident and the income after, to compensate for any loss of income resulting from such an accident or disease if working capacity is reduced by 1/15th or more due to the workplace injury; if an accident at work or occupational disease leads to death, the insurance further pays a funeral grant, and may also provide a survivor’s annuity).

4. Family benefits

A child allowance (barnbidrag) is paid for all children resident in Sweden. There is also an extended child allowance (förlängt barnbidrag) and a large-family supplement (flerbarnstillägg). These benefits are not means-tested.

A housing allowance (bostadsbidrag), which is means-tested, can be paid to families with dependent children and to childless households. This benefit has three elements. The first depends on the cost of housing and is paid only to persons permanently resident in Sweden, the second is an allowance for children living with their parents and the third is an allowance for children living with their parents some of the time.

A study allowance (studiehjälp) is a monthly grant of SEK 1,050 that can also be paid to children between the ages of 16 and 20 who are in full-time secondary education. A means-tested supplement can be granted if the child’s or parents’ income is below a certain limit.

The child allowance is paid from the month following the birth month and to the end of the quarter in which the child reaches the age of 16. The child allowance amounts to SEK 1,050 per month. An extended child allowance is paid for children over the age of 16 who are in full-time basic education or similar. It is paid until the end of the month in which the child finishes school.

A large-family supplement is paid automatically when there are two or more children in the family. Under certain conditions, children over the age of 16 who are in full-time education entitling them to an extended child allowance or who are receiving a student allowance also qualify for this supplement. The large-family supplement is not paid beyond the end of June in the year when the student reaches the age of 20.

The amount depends on the number of children: for the second child: SEK 150; for the third child: SEK 454; for the fourth child: SEK 1,010; for the fifth and each subsequent child: SEK 1,250.

The housing allowance calculated solely on the basis of the number of children is called a special allowance for children living with their parents. It is a monthly allowance capped at SEK 1,300 for families with one child, SEK 1,750 for families with two children, and SEK 2,350 for families with three or more children. The housing allowance calculated on the basis of the number of children that live with their parents some of the time is a monthly allowance capped at SEK 300 for families with one child, SEK 375 for families with two children, and SEK 450 for families with three or more children.
5. Parental insurance

All resident women are entitled to healthcare related to pregnancy and childbirth. Preventive care for mothers and children and family planning advice is normally free. Parental benefits further include the pregnancy cash benefit, the parent’s cash benefit and a temporary parent’s cash benefit (tillfällig föräldrapenning).

A pregnant woman is entitled to a pregnancy cash benefit if she is in a physically demanding job that she cannot continue performing due to her pregnancy, and her employer is unable to transfer her to a less demanding position. The pregnancy cash benefit can be paid from the sixtieth day before the estimated date of childbirth or, if the expectant mother is banned from working, for each day affected by the ban.

The amount corresponds to the sickness cash benefit (i.e. 97% of 80% of the income base that would be paid to the same woman. The total amount is maximum 7.5 times the PBA, i.e. SEK 333,000 (2014). The parent’s cash benefit is payable for a total of 480 days per child. 390 days are paid according to the sickness cash benefit rate, i.e. 97% of 80% of the income base. The minimum guaranteed benefit is SEK 180 per day; the maximum equals 10 times the PBA, i.e. SEK 444,000. The remaining 90 days are paid on a minimum amount basis. Parents can share the days according to their own accord but each parent has to take at least 60 days. If the days are shared equally between the parents, an equality bonus in the maximum amount of SEK 13,500 per child (SEK 18,000 per child if twins) is payable.

The parent’s cash benefit can be paid at different percentage increments of full benefit (12.5, 25, 50, 75 or 100% of the full rate), equal to the extent to which the parent has given up work to take care of the child.

The temporary parent’s cash benefit can be extended for a maximum of 120 days per year until the child is 12 years old, if the child is ill.

6. Unemployment

The unemployment insurance consists of two parts: a voluntary insurance that provides an earnings-related benefit for the employed population (financed by employer contributions and membership fees) to compensate for the loss of income (inkomstbortfallsförsäkring), and a basic insurance (grundförsäkring) that provides a flat-rate benefit (financed by employer contributions covering those who are not covered by the voluntary insurance).

To be entitled to the earnings-related benefit, the insured person must have been affiliated with an unemployment insurance fund for at least 12 months (membership condition) prior to the unemployment or have worked for a minimum of six months (at least 80 hours per month) or for at least 480 hours during a continuous six-month period (at least 50 hours per month) during the last 12 months prior to unemployment (work condition).

If the work condition but not the membership condition is met, the insured person is entitled to the basic insurance benefit from the day of the 20th birthday. Basic qualifying conditions for the unemployment benefit (under either scheme) are that the insured person: is unemployed but able to work, is free to accept a job, is registered with the employment agency as a jobseeker, is willing to take a suitable job, is willing to assist the employment agency in working out a personal action plan and is actively looking for suitable work.

The rate for the basic insurance is SEK 320 (2014) per day, with proportional reduction for persons who have worked part-time. The earnings-based compensation is 80% of income prior to unemployment during the first 200 days, and 70% thereafter. Maximum compensation is SEK 680 (2014). Any pension, sickness and similar benefits reduce the compensation. Compensation is paid for five days a week, and for a maximum of 300 days (benefit period). Applicants who have children under the age of 18 once the 300th day is reached are entitled to 150 additional days. In the event the applicant is not entitled to additional days, he can receive some payments from the Social Insurance Agency provided he/she participates in an employment program.
7. Retirement
A new old-age pension system came into force in Sweden on 1 January 1999, including certain transitional provisions.

- Persons born in or after 1954 are wholly covered by the new system.
- Persons born between 1938 and 1953 are covered partly by the old system and increasingly by the new: those born in 1938 are covered 4/20 by the new system and 16/20 by the old; those born in 1939 are covered 5/20 by the new system and 15/20 by the old and increasingly by year of birth.
- Persons born in or before 1937 are covered entirely by the old system.

Retirement benefits in Sweden are earnings-based and residence-based (a guaranteed pension). The guaranteed pension is tied solely to residence in Sweden and thus does not differentiate between employees and the self-employed. It ensures a minimum level of benefits for those who have not worked long enough to be entitled to any benefit or have a low level of earnings-based benefit, and is paid only to persons residing in Sweden, in another EU/EEA country or in a country with which Sweden has signed a convention.

For full pension, 40 years of residence in Sweden between the ages of 25 and 64 is required.

The earnings-based pension is a separate additional insurance scheme based on contributions made whilst in gainful employment. It is provided to employed as well as self-employed persons. The earnings-based pension is based on contributions made on all lifetime earnings reported to the scheme. The contribution is 18.5% of the base income per year. Benefits in the income-related pension system are financed on a pay-as-you-go basis (the earnings-related old-age pension and the earnings-related supplementary pension) and in a funded scheme with individual accounts (premium pension).

Any person born in or after 1938 is eligible for two different types of earnings-based pension, i.e. the basic earnings-related old-age pension and the premium pension (persons born between 1938 and 1953 are also eligible for a supplementary pension as described above).

The basis for pension rights includes all taxable income, i.e. all earnings from paid employment, independent work and social security benefits (earnings-based sickness allowance, sickness benefit, unemployment benefit etc.). A contribution to the old-age pension fund is deducted from all pension-assessable income, including social security benefits.

