Social Security Schemes in Lao P.D.R

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Content

- Overview of Social Security Coverage in Lao. P.D.R
- Social Security Schemes for Civil servants
- Social Security Schemes for Enterprises
- Social Security Schemes Development

I. Overview of Social Security Coverage in Lao. P.D.R

- Prime Minister's Decree No. 178/PM dated 30 November, 1993 on "Social Security Scheme for Civil servants"

- Prime Minister's Decree No. 207/PM dated 23 December, 1999 on "Social Security Scheme for Enterprises"

- Public Health Minister's Regulation No. dated on "Community Based Health Insurance"

1. Social Security Scheme for Civil servants

1.1   Legal Basis: PM's Decree No.178/PM dated 30 November, 1993.

Target group : Civil servants working for Party, Government, Mass Organizations, military and police.

1. Social Security Scheme for Civil servants (Cont'd)

1.2 Benefits Provided

- Health care insurance (Ceiling-based reimbursement model)

- Work Accident compensation (paid-6 month leave)

- Maternity Benefit (Paid-3 month leave) + birth grant (60% of minimum wage)

- Invalidity pension from battle field

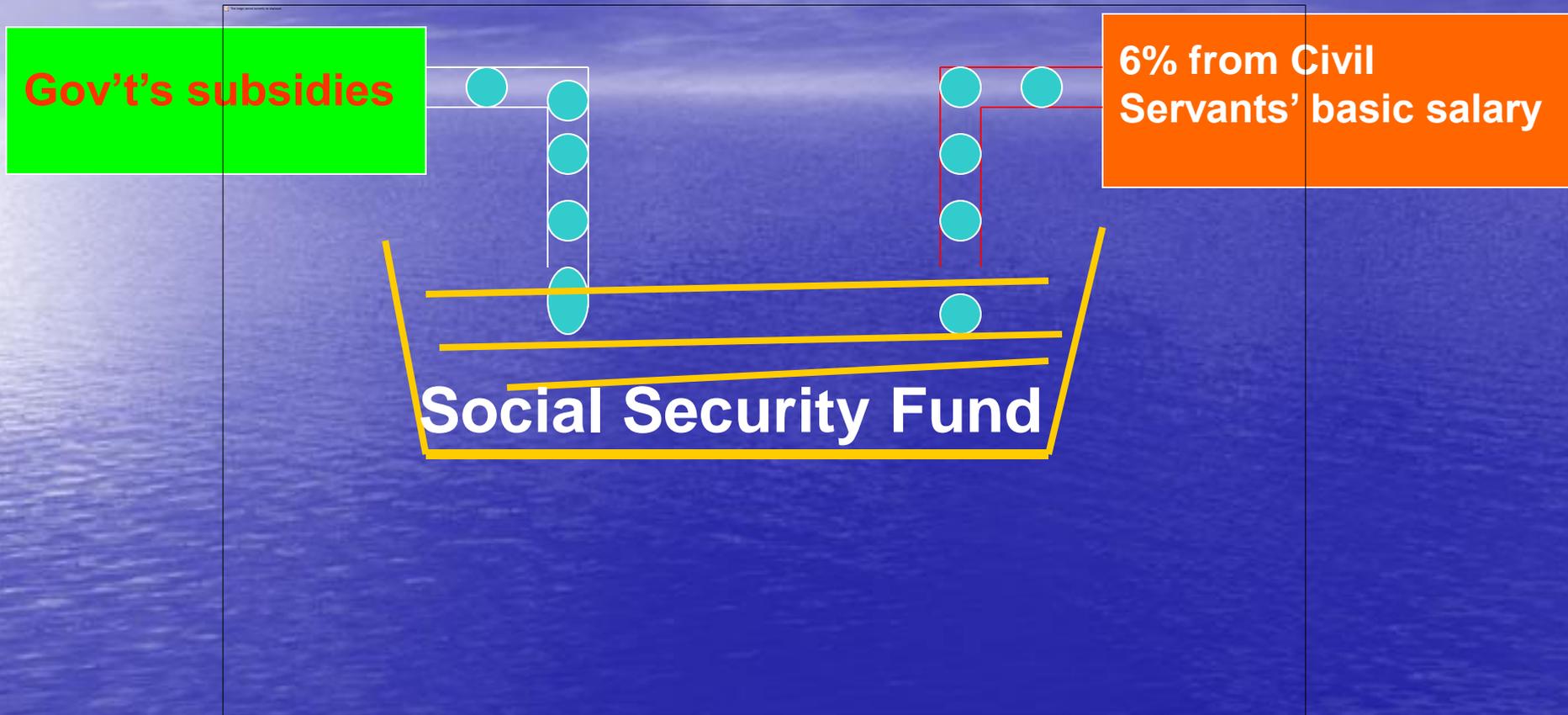# 1. Social Security Scheme for Civil servants (Cont'd)

