

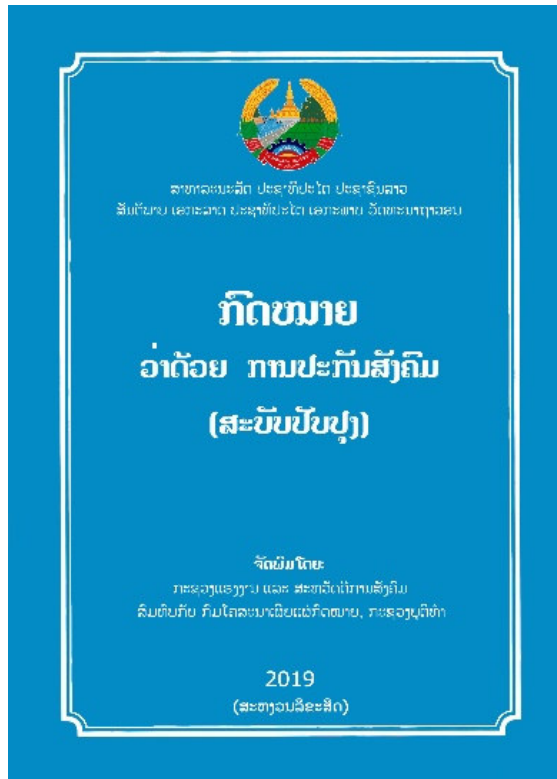
Unemployment Benefit in Lao PDR



SABAIDEE

Lao Social Security Organization

Social Security Overview



- A non-profit public organization, under supervision of Ministry of Labor and Social Welfare
- Managed by Board of Directors (tripartite body)
- 3 operational levels: Central, provincial and district levels
- Using social insurance principles with the provision of minimum standard of social security benefits

Targeted groups

Mandatory scheme:

- Public sector employees,
- Private sector employees (employer with 1 or more workers) including foreign migrant workers

Voluntary scheme:

- self-employed and voluntary persons

Sources of Fund

- Contributions of Public Sector = 16.5% of which,
 - Government pays 8.5%
 - Civil servant pays 8%
- Contributions of Private Sector = 11.5% of which
 - Employer pays 6%
 - Employee pays 5.5%
- Contributions of Voluntary Scheme = 9%
 - Self employed and voluntary person pays 9%
- Investment returns

Benefit Package for Mandatory Scheme

- Employment injury and occupational diseases benefits
- Medical care
- Short-term Benefits (Sickness, Maternity benefit and Death grant)
- Long-term Benefits (Old-age pension, Survivor's pension and Invalidity pension)
- Unemployment Insurance Benefit

Benefit Package for Voluntary Scheme

- Medical care
- Short-term Benefits (Sickness, Maternity benefit and Death grant)
- Long-term Benefits (Old-age pension, Survivor's and Invalidity pension)

Employment Injury or Occupational Disease Benefits

- Qualified period: at least paid one month of contributions
- Benefit package:
 - Medical care and health recovery benefit;
 - Benefit for temporary loss of working capacity;
 - Benefit for permanent loss of working capacity;
 - Caretaker benefit;
 - Funeral benefit;
 - Survivors' benefit.

Medical Care Benefit

- **Coverage:** Insured person, spouse, and children under 18 years (or 23 years if continue studying)
- **Qualified period:** at least paid three months of contributions
- Receive health care services at selected hospital as determined by LSSO

Maternity Benefit

- Replacement income of insured women for a period before and after confinement
- **Qualified period** : at least paid 9 months of contributions
- **Maternity Benefit**: equivalent to 80% of the insurable earning for a period of 3.5 months
- **Birth grant**: equivalent to 60% of the insurable earning for each child

Sickness Benefit

- It's an income replacement payable when the insured person cannot work due to a medical condition, resulting in a loss of earnings and a medical certificate is required
- **Qualified period:** at least paid 3 months of contributions
- **Calculation of Sickness Benefit:** is equivalent to 70% of average insurable earning for the first 6 months duration and reduce to 60% for the last 6 months duration.

Invalidity Pension Benefit

- Qualified period: at least paid 12 months contributions
- Insured person who suffering above 40% of invalidity shall receive monthly benefit equal to the degree of invalidity multiplied by 90% of the average insurable earnings in the last 6 months
- Insured person who suffering 40% or under of invalidity shall receive lump sum payment equal to the degree of invalidity multiplied by 10 months of the average insurable earnings

Death or funeral grant and family benefit

- **Purposes:** to assist the cost of the funeral expenses and the lost of breadwinner
- **Qualified period:** at least paid 3 months of contributions and death certificate is required for insured person equal to 15 months
 - contributed 2-6 years plus 1 month / year
 - contributed more than 7 years plus more 0.5 month/year
 - for the death of spouse equal to 6 months
 - for the death of children equal to 3 months

Old-age Pension Benefit

- An insured person who reaches the age of 55 for women and 60 for men
- **Qualified period:** at least 25 years of public services or 15 years of contributions for private sector.
- **Calculation for public sector:** is equal to 70% to 85% based on the years of services
- **for private sector:** calculation is made by multiplying pension points by total average earnings and 2% index but not exceed 75% of insurable earning

Survivors' benefit

- It's a monthly provision paid to surviving family members at the death of insured person
- **Qualified period:** at least paid 5 years of contributions.
- **Calculation:** A widow (55 or 60 years) receives 30% of insurable earnings
- An orphan receives 20% and not exceed 60%
- All type of survivors' benefit shall not exceed 80%

Unemployment Insurance Benefit

- A new program started introduce in: Jan 2015
- Expect to start benefit payment: Jan 2016 onwards
- Paid to an unemployed insured person in the cases of: has been laid off, employer bankrupt and has been registered as an unemployed person for at least 30 days.
- Contributions 2%: 1% from each employer & employee
- Conditions: At least has 12 months of contributions

Coverage

- Civil servants, military and police officers and their dependents
- Workers in the formal sector and their dependents (enterprises with more than 1 employee)

Eligibility

- Unemployment caused by the bankruptcy, termination of business or termination of official development assistance project;
- Unemployment caused by temporary suspension business due to the affected of natural disaster;
- Unemployment due to the need to reduce the number of labourers or having been laid off;
- Unemployment with an official certification from concerned agencies;
- Unemployment for at least thirty days with the certified of concerned agencies;
- Healthy and can be back to the labour market.

Unemployment benefit

- The benefit is calculated as 60% of the average insurable earnings with a length of benefit payment based on contributing period such as:

| Period of contributions | Payment duration |
|--------------------------------|----------------------------|
| 12-36 months | 3 months |
| 37-72 months | 6 months |
| 73-144 months | 9 months |
| More than 145 months | 12 months (maximum) |

Supporting documents for claiming unemployment benefit

- Copy of social security card of insured member;
- Any certificates regarding the bankruptcy of labour units or dismissal of staff;
- Unemployment certificate from employers.

Termination of Unemployment Benefit

- The duration of unemployment benefit ends ;
- The beneficiary refuses to accept a new offered job without justifiable reason;
- The beneficiary gets new job;
- The beneficiary died.

Thank you

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