There is both an upper and a lower limit to the annual income used to calculate contributions. The floor is the reporting threshold, i.e. 42.3% of the PBA, or SEK 18,781 (2014). For income above this threshold, pension rights are calculated from the first SEK. The ceiling is 7.5 times the income base amount, or SEK 459,183 (2014).

Apart from actual income, there are a number of other factors that, for reasons of equity, are included in the basis for pension rights. Such amounts are calculated on the basis of a notional income and are provided to: parents of children up to 4 years; persons performing their compulsory military service; persons in full-time post-secondary education and receiving an education allowance; and persons receiving an earnings-based sickness or disability allowance.

All persons who have worked in Sweden and acquired pension rights there are entitled to the earnings-based pension regardless of place of residence at retirement.

There is no qualifying period for the earnings-related old-age pension and the premium pension. Three years of pensionable income is required for the earnings-related supplementary pension, and three years of residence in Sweden is required for the guaranteed pension (provided there are other years of residence within the EU/EEA, one year can be sufficient).

The retirement age is flexible as from the age of 61 years. The possibility of working beyond the age of 67 years is subject to consent of the employer. The guaranteed pension, however, cannot be drawn before the age of 65.
**Social security systems around the globe**

The Swedish Social Insurance Agency (Försäkringskassan) and the Swedish Pensions Agency (Pensionsmyndigheten) administer the system. The Swedish Social Insurance Agency is responsible for benefits to families with children, as well as people who are disabled or are suffering from illness. The Pensions Agency is responsible for pensions and other support for survivors and the elderly.

**Competent authorities**

The Swedish Social Insurance Agency (Försäkringskassan) and the Swedish Pensions Agency (Pensionsmyndigheten) administer the system. The Swedish Social Insurance Agency is responsible for benefits to families with children, as well as people who are disabled or are suffering from illness. The Pensions Agency is responsible for pensions and other support for survivors and the elderly.

**Voluntary social security scheme**

It is not possible to remain covered by the Swedish statutory social security scheme on a voluntary basis.
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Switzerland

Social security systems around the globe

General background

Switzerland has a close-knit network of different types of social insurance offering individuals working or living in Switzerland and their family members broad protection against risks with financial consequences which could not be covered without insurance.

The Swiss social security system is divided into five areas:

• old-age, survivors’ and invalidity insurance (three-pillar system);
• protection against the consequences of sickness and accidents;
• income compensation allowances in cases of military service and maternity;
• unemployment insurance;
• family allowances.

These insurances offer protection in the form of pensions, unemployment benefit, compensation allowances and family allowances, as well as paying costs incurred through illness and accidents.

Benefits are generally financed by contributions levied on income. With respect to Swiss health insurance, each insured pays a premium.

Covered persons

Generally, anyone gainfully employed in Switzerland is subject to the Swiss social security system. The same applies to anyone living in Switzerland and not gainfully employed.
1. Salaried persons

Social security contributions are due by both employees and employers. Employee contributions are deducted from gross pay, whilst employer contributions are paid on top of gross pay. Contributions are due on total gross salary (in cash or kind); some contributions are on capped, others on uncapped, income.

Please find in the following an overview of the contributions due by employees and employers:

<table>
<thead>
<tr>
<th>Insurance range, law</th>
<th>Contributions</th>
</tr>
</thead>
<tbody>
<tr>
<td>Old-age pension (AHV)</td>
<td>Employee/employer, each: 4.2% (uncapped)</td>
</tr>
<tr>
<td>Disability benefits (IV)</td>
<td>Employee/employer, each: 0.7% (uncapped)</td>
</tr>
<tr>
<td>Compensation for temporary loss of income (EO)</td>
<td>Employee/employer, each: 0.25% (uncapped income)</td>
</tr>
<tr>
<td>Unemployment insurance and insolvency compensation (ALV)</td>
<td>Employee/employer, each: up to CHF 126,000 p.a. 1.1%</td>
</tr>
<tr>
<td></td>
<td>Employee/employer, each: over CHF 126,000 p.a. 0.5%</td>
</tr>
<tr>
<td>Occupational benefit plan (BV)</td>
<td>Depending on occupational benefit plan regulations (schemes insuring more than the legal minimum are possible)</td>
</tr>
<tr>
<td>Accident insurance (UV)</td>
<td>Premiums depending on economic sector, risk level of company and insurance contract; income compulsorily insured up to CHF 126,000 p.a. Please note that the employee has additional contribution liabilities for non-accident insurance; however, the employer may assume responsibility for paying these contributions</td>
</tr>
<tr>
<td>Family allowances (FZ)</td>
<td>Employer (depending on applicable cantonal law) 1.2% – 3.5% (uncapped income)</td>
</tr>
<tr>
<td>Administration fee</td>
<td>Employer: depends on the compensation office: up to 3% of the amount of the AHV/IV/EO contributions (uncapped income)</td>
</tr>
</tbody>
</table>
2. Self-employed persons

The social security contributions for self-employed persons are calculated on the basis of the professional income earned and on the equity capital invested in the business. For a main self-employed activity contributions amount up to 9.7% of the income, however currently 1% interest on the equity capital invested in their business is deducted from the income for purpose of calculations of the contributions. Additionally administration fees are due.

Affiliation to an occupational benefit scheme and accident insurance are voluntary for self-employed persons.

Please find in the following an overview of the contributions due by the self-employed:

<table>
<thead>
<tr>
<th>Insurance range, law</th>
<th>Contributions</th>
</tr>
</thead>
<tbody>
<tr>
<td>Old-age pension (AHV)</td>
<td>7.8% (uncapped income)</td>
</tr>
<tr>
<td>Disability benefits (IV)</td>
<td>1.4% (uncapped income)</td>
</tr>
<tr>
<td>Compensation for temporary loss of income (EO)</td>
<td>0.5% (uncapped income)</td>
</tr>
<tr>
<td>Unemployment insurance and insolvency compensation (ALV)</td>
<td>-</td>
</tr>
<tr>
<td>Occupational benefit plan (BV)</td>
<td>voluntary</td>
</tr>
<tr>
<td>Accident insurance (UV)</td>
<td>voluntary</td>
</tr>
<tr>
<td>Family allowances (FZ)</td>
<td>0.8% - 2.8% up to CHF 126,000 income p.a.</td>
</tr>
<tr>
<td>Administration fee</td>
<td>Depends on the compensation office: up to 5% of the amount of AHV/IV/EO contributions (uncapped income)</td>
</tr>
</tbody>
</table>
1. Ordinary old-age pensions (AHV)
The AHV scheme provides cover for retired individuals and surviving dependants.

The AHV scheme is the main pillar of social insurance in Switzerland. It aims to replace, at least partially, the reduction in, or loss of, income due to retirement or death.

The main benefits paid out under the AHV scheme include retirement and surviving dependants’ pensions and helplessness allowances. Benefits are adjusted in line with inflation and salary increases.

Benefits are:

• Old-age pensions: Individuals who reach their retirement age are entitled to an old-age pension. The retirement age in Switzerland is currently 64 years old for women and 65 years old for men. The monthly full old-age pension varies from a minimum of CHF 1,170 to a maximum of CHF 2,340. The total full old-age pensions paid to a married couple or both members of a civil partnership may not exceed 150% of the total maximum full old-age pension, explicitly CHF 3,510.

The calculation of the old age pension is based on the average annual income and the years of contributions. If a person has not contributed for a full period, a reduction of roughly 1/44 will be made for each missing year of contributions.

Under certain conditions, it is possible to draw an old-age pension before reaching the statutory retirement age or to postpone drawing it.