1.2 Benefits Provided (Cont'd)

- Old age pension (Male:60 y, Female:55 y)

with 25 working years

- Funeral Grant = Last monthly salary X 10
- Lump sum survivor's benefit (Depending on working years)
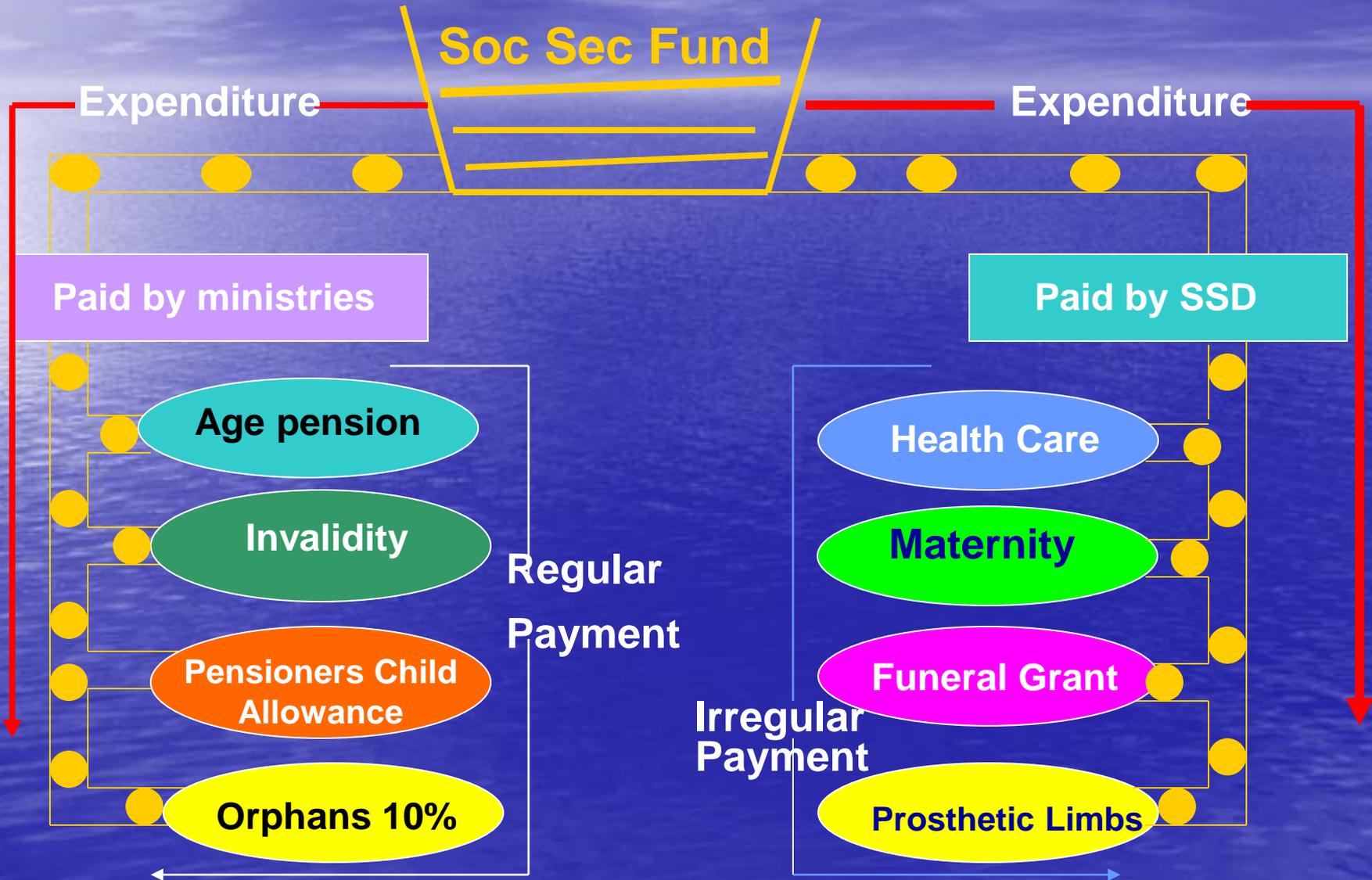- Pensioners' Orphans allowances