• Helplessness allowance depending on the degree of helplessness.
• Children’s pension.
• Widows/widowers’ pension.
• Orphans’ pension.

2. Invalidity insurance (IV)
Invalidity insurance (IV) is aimed at preventing, reducing or eliminating invalidity by the provision of rehabilitation measures. IV also ensures that the basic needs of those suffering from a disability are covered by the provision of rehabilitation measures and cash benefits.

Benefits are:

• early intervention measures;
• rehabilitation measures;
• ordinary full invalidity pensions if the degree of invalidity is at least 70%, which ranges from a minimum of CHF 1,160 to a maximum of CHF 2,320 a month;
• helplessness allowance depending on the degree of helplessness.

3. Income compensation in the event of military service or maternity (EO)
These insurances compensate for the loss of income due to military service or maternity.

Allowance in the event of maternity: granted to women who are gainfully employed, who suffer from employment incapacity or who are unemployed and receive daily benefits from a social or private insurance fund. The allowance corresponds to 80% of the average earned income prior to entitlement. The maximum allowance is CHF 196 a day.

Entitlement to maternity allowance begins on the day of confinement and ends 98 days later (14 weeks). It ends earlier if the mother returns to gainful employment, regardless of the number of working hours, or if she dies.

Allowances in the event of military service: granted to individuals serving in the Swiss army, in the Red Cross and carrying out a civilian service or a civil defence service (basic allowance of 80% of average income prior to military service; daily maximum: CHF 196; other allowances such as child, childcare and business allowances).
4. Unemployment (ALV)

Unemployment insurance provides benefits in the event of loss of employment, reduced working hours, lack of employment due to weather conditions and insolvency of the employer. This insurance also pays for reintegration measures.

Compensation for temporary loss of income due to unemployment: unemployment benefits represent 70% of insured salary (capped at CHF 126,000) and are paid out as a daily allowance. This can increase to 80% for individuals who have an obligation to care for children under the age of 25, or who receive a daily allowance of less than CHF 140, or who claim an IV pension due to at least 40% disability. According to age, periods of insurance and maintenance obligations towards a child or children, certain cases will attract between 90 and 640 daily allowances.

A person is entitled to unemployment benefits if he or she was employed and paying compulsory contributions for at least 12 months during the two-year period immediately prior to registering with the unemployment office. Besides that, applicants must provide proof of valid loss of employment, be available for and capable of work, and satisfy all supervision-related conditions.

In addition to unemployment benefit, unemployment insurance also provides the following benefits:

- an allowance for participating in active labour market programmes;
- reduced working hours allowance;
- bad weather allowance;
- an allowance in the event of employer insolvency.

5. Occupational benefit scheme (BV)

The objective of the BVG is to supplement AHV and IV benefits in order to ensure that people can basically maintain their accustomed standard of living.

Employees are subject to compulsory insurance in accordance with the BVG if they:

- have an employment contract;
- are subject to AHV/IV insurance;
- are 17 or older, have an annual income that exceeds the BVG entry threshold;
- have not yet reached retirement age.

The law only sets out the minimum statutory benefits. Provident institutions may lay down benefits exceeding the statutory minimum in their own regulations. In particular, they may ensure a salary lower than the minimum amount or higher than the maximum defined by law; however, the maximum amount of insured salary is CHF 835,200 a year.

Anyone who is subject to an occupational benefit plan may claim: old-age pension (upon reaching the statutory retirement age, i.e. 64 for women and 65 for men); invalidity pension; child's pension; capital benefits.

6. Family allowances (FAMZ)

Family allowances compensate for the costs incurred from raising a family and are part of the social security system.

Eligible for family allowances: salaried employees and low-income individuals who are not in gainful employment. Since 1 January 2013 the self-employed working in Switzerland are subject to the family allowances law. Special rules apply to agricultural workers.

The following categories of children give entitlement to family allowances: children of married or unmarried parents; adopted children; children of a spouse; foster children; brothers, sisters and grandchildren of the entitled person, if he/she predominantly supports them.

Benefits:

- child allowance: at least CHF 200 per month per child;
- vocational training allowance: at least CHF 250 per month per child. By law, cantons may provide higher allowances;
- birth/adoption allowance: according to cantonal law.
Age limit:

- child allowance: 16 years; 20 years for children unable to engage in paid employment;
- vocational training allowance: 25 years.

7. Accident insurance (UV)

Compulsory accident insurance covers the financial consequences of accidents at work, accidents outside of work and occupational diseases. The benefits compensate for injury and incapacity for work as the result of an accident or an occupational disease.

Anyone who is employed in Switzerland is covered by accident insurance (according to the UVG).

Benefits are:

- Cash benefits (daily cash benefits, invalidity pensions, integrity allowance, survivors' pensions and helplessness allowances). The insured salary for calculating daily cash benefits and pensions is capped at CHF 126,000 p.a.
- Non-cash benefits (such as medical care, auxiliary equipment and reimbursement of costs).

8. Daily sickness allowances

Loss of income in cases of incapacity for work due to sickness is not covered by social security insurance. Employers can take out voluntary daily sickness allowance cover for the risk that an employee is sick for a longer period of time whilst still entitled to salary.

9. Health insurance (KV)

Health insurance gives everyone living in Switzerland access to adequate health care in the event of sickness, and in case of accident if they are not covered by accident insurance.

Health insurance is compulsory for everyone living in Switzerland. Anyone who is in Switzerland for longer than three months must take out health insurance cover within a period of three months. Insurance companies must also be informed by parents of the birth of their children within three months; parents and children are insured separately.

As a general rule, employers do not arrange health insurance cover. Anyone required to take out health insurance cover must arrange it themselves. Everyone has a free choice of health insurance provider. A full list of health insurers can be found on the website of the Swiss Federal Office of Public Health (FOPH): www.priminfo.ch. The premiums depend on the chosen insurance coverage, age, place of residence, etc.

Insurance provides the following benefits:

- general benefits in case of sickness, maternity, accident (not covered by accident insurance), congenital diseases (not covered by the invalidity insurance scheme) and legal abortion;
- prevention measures;
- benefits specific to maternity;
- dental care (however, benefits are very restricted).

A portion of treatment costs is paid by the insured. This consists of:

- a standard deductible of CHF 300 a year; children and adolescents up to 18 years of age do not pay a standard deductible;
- a retention fee of 10 percent of the remaining invoiced amount up to a maximum of CHF 700 a year (CHF 350 for children and adolescents).

Under certain conditions, a higher level of amenities may be covered on a voluntary basis.
Competent authorities

1. Salaried persons
State Swiss social security: cantonal compensation fund or, if applicable, trade union compensation fund.
Occupational benefit scheme and accident insurance: chosen provider.

2. Self-employed persons
State Swiss social security: cantonal compensation fund or, if applicable, trade union compensation fund.
Occupational benefit scheme and accident insurance: chosen provider.

Voluntary social security scheme

1. Voluntary continuance of compulsory social security scheme
Under certain conditions (inter alia the individual has to have five consecutive years of Swiss social security coverage immediately prior to departure), employee and employer may agree to voluntarily continue compulsory Swiss social security coverage if the employee is assigned to work abroad by his/her Swiss employer. However, this does not release them from any obligation to pay contributions to the compulsory insurance in their country of employment. Applications must be submitted to the competent compensation office within six months of the end of the compulsory social security obligations.