1. Social Security Scheme for Civil servants (Cont'd)

1.3 Financing System

1.3.1 Sources of income for Public Sector Scheme

Gov't's subsidies

6% from Civil Servants' basic salary

Social Security Fund

1. Social Security Scheme for Civil servants (Cont'd)

1.4 Implementing Agency

- Social Security Department (Ministry of Labor and Social Welfare)

- Budget Department (Ministry of Finance)

- Provincial Labor and Social Welfare Department

- District Labor and Social welfare Bureau

II. Social Security Scheme for Enterprises

1. Legal Basis: PM's Decree No.207/PM dated 23 December, 1999.

- *Target group* : SOE (s), Joint and privates enterprises employing 10 or more employees.

II. Social Security Scheme for Enterprises
(Cont'd)

2. Implementing Agencies
- Managed by Social Security Organization
                                    (SSO)
- Tripartite Board of Directors (Supreme Body)
- Management Team
- Provincial Branches (Savannakheth; Khammouane etc)

II. Social Security Scheme for Enterprises (Cont'd)

3. Benefits provided:

(1)-Funeral Benefits

(2)-Medical Care Benefit

(3)-Sickness benefit (Temporary loss of working capacity)

(4)-Maternity Benefit

(5)-Employment Injury & Occupational Diseases Benefit

III. Social Security Scheme for Enterprises (Cont'd)

3. Benefits provided (Cont'd):

   (6)-Invalidity Benefit (Permanent loss of working capacity)

   (7)-Retirement Pension

   (8)-Survivors' benefit

   The following benefits shall become effective in the forthcoming years.

   (9)-Child allowances

   (10)-Unemployment Benefit

III. Social Security Scheme for Enterprises (Cont'd)
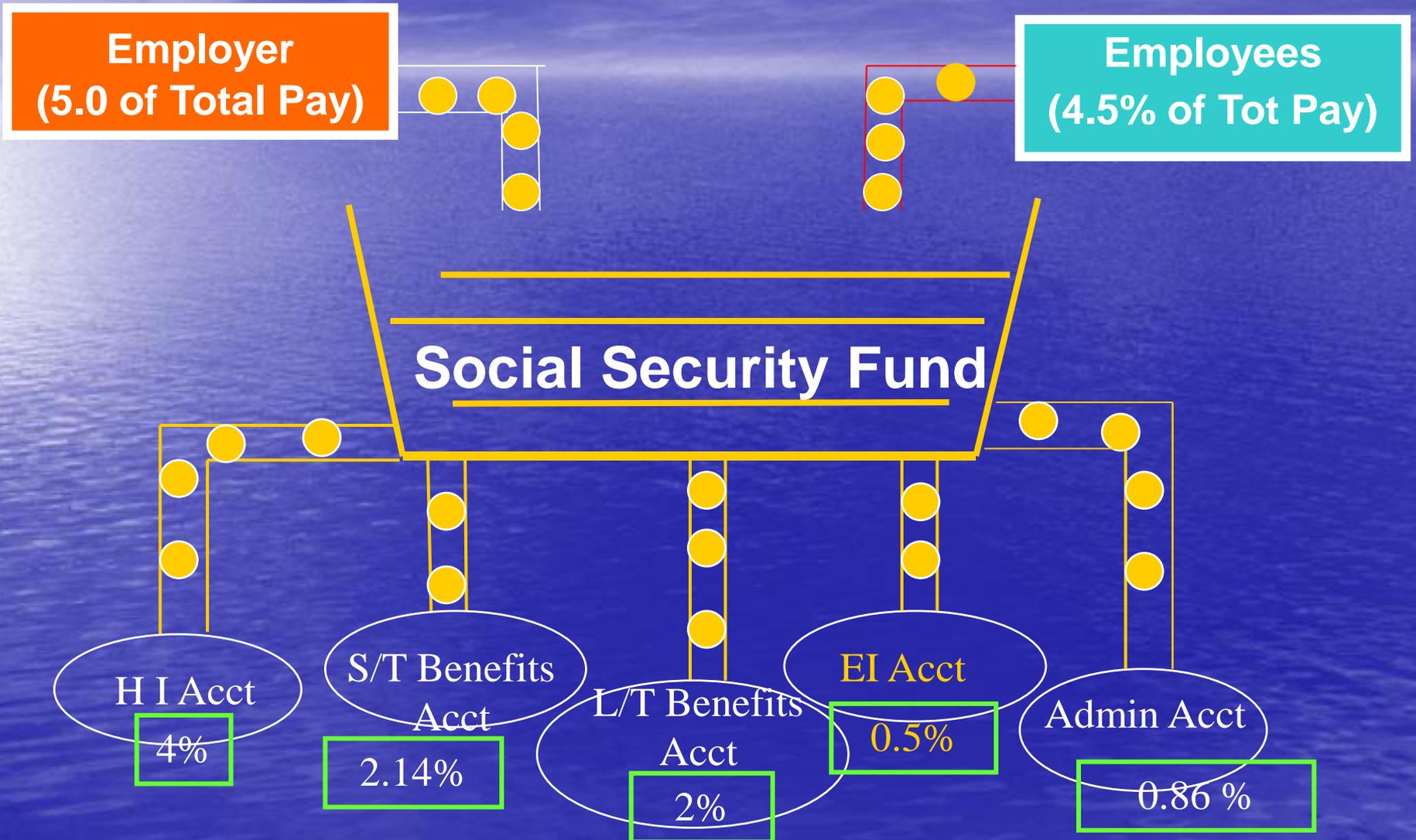
4. Contribution & Fund Allocation