2. Voluntary social security scheme
Under certain conditions (inter alia the individual has to have five consecutive years of Swiss social security coverage immediately prior to departure), Swiss or EU/EFTA nationals with residence outside Switzerland or the EU/EFTA may join the voluntary insurance scheme. Requests must be sent in to the Swiss compensation Office (SCO) in Geneva within one year of leaving the compulsory insurance scheme.
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Turkey has an extensive statutory social security system based on solidarity.

The Turkish social security scheme is triggered upon the occurrence of three events:

- wage loss (e.g. unemployment, retirement, incapacity for work): replacement income;
- social charges (e.g. sickness): income supplements;
- no earned income (outside the claimant’s control): assistance allowances.

The Turkish statutory social security system is divided into three schemes:

- scheme for salaried persons (individuals who are linked to their employer by an employment agreement);
- scheme for self-employed persons (individuals who perform their professional activities outside the scope of an employment agreement or appointed office);
- scheme for civil servants (individuals who are subject to public service status) – not gone into in this country profile.
Social security systems around the globe

Contributions

Contributions

Social security contributions are payable as a percentage of gross salary by individual employees and employers.

1. Salaried persons

Social security contributions are due by both the employee and the employer. Employees' contributions are deducted from their gross salary, whilst employer contributions are paid on top of the gross remuneration.

Currently, salaried persons pay 15% and employers pay 22.5% (regardless of the hazard class in the workplace) up to a maximum earnings level of TRY 6,961.50 a month for salaried persons between 1 January 2014 and 30 June 2014.

Salaried persons' contributions are deductible when determining taxable income.

2. Self-employed persons

The social security contributions for self-employed persons are calculated between the applicable social security base and ceiling.

Self-employed persons pay 34.5% (regardless of the hazard class in the workplace) up to a maximum earnings level of TRY 6,961.50 a month between 1 January 2014 and 30 June 2014. No unemployment contribution is paid for self-employed persons.
Benefits

1. Health care (general health insurance)

Health care covers both preventive and curative care required for maintaining and restoring a person’s health (e.g. ordinary medical care, dental care, hospital care). All medical treatment that is dispensed and that can be (partly or completely) reimbursed is listed in a ‘nomenclature of medical treatment’.

A number of conditions and criteria have to be met in order to have access to health care (e.g. a minimum 30-day contribution period applies to the scheme for both salaried and self-employed persons, but the self-employed must also have had no outstanding contribution liability to a social security institution for more than 60 days).

There are exemptions from these conditions (e.g. children under 18, work accidents and occupational diseases).

2. Sickness benefits

When a person falls ill, in addition to health care, he or she will be entitled to benefits covering income loss.

Salaried persons entitled to sickness benefits must meet certain conditions (e.g. a minimum coverage period of 90 days and payment of sufficient social security contributions). Patients are entitled to two-thirds of their normal daily gross salary when treated as outpatients, capped at TRY 154.70 (in the period between 1 January 2014 and 30 June 2014), and half of their daily earnings for inpatient treatment, capped at TRY 116.03 (for the period between 1 January 2014 and 30 June 2014) a day from the 3rd day onwards, which is paid by the Turkish Social Security Institution without any deduction. The Institution does not pay any benefits for the first two days.

3. Accidents at work

All salaried and self-employed persons are covered against accidents at work and accidents on the way to and from work. An accident at work is an accident that happens to a person during and by virtue of performance of an employment contract and that causes injury. Accidents on the way to and from work are accidents that occur on the normal route the person uses to travel from his/her residence to work and vice versa.

A victim of an accident at work is entitled to reimbursement for the costs of hospital care, physiotherapy, medical, surgical, dental and pharmaceutical care as well as orthopedic equipment. Care costs are reimbursed according to the applicable sickness social security tariffs and the social security institution has to pay the patient fee.

Victims are entitled to two-thirds of their normal daily gross salary for outpatient treatment, capped at TRY 154.70 (in the period between 1 January 2014 and 30 June 2014), and half of their daily earnings for inpatient treatment, capped at TRY 116.03 (for the period between 1 January 2014 and 30 June 2014) a day for, which are paid by the Turkish Social Security Institution without any deduction.

Victims are also entitled to permanent incapacity income if their occupational earning power is deemed by the authorities to have been reduced by 10% according to reports on the illness or disability caused by a work accident or occupational disease.
4. Occupational disease

There is a list of diseases acknowledged as occupational diseases.

If a person falls victim to an occupational disease included in the list occurs and works in a sector in which he or she is exposed to a risk that can cause that disease, it will be acknowledged as an occupational disease if the victim submits a hospital report proving the existence of the occupational disease.

For unlisted occupational diseases, the victim has to prove that he/she was exposed to a risk and the causal link between the disease and the exposure.

Victims are entitled to two-thirds of their normal daily gross salary for outpatient treatment, capped at TRY 154.70 (in the period between 1 January 2014 and 30 June 2014) and half of their daily earnings for inpatient treatment, capped at TRY 116.03 (in the period between 1 January 2014 and 30 June 2014) a day, which are paid by the Turkish Social Security Institution without any deduction.

Victims are also entitled to permanent incapacity income if their occupational earning power is deemed by the authorities to have been reduced by 10% according to reports on the illness or disability caused by a work accident or occupational disease.

5. Maternity benefits

Pregnant women are entitled to maternity leave of 16 weeks and an allowance during that leave.

Two periods can be distinguished:

- the prenatal rest period: eight weeks before the estimated date of birth and, in the case of multiple births, ten weeks before the estimated date of birth (five weeks are optional and may be transferred to the period after childbirth);
- the postnatal rest period: eight weeks after giving birth.

During maternity leave, salaried women are entitled to an incapacity for work allowance equal to two-thirds of their normal daily gross salary for outpatient treatment, capped at TRY 154.70 (in the period between 1 January 2014 and 30 June 2014) and half of their daily earnings for inpatient treatment, capped at TRY 116.03 (in the period between 1 January 2014 and 30 June 2014) a day, which are paid by the Turkish Social Security Institution without any deduction.

6. Unemployment

Replacement income may be claimed in the case of involuntary loss of salaried employment.

To be eligible for unemployment benefit, certain conditions have to be met (e.g. the claimant may not receive any salary or perform work in any workplace, unemployment must be out of the claimant’s control, the claimant must be available for the labour market, fit for work). However, there are exceptions to these conditions.

Furthermore, the claimant must comply with certain formalities (e.g. applying to the İŞ-KUR agency, declaring that he/she is ready to work, must have worked as a social security holder for at least 600 days in the last three years, worked continuously and paid premiums for the last 120 days prior to leaving his/her job).

The daily unemployment benefit is 40% of the claimant’s previous daily gross wage, calculated taking his/her earnings over the last four months as a basis.

Unemployment benefits are paid to unemployed workers on a monthly basis at the end of each month. Unemployment benefits may also not exceed 80% of the gross minimum wage.
7. Disability

Disability benefit is awarded to victims of a work accident or occupational disease resulting in a minimum of 60% disability. Certain conditions must be met (e.g. number of days of paid premiums, length of period, disability status/rate).

Disability benefit is calculated according to the number of premium-paid days that eligible workers have worked. For workers for which this number is less than 9,000, the benefit is calculated as 9,000 days, while for those who have tallied up 9,000 days or more, the benefit is calculated according to the actual number of premium-paid days. For current workers, however, the 9,000 figure is reduced to 7,200.

8. Survivors’ benefits

Persons who have lost their partner are entitled to survivors’ benefits. Children who have lost one or both of their parents are also entitled to survivors’ benefits.

A number of conditions and criteria have to be met in order to claim survivors’ benefits (e.g. a minimum of 1,800 days of disability, retirement (old-age) and survivors’ premiums should have been paid; salaried persons must have had social security status for at least five years (this does not apply to other, self-employed workers); and a total of 900 days of disability, retirement and survivors’ premiums should be paid).

The total benefit payable is capped at the amount of pension of the deceased. If necessary, proportional reductions will be made to the pensions of claimants in application of this limit.

9. Retirement

Retirement pension is a benefit that eligible workers are entitled to based on their social security coverage period, the number of premium-paid days, their age, and the date when they started paying into the scheme.

The normal retirement age in Turkey is 58 for women and 60 for men (although it will gradually increase to 65 for both women and men in 2036). A civil servant or self-employed person currently has to work 9,000 days and a salaried person 7,200 days in order to be entitled to a full pension.

The current amount of retirement pension varies since the calculation is very complex and should be done according to an individual’s social security status and history (e.g. social security period, age and number of premium-paid days, social security start date, earnings subject to contribution).
Competent authorities

Contributions paid by employers and employees are collected by the Turkish Social Security Institution for both salaried persons and self-employed persons.
Voluntary social security scheme

Voluntary coverage is possible for part of the Turkish social security system. This coverage aims to enable individuals who are no longer covered under the regular (compulsory) social security scheme in Turkey to continue contributing to long-term social security types such as disability, retirement and death (including pension) as well as general health insurance. A number of conditions and criteria have to be met in order to gain access to the voluntary social security scheme (e.g. minimum age 18, resident in Turkey).

The monthly premium base for this scheme is determined according to the applicable social security basis and the cap. The relevant premium rate is 32%. Contributions are paid monthly.

### Social security rates in Turkey, 2014

**For salaried persons**

<table>
<thead>
<tr>
<th>Social security categories</th>
<th>Employee</th>
<th>Employer</th>
<th>TOTAL</th>
<th>Government</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Long term</strong> (disability, old age, survivorship)</td>
<td>9%</td>
<td>11%</td>
<td>20%</td>
<td>Contributes ¼ of total, collected annually</td>
</tr>
<tr>
<td><strong>Short term</strong> (work accidents, occupational diseases, sickness, maternity)</td>
<td>–</td>
<td>2%</td>
<td>2%</td>
<td>–</td>
</tr>
<tr>
<td>General health insurance</td>
<td>5%</td>
<td>7.5%</td>
<td>12.5%</td>
<td>–</td>
</tr>
<tr>
<td>Unemployment</td>
<td>1%</td>
<td>2%</td>
<td>3%</td>
<td>1%</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td>15%</td>
<td>22.5%</td>
<td>37.5%</td>
<td>–</td>
</tr>
</tbody>
</table>

**For self-employed persons**

<table>
<thead>
<tr>
<th>Social security categories</th>
<th>Employer</th>
<th>TOTAL</th>
<th>Government</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Long term</strong> (disability, old age, survivorship)</td>
<td>20%</td>
<td></td>
<td>Contributes ¼ of total, collected annually</td>
</tr>
<tr>
<td><strong>Short term</strong> (work accidents, occupational diseases, sickness, maternity)</td>
<td>2%</td>
<td></td>
<td>–</td>
</tr>
<tr>
<td>General health insurance</td>
<td>12.5%</td>
<td></td>
<td>–</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td>34.5%</td>
<td></td>
<td>–</td>
</tr>
</tbody>
</table>
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United Kingdom

General background

The United Kingdom has an extensive social security scheme which includes provision of benefits connected with payment of National Insurance Contributions (NIC), benefits connected with residence in the UK and other non-contributory benefits.

Covered persons

Persons who pay NIC will gain entitlement to contributory benefits. Entitlement to non-contributory benefits including NHS healthcare and child benefits is gained through residence in the UK.
Employees and employers are subject to Class 1 National Insurance Contributions (NICs).

Employee social security contributions are generally payable by employees who are gainfully employed in the UK and who are resident or present in the UK, or are ordinarily resident in the UK, in the pursuance of that employment. If employee contributions are due, employer contributions are usually also due (by a UK ‘host employer’ or by the foreign employer).

Company directors and board members are considered employees for social security purposes.

Employee contributions amount to 0% on the first £7,755 of annual salary, 12% between £7,755 and £41,450, and 2% (uncapped) on cash remuneration above the latter threshold.

Employer contributions are levied above the first £7,696 of annual salary at 13.8% (uncapped), and on benefits in kind (2013/14 rates). Some reductions may apply.

Self-employed individuals are subject to Class 2 and Class 4 NIC.

Class 2 NICs are payable a flat rate of £2.70 per week and Class 4 NICs are levied on annual taxable profits, at 9% of profits between £7,755 and £41,450, and 2% of profits (uncapped) above the latter threshold (2013/14).

Compulsory contributions give access to: State pension, sickness and disability insurance, unemployment (not for self-employed persons), and bereavement allowance. State health care and family benefits are typically based on residence and individual circumstances.

Employee contributions are not deductible in determining taxable income.

For employees assigned to the UK, an exemption from social security may be granted, provided certain conditions are met.
1. Retirement

State retirement pension in the UK is made up of two parts – a basic State retirement pension and an additional State retirement pension. Basic State retirement pension entitlement is derived from the number of years that the individual has paid, or been credited with, a qualifying number of National Insurance contributions. The number of qualifying years that contributions are required to receive the maximum basic state retirement pension is 30 years. A reduced-rate basic State retirement pension will be paid where the individuals have paid National Insurance contributions for a minimum period of one year.

The maximum amount of basic State retirement pension payable in the 2013/14 tax year is £110.15 per week.

An additional State retirement pension can be paid when an individual has paid Class 1 National Insurance contributions. The amount paid is based on the individual's earnings and the number of years they have worked and paid Class 1 NIC. Up to 5 April 2012, individuals could opt out of participating in the additional pension scheme by entering into alternative pension provision schemes, such as employer funded money purchase pension schemes or stakeholder pension schemes.

There is no fixed amount of additional pension payable.

The current state retirement age in the UK is 65, although it is proposed that this will increase to 66 for both men and women by October 2020 and thereafter ultimately 68.

2. Survivors’ benefits

There are three benefits available to a man or woman whose spouse or same-sex civil partner has died. Entitlement is wholly dependent on the deceased spouse or civil partner having made NIC payments prior to death.

**Bereavement payment**

This is a single lump sum payment paid to widows, widowers and surviving civil partners who are under State retirement pension age, or over State retirement pension age if their late spouse or civil partner was not entitled to a State retirement pension based on his/her own National Insurance contributions record. The lump sum payable is £2,000.

**Widowed Parent’s Allowance (WPA)**

WPA is payable upon the death of a spouse or civil partner where the survivor is claiming child benefit for at least one child and the deceased spouse or civil partner was their parent, or the claimant is a woman who is expecting her late husband’s baby. The amount payable is based on the deceased spouse/civil partner’s NIC record. The maximum amount payable is £108.30 per week.

Payment of WPA usually ends when child benefit payments end or the surviving spouse or civil partner remarries. It is not payable beyond State retirement pension age.

**Bereavement allowance**

Bereavement Allowance is payable on the death of a spouse or civil partner who is over 45 and under State Retirement Pension age, unless he/she is entitled to widowed parent’s allowance. Bereavement allowance is paid for a period of 52 weeks. The amount payable depends on the deceased spouse/civil partner’s NIC record and the surviving spouse/civil partner’s age. An individual aged 45 may receive £32.49 per week rising in incremental stages to £108.30 per week for someone aged 55 or over.