PM's Decree No.207/PM

Article 17. Contributions

Contribution are paid by employers, employees and voluntarily insured persons to each fund of *Social Security Fund.*

Article 19. Contribution to *the Compensation Fund*

For employment injury or occupational diseases, employers *alone shall pay* contribution to the Compensation Fund.

4. Contribution & Fund Allocation (Cont'd)

Employer (5.0 of Total Pay)

Employees (4.5% of Tot Pay)

Social Security Fund

H I Acct
4%

S/T Benefits Acct
2.14%

L/T Benefits Acct
2%

EI Acct
0.5%

Admin Acct
0.86 %

Entitlement to each benefit

Benefits	Length of contribution payment
(1)-Medical Care benefits	>= 3 months within the last 12 months
(2)-Sickness benefit	>= 3 months within the last 12 months
(3)-Maternity benefit	>= 9 months within the last 12 months
(4)-Funeral benefit	>=12months within the last 18 months
(5)-Employment Injury	**No contribution period requirement**
(6)-Retirement Pension	At least 5 years
(7)-Survivors' benefit	At least 5 years
(8)-Invalidity Benefit	At least 5 years

III. Social Security Schemes Development

1. Background

- ILO Social Security Project phase II
- Donor: Luxembourg
- Executing Agency: ILO
- Implementing Agency: Ministry of Labor & Social Welfare
- Duration: May, 2002 – August, 2007

III. Social Security Schemes Development (Cont'd)

1.Background (Cont'd)

- Objectives of the Project

(1)-To extend SSO's Coverage to Provinces

(2)-To reform social security scheme for
    public sector

(3)-To formulate social security national
    plan for non-covered population

(4)-To formulate policy on medical treatment and
    compensation loss as a consequences of a
    motor vehicle accidents