3. Healthcare

State health care in the UK is provided for free through the National Health Service. Provision of free healthcare is not dependent on the payment of National Insurance contributions. Free general practitioner (GP) and hospital services are available to individuals and their families who live and have settled in the UK.

Any individual in the UK can receive free healthcare at a hospital accident and emergency department or at a walk-in medical centre.
4. Family benefits
There are two types of family related benefits in the UK – child benefit and child tax credits. Child benefit is dependent on being ordinarily resident in the UK. It does not depend on the payment of National Insurance contributions. A higher income child benefit charge was introduced in January 2013 which is effective where one parent earns in excess of £50,000 per annum. Although child benefit can continue to be claimed, a corresponding charge is levied by the UK government on the higher earner. The charge levied equals the actual amount of child benefit paid where the parent earns in excess of £60,000 per annum. Child benefit is paid at a rate of £20.30 per week for the first child and £13.40 per week for each additional child.

Child tax credit is made up of two elements: a child element and a family element. Child tax credit is payable by HM Revenue & Customs and the amount payable is based on factors such as the number of children in the household, whether they are disabled or not, the household income, and whether the family are incurring childcare costs. The amount of Child Tax Credit payable will reduce as earnings increase.

5. Sickness benefits
Individuals can receive statutory sick pay (SSP) from their employer if they are sick for at least four days or more in a row (including weekends and bank holidays) and their average weekly earnings are at or above the lower earnings limit for NIC purposes (£109 per week for the 2013/14 tax year). SSP is payable at a rate of £86.70 per week (2013/14 tax year) and is paid by the employer for 28 weeks.

Individuals not entitled to SSP, or that have received SSP for 28 weeks from their employer, then they may be eligible to claim employment and support allowance (ESA). The amount of ESA payable varies from £56.80 to £109.50 per week.

6. Disability
Individuals who cannot work because of a disability may be eligible to receive ESA. A doctor or healthcare professional is required to make a medical assessment over a 13 week period on whether the claimant is fit for work. During the 13 week assessment phase an individual will receive £71.70 per week. After this period, claimants required to seek work will receive £100.15 per week. Those not required to work will receive £106.50 per week.

7. Maternity and paternity benefits
Statutory Maternity Pay (SMP)
SMP is payable by an employer to pregnant women who meet certain qualifying conditions. It is payable for a period of 39 weeks. The individual receives 90% of her average weekly earnings for six weeks followed by £136.78 a week payable for 33 weeks.

Maternity Allowance (MA)
Maternity allowance is paid to women who do not qualify for SMP but who satisfy other conditions. The maximum amount of MA payable is the lower of 90% of an individual’s gross average earnings or £136.78 per week. It is payable for a 39 week period.

Statutory Paternity Pay
The partner of an individual who is expecting a baby may receive Statutory Paternity Pay, which can be ordinary (OSPP) or additional (ASPP) in nature. OSPP is payable for a maximum two-week period. The maximum amount payable is £136.78 per week.

ASPP is payable when the mother has returned to work before the end of the 39 week maternity pay period. ASPP is payable for two to 26 weeks at a maximum rate of £136.78 per week.
United Kingdom

8. Unemployment

Unemployed individuals in the UK may be eligible to receive job seekers’ allowance (JSA), which can be either contributions-based or income-based.

**Contributions-Based JSA (CBJSA)**

To be eligible to receive CBJSA, an individual must have paid sufficient NIC in the last two tax years before the claim. CBJSA is paid for up to 182 days at a rate of £ 71.70 per week for individuals aged 25 or over. Individual aged between 17 and 24 will receive £ 56.80 per week.

**Income-Based JSA (IBJSA)**

Individuals who do not qualify for CBJSA or whose entitlement to CBJSA has ended may be eligible to receive IBJSA. This is a means tested benefit, which can only be paid if the individual has savings of less than £ 16,000 and his/her partner does not work for more than 24 hours per week. IBJSA is paid at a rate of £ 71.70 per week for individuals aged 25 or over. Individuals aged between 17 and 24 will receive £ 56.80 per week.

9. Benefits Cap & Universal Credit

From April 2013, a monetary cap on the amount of benefit an individual can claim will be introduced. The capped amounts are as follows:

- £ 500 a week for couples;
- £ 500 a week for single parents whose children live with them;
- £ 350 a week for single adults who do not have children, or whose children do not live with them.

In addition to the benefits cap, a new single payment called ‘universal credit’ will be launched in 2013 for individuals claiming benefit who are on low income or who are looking for work. The benefits affected by the new payment include child tax credits, income-related employment and support allowance and income-related job seeker’s allowance, as well as other types of non-contributory benefits.
**Competent authorities**

HM Revenue & Customs is responsible for the collection and recording of contributions. It also administers payments of child benefit, child tax credits, and other tax credits. The Department for Work and Pensions (DWP) is responsible for the administration and payment of most other benefits. The NHS is responsible for the delivery of health care.

**Voluntary social security scheme**

Individuals under certain conditions can register to pay Class 2 or Class 3 NIC on a voluntary basis.

In certain circumstances it is possible to pay National Insurance contributions on a voluntary basis. Voluntary NIC can only be paid when payment of compulsory NIC is not possible. In order for voluntary NIC to be payable, an individual must have paid compulsory NIC in the UK for a three-year period or have been resident in the UK for a continuous three-year period before applying to pay voluntary NIC. Payment of voluntary NIC will maintain an individual's entitlement to basic retirement pension and bereavement benefits. In some circumstances, it will also maintain entitlement to maternity benefits and Employment & Support Allowance.
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Manager
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**General background**

US social security and Medicare contributions are imposed via a tax on the wages of workers and their employers. Self-employed individuals pay both portions. The taxes paid are not put into a special account for the individual worker; instead they are used to pay benefits to those currently collecting benefits. The taxes are collectively known as either self-employment tax (for self-employed individuals, or ‘SE tax’) or ‘FICA’ (for employees, which stands for the Federal Insurance Contributions Act, which brought them into being). They fund four kinds of benefits:

- retirement;
- disability;
- survivors;
- hospital insurance (Medicare).

**Covered persons**

FICA taxes are imposed on:

- wages related to the performance of services in the USA;
- wages paid to a US citizen or resident for an ‘American employer’ or a foreign affiliate of an American employer if an election is made under section 3121(l) of the Internal Revenue Code (a section 3121(l) agreement is an irrevocable election by a US entity to continue to cover all US-citizen and -resident employees of a particular foreign affiliate for FICA purposes).

SE tax is imposed on a self-employed US citizen’s or resident’s ‘net earnings from self-employment’, regardless of where the services are performed.

Certain exceptions to ‘wages’ or ‘net earnings from self-employment’ apply to employees of foreign governments and international organisations, non-resident aliens temporarily present in the United States under student or trainee visas, and those covered under a foreign system under a totalisation agreement, among others.
Contributions

1. OASDI (Old Age, Survivors and Disability)

**Employees**
6.2% (temporarily reduced to 4.2% for 2011 and 2012) of covered earnings. The maximum annual earnings used to calculate contributions are USD 117,000 (2014 threshold, adjusted annually).

**Self-employed**
12.4% of self-employment income (temporarily reduced to 10.4% for 2011 and 2012). The maximum annual earnings used to calculate contributions are USD 117,000 (2014 threshold, adjusted annually).