III. Social Security Schemes Development (Cont'd)

1. Reform of Social Security Scheme for Public Sector

1.1 The Decree 178/PM issue in 1993 was replaced by the Decree No. 70/PM issue on April 20, 2006

III. Social Security Schemes Development (Cont'd)

1. Reform of Social Security Scheme for Public Sector (Cont'd)

1.2 Benefits provided by the Decree 70/PM

(1)-Health insurance

(2)-Child Birth Benefit & Child birth grant

(3)-Employment injury & Occupational

Diseases

(4)-Invalidity Benefit

III. Social Security Schemes Development (Cont'd)

1. Reform of Social Security Scheme for Public Sector (Cont'd)

1.2 Benefits provided by the Decree 70/PM

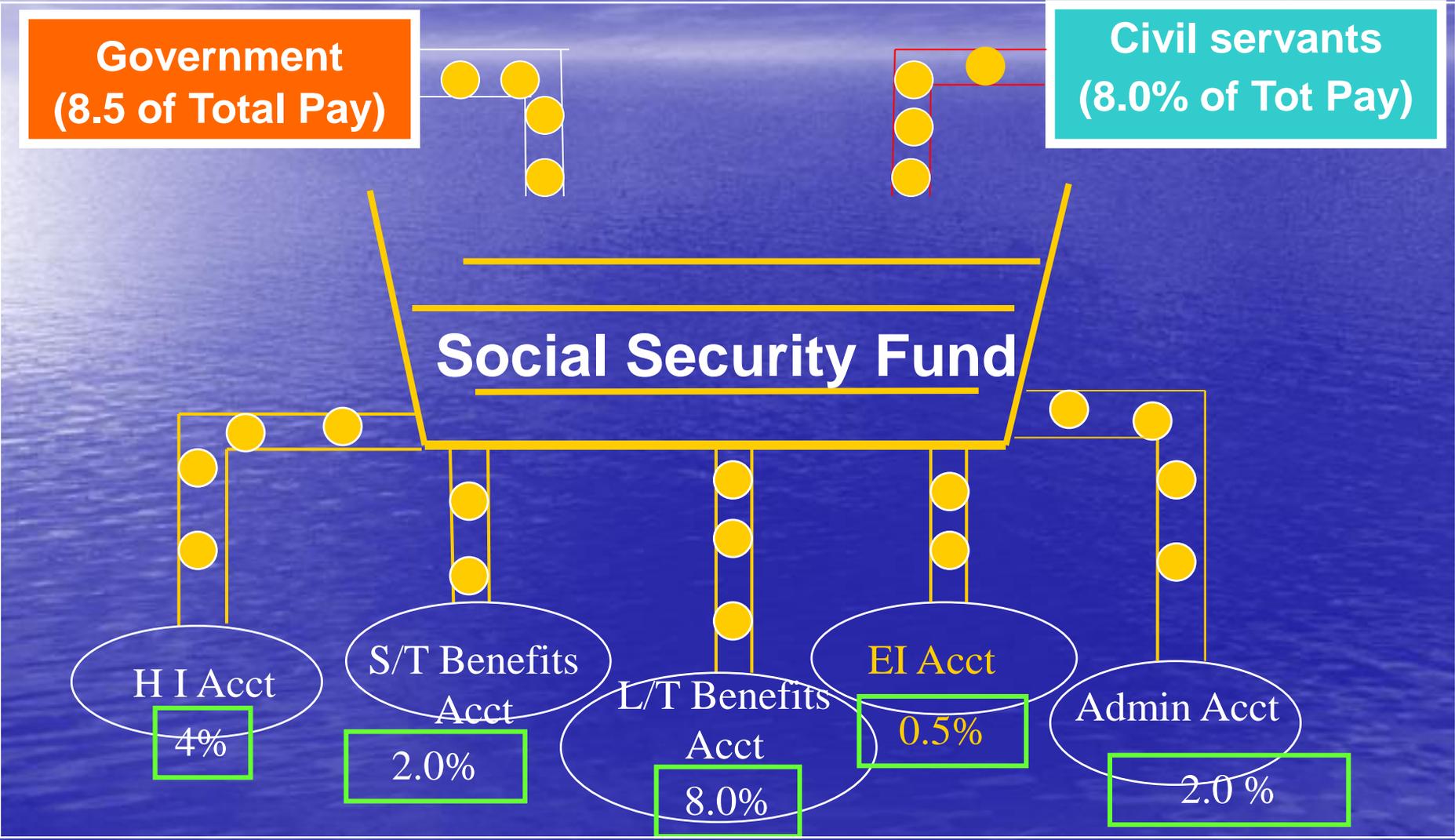*(5)-Sickness benefit*

(6)-Old age pension benefit

(7)-Suvivors' benefit

(8)-Funeral grant

1. Reform of Social Security Scheme for Public Sector (Cont'd)

1.3 Contribution & fund allocation

Government (8.5 of Total Pay)

Civil servants (8.0% of Tot Pay)

Social Security Fund

H I Acct
4%

S/T Benefits Acct
2.0%

L/T Benefits Acct
8.0%

EI Acct
0.5%

Admin Acct
2.0 %

1.4 Social Security Fund Management

State Authority of Social Security (SASS):

- Financial autonomous organization under the guidance of the Minister of Labor and Social welfare

1.4 Social Security Fund Management (cont'd)

Hierarchy of SASS

- Executive Board

- Management Team

- Branches in provinces, towns and districts

Thank You Very Much !!!!