**Employers**
6.2% of covered payroll. The maximum annual earnings used to calculate contributions are USD 117,000 (2014 threshold, adjusted annually).

2. Medicare

**Employees**
1.45% of covered earnings. There are no maximum earnings used to calculate contributions.

For years after 2012, an additional 0.9% contribution is due for taxpayers to the extent compensation exceeds certain limits. The so-called Additional Medicare Tax, which is different from the Unearned Income Medicare Contribution (discussed later) is a provision enacted under the Patient Protection and Affordable Care Act of 2010 (PPACA).

The Additional Medicare Tax applies at a rate of 0.9% to individuals’ wages, other compensation, and self-employment income received after 31 December 2012 in excess of the following threshold amounts for the individual’s filing status:

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<td>Head of household (with qualifying person)</td>
<td>USD 200,000</td>
</tr>
<tr>
<td>Qualifying widow(er) with dependent child</td>
<td>USD 200,000</td>
</tr>
</tbody>
</table>

Income currently subject to the Medicare tax is subject to the Additional Medicare Tax to the extent received in excess of the applicable threshold amounts. Therefore, compensation exempt from FICA under a totalisation agreement is also exempt from the Additional 0.9% Medicare Tax.
Employers
1.45% of covered earnings. There are no maximum earnings used to calculate contributions.

Self-employed
2.9% of self-employment income. There are no maximum earnings used to calculate contributions.

For years after 2012, an additional 0.9% contribution is due for taxpayers to the extent compensation exceeds certain limits. The so-called Additional Medicare Tax, which is different from the Unearned Income Medicare Contribution (discussed later) is a provision enacted under the Patient Protection and Affordable Care Act of 2010 (PPACA).

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Income currently subject to the Medicare tax is subject to the Additional Medicare Tax to the extent received in excess of the applicable threshold amounts. Therefore, compensation exempt from FICA under a totalisation agreement is also exempt from the Additional 0.9% Medicare Tax.

Contributions are payable on ALL elements of an individual’s compensation package, including non-cash amounts. Hypothetical tax reduces this compensation/contribution base, as do medical/dental insurance contributions under most companies’ plans. Qualified retirement plan contributions, which reduce an individual’s wages for income tax purposes, do not reduce FICA wages.

FICA contributions are not deductible for federal income tax purposes, but are permitted as a deduction on certain state returns. Although the employer’s matching contribution is not taxable to the individual, the employee’s contribution is (i.e., it is not excluded from the individual’s income). Likewise, no deduction is generally permitted for contributions to foreign social security systems. Foreign social security taxes which are considered ‘income’ taxes may be considered creditable foreign income taxes provided they are not paid in relation to wages that are covered under a totalisation agreement.

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Benefits eligibility

The individual must have at least 40 quarters of coverage to qualify for old-age pension benefits, with certain exceptions and special rules under totalisation agreements for those who have at least six quarters of coverage and at least 40 quarters when considering coverage under the US system and those of totalisation agreement countries. Benefits are payable at age 66 (rising to age 67 by 2027), although a reduced pension can be paid from age 62 and the pension may be deferred to no later than age 70. Pensions are payable abroad to non-citizens under totalisation agreements and to those residing in other specified countries.

Survivor benefits may be payable provided that the deceased was a pensioner or had a quarter of coverage for each year from age 21 up to the year before the year of death. Eligible survivors include widow(er)s (or a surviving divorced spouse, provided that the marriage lasted at least ten years), orphans younger than age 18 (aged 18 to 19 if attending elementary or secondary school full time, no limit if disabled before age 22), and dependent parents aged 62 or older provided that they were at least 50% dependent on the deceased.

Disability benefits are available to those who have had at least one quarter of coverage for each year since age 21 through to the date the individual is considered ‘disabled’, and must have 20 quarters of coverage in the ten-year period before disability began. Disability begins when the individual is assessed as incapable of substantial gainful activity as the result of a physical or mental impairment that is expected to last at least a year or result in death.

Medicare benefits are typically available to those aged 65 and older who are eligible for pension benefits without taking into account coverage in totalisation country systems. Certain others may qualify as well, including those who have been receiving disability benefits for longer than two years.

Individuals who do not meet eligibility requirements are not entitled to any refund of contributions made to FICA.
Individuals who are not otherwise required to contribute cannot make voluntary contributions to US FICA or SE tax.
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Uzbekistan's social security system is based on solidarity.
It intervenes upon two events:

- wage loss (unemployment benefits, retirement, incapacity for work); and
- social burdens (e.g. children, disabled persons and dependents of the deceased sole breadwinner).

Under the Uzbek legislation, employees and employers are payers of mandatory social insurance contributions on employment income received/paid.

All citizens and permanent residents are covered by the state social security system. The level of protection and protection mechanisms are determined by work experience, amount of contributions.

Social contributions are applied to:

- expatriates and Uzbek nationals working in Uzbekistan under employment and civil contracts;
- individual entrepreneurs.
Under the Uzbek legislation, mandatory social security charges are calculated and paid by both employees and employers on employment income.

1. Employer contributions

Employers are subject to the Unified Social Payment ("USP") assessed on total payroll cost related to local and expatriate staff. This payment is collected by the tax authorities. The rate of USP for 2014 is 25%.

The monthly USP amount should not be less than one minimum monthly wage (currently around USD 43) per employee.

As of 1 January 2012, individual income of foreign personnel paid to non-resident legal entities as part of secondment fees under personnel provision agreements is subject to USP. The taxable base for calculating the USP on such income is the actual income of the foreign personnel provided, but not less than 90% of the secondment fee payable under the personnel provision agreement. USP in respect of personnel provided is payable by the host entity.

2. Employee contributions

Employees are required to make mandatory contributions to the Pension Fund calculated at 6.5% of their salaries.

This contribution is withheld by employers at source and remitted to the relevant tax authorities.

Foreign personnel permanently residing in Uzbekistan (i.e. those who have a permanent residency permit and permanent registration) are also subject to contributions to the Pension Fund. Other foreign personnel is not subject to the contributions, unless the benefits resulting from such social contributions are to be claimed. Such benefits include: pension, unemployment allowance, disability allowance etc.

3. Individual entrepreneurs

Individual entrepreneurs pay their monthly social contributions on a self-assessment basis in the amount of one minimum monthly wage (currently around USD 43).
1. Unemployment

Citizens of Uzbekistan and individuals permanently residing in Uzbekistan (including stateless persons and foreign nationals) could be recognised as unemployed if they register with the local state labor authority as job seekers ready to work or follow training to enhance their qualifications.

The state social security authorities provide consultation on employment issues, assist with employment issues, organise occupational training and provide social support in the form of unemployment allowances for unemployed individuals.

All individuals recognised as unemployed are eligible for unemployment allowance.

Please note that the following individuals may not be recognised as unemployed:

- individuals who refused to accept a suitable job offer twice within ten days from the date of registration as job seeker;
- individuals who did not appear at the local state labour authority within ten days after receiving a job offer.

2. Pensions

The Uzbek legislation establishes the following types of pensions:

- retirement pension;
- disability pension;
- loss of breadwinner pension.

**Retirement pension**

The right to a retirement pension arises once an individual reaches a certain retirement age. In Uzbekistan, the retirement age for men is 60 years with a minimum of 25 years’ work experience, and for women 55 years with a minimum of 20 years’ work experience. If an individual’s work experience is below the required minimum, the pension amount is reduced proportionally to the work experience; however, no pension can be claimed if the work experience is less than five years. The working age could be decreased for certain categories of professions, including jobs in hard or harmful work environments and certain artistic professions.

Foreign nationals and stateless persons that are permanent residents of the Republic of Uzbekistan have the same rights for pensions as citizens of the Republic of Uzbekistan.

Generally, the retirement pension is calculated at 55% of the average monthly salary for any consecutive five years during the last ten year employment period. Retirement pensions can be increased for work experience exceeding the minimum requirements as well as for other reasons (e.g. for having a child – women only).

**Disability pension**

Disability pensions due to a work-related injury or an occupational disease are provided regardless of work experience.

At the same time, disability pensions resulting from a general disease are subject to certain work experience by the time of occurrence of the disability. Disabled persons without the required work experience receive pensions proportional to their work experience.

Individuals that have been disabled since childhood receive disability benefits instead of a pension. These benefits are assigned regardless of work experience.

**Loss of the breadwinner pension**

Family members that are not able to work are eligible for the pension if the breadwinner dies and provided they were his/her dependents.
The amount of such pension should be 30% of the average amount of income (but not less than 50% of the minimum monthly wage) per each family member (dependent) who is not able to work.

The parents and the spouse of the deceased individual that were not his/her dependents are also eligible for the pension if they subsequently lose their means of subsistence.

**Cumulative pension system**

Effective 1 January 2005, the Uzbek pension system has been supplemented with a new cumulative pension mechanism. This mechanism implies obligatory withholding by employers of 1% from employees’ monthly employment income. However, this amount withheld decreases the personal income tax liability calculated from the same monthly employment income.

Beneficiaries of the accumulated pension can withdraw their pension funds when they reach the statutory pensionable age. Such withdrawal would be allowed based on a pension certificate to be issued by the social security authorities at the place of permanent residency.

The accumulated pension can be withdrawn prior to the pensionable age if (i) the beneficiary dies and his/her accumulated pension funds are inherited under the relevant legislation or (ii) an individual emigrates from the Republic of Uzbekistan.

3. **Healthcare**

Uzbekistan's healthcare system is a combination of public and private service providers. Medical institutions of the state health system provide state-guaranteed health care free of charge. Such services include:

- provision of emergency medical care;
- provision of the primary health services;
- immunisation and vaccination against a number of infectious diseases;
- specialised care for socially important diseases;
- other support.

4. **Sickness benefits**

Sickness benefits are provided to employees by the employer in the following cases:

- disease/injury leading to temporary disability;
- medical treatment at specialised resorts;
- disease of family members if in need for care;
- quarantine;
- temporary transfers to other work due to tuberculosis or an occupational disease;
- medical treatment of disability or prosthetics with treatment at special rehabilitation facilities.

Sickness benefits are provided on the basis of special document(s) issued by policlinics. Sickness benefits also apply if treatment is needed for a sick family member but generally for no longer than seven days and 14 days where children younger than 14 years are concerned.

5. **Maternity allowance**

Women are guaranteed to receive up to 126 days of paid maternity leave. Women (currently employed) are also entitled to a one-off maternity allowance paid by the employer. After the maternity leave, women may take child care leave for up to two years and receive a monthly 'child allowance'. Women may also take additional unpaid child care leave till the child reaches age three.
Competent authorities

Contributions are paid by employers into the bank accounts of the tax authorities and distributed by the tax authorities as follows.

Unified social payment:
- Pension Fund – 24.8%
- Employment Fund – 0.1%
- Trade Union Federation Council – 0.1%

Contributions paid by employees are forwarded to the Pension Fund by the tax authorities.

Payments into cumulative pension accounts are made to Halk Bank – i.e. the bank responsible for managing the pension accounts.

Voluntary social security scheme

In addition to mandatory contributions, residents of the Republic of Uzbekistan can make voluntary contributions into cumulative pension accounts.
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Zimbabwe has a statutory social security system providing retirement and other benefits to meet the contingency needs of workers and their dependants and to see to other related matters.

Zimbabwe's statutory social security covers the following persons:

- **Salaried persons** – individuals who are linked to an employer by an employment agreement.
Zimbabwe

Contributions

1. Salaried persons

Social security contributions are due by both employees and employers. Employees contribute 3.5% of their total monthly earnings, with a cap of USD 700, whilst employers contribute an identical amount. The contributions are deductible from taxable income, but the amount due is calculated on the gross earnings.

Employers are liable to transfer both the employer and employee contributions to the NSSA (National Social Security Scheme) within 15 days after the end of the month to which the contributions relate.

Note that emoluments that are payable to expatriate employees are not liable to contributions to this scheme (with respect to both employee and employer contributions).
Zimbabwe

Benefits
For salaried persons

1. Old-age pension and old-age gratuity
An old-age pension is paid when a member attains the age of 60 and has contributed to the fund for a minimum of 180 months (15 years). The amount payable is calculated on the basis of 30% of the average monthly earnings, capped at USD 700, for the first 15 years of coverage, plus 2% of the monthly average earnings, capped at USD 700, for each additional 12-month period.

The minimum old-age pension is USD 60 per month.

The old-age gratuity is a lump sum corresponding to 12 months of initial pension paid when members qualify for the old-age pension.

2. Retirement grant
This is a one-off payment, paid to members who reached the retirement age but have not reached the minimum contribution period of 15 years. The grant paid corresponds to 1.5 times the insured’s average monthly earnings, capped at USD 700, for each 12-month period of contributions.

3. Invalidity pension
This is granted when a determinable physical or mental impairment prevents a member from engaging in any meaningful gainful employment. A medical board appointed by the authority certifies whether the member is permanently and totally incapable of further employment. To qualify, members should have contributed to the fund for 15 years.

The pension is calculated on the basis of 30% of the insured's monthly average earnings, capped at USD 700, for the first 15 years of coverage, plus 2% of their monthly average earnings, capped at USD 700, for each additional 12-month period. A six-month credit period is awarded for every year before age 60 that the claim is made: if a person becomes invalid before the age of 60, the contributions will be “topped up” with deemed payments at half a year for each full year pending.

The minimum invalidity pension is USD 30 per month.
4. Invalidity grant

Where members are permanently and totally incapable of further employment but do not qualify for invalidity pension as a result of not meeting the minimum contribution period of 15 years, they are given an invalidity grant. It amounts to 1.5 times the insured's average capped monthly earnings for each 12-month period of paid contributions.

5. Survivor's pension

This payment is made in the case of the death of a member who was receiving an old-age pension or invalidity pension, or would have been entitled to an old-age pension at the time of death, or contributed for a minimum of 120 months, of which 12 months' contributions had been paid in the 36 months preceding his/her death and would have entitled him/her to an invalidity pension at the time of death.

Surviving widow(er)s are entitled to 40% of the insured's pension payment. In this respect, all marriages are accepted: both civil law marriages and customary law marriages. In absence of a marriage certificate, an 'affidavit' confirming that the person concerned is the surviving spouse suffices.

Dependent children of up to age 18 (not in formal education) and 23 (in formal education) are entitled to a maximum of 60% to be shared between the dependent children.

The minimum pension is USD 30 per month.

6. Survivor's grant

If the qualifying conditions for a survivor's pension are not met, a grant is paid equal to 1.5 times the deceased's average monthly earnings for each 12-month period of contributions.

7. Funeral assistance

The Zimbabwe statutory social security scheme also provides basic cover for funeral assistance set at USD 300.
Competent authorities

The National Social Security Authority administers the system. This authority is competent for both the collection of contributions and the payment of benefits.
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