

## Kazakhstan

Exchange rate: US\$1.00 equals 137 tenge.

### Old Age, Disability, and Survivors

#### Regulatory Framework

**First law:** 1991.

**Current laws:** 1997 (pensions), implemented in 1997 and 1998, with 2002 amendment; and 1997 (social allowances), implemented in 1997.

**Type of program:** Mandatory individual accounts and social assistance system.

Note: In 1998, the social insurance system was replaced by a system of mandatory individual accounts (new system). Benefits continue to be paid for rights earned under the public system (old system).

#### Coverage

**Mandatory individual account (new system):** All employed residents.

**Old-age pension (old system):** All employed residents before the implementation of the new system.

**Social assistance (new system):** Pensioners whose pension income falls below a government-set minimum level and persons without entitlement to contributory benefits.

Special systems for government employees, teachers, professional athletes, specific categories of performing artists, truck drivers, machine operators, railway employees, and test pilots.

#### Source of Funds

##### Insured person

*Mandatory individual account (new system):* 10% of wages.

*Old-age pension (old system):* None.

*Social assistance system (new system):* None.

The maximum earnings for contribution purposes are 75 times the minimum wage.

##### Self-employed person

*Mandatory individual account (new system):* 10% of income.

*Old-age pension (old system):* None.

*Social assistance system (new system):* None.

The minimum earnings for contribution purposes for the self-employed are 10% of the minimum wage.

The maximum earnings for contribution purposes are 75 times the minimum wage.

#### Employer

*Mandatory individual account (new system):* None.

*Old-age pension (old system):* None.

*Social assistance system (new system):* None.

#### Government

*Mandatory individual account (new system):* The cost of the guaranteed minimum pension.

*Old-age pension (old system):* Subsidies as needed to finance benefits earned under the old system.

*Social assistance system (new system):* Total cost.

#### Qualifying Conditions

##### Old-age pension

*Mandatory individual account (new system):* Age 63 (men) or age 58 (women) with at least 35 years of contributions. Age 55 (men and women) if living in ecologically damaged zones or in zones with a maximum radiation risk; age 53 for mothers living in rural areas with five or more children older than age 8.

Early pension: Age 55 (men and women) if the accumulated capital is sufficient to finance a benefit at least equal to the minimum pension.

*Old-age pension (old system):* Age 63 with 25 years of contributions (men) or age 58 with 20 years of contributions (women). Age 55 (men and women) if living in ecologically damaged zones or in zones with a maximum radiation risk; age 53 for mothers living in rural areas with five or more children older than age 8.

Partial pension: Payable if the insured has insufficient years of covered employment.

*Old-age social allowance (new system):* Paid to low-income pensioners and to citizens of pensionable age not eligible for the old-age pension.

**Disability social allowance (new system):** Payable to persons assessed as disabled.

**Survivor social allowance (new system):** Payable on the death of the family breadwinner to dependents who are not able to work, including children younger than age 18 (no limit if disabled before age 18); brothers, sisters, and grandchildren with parents who are not able to work; parents; a widow(er) of retirement age or taking care of children, brothers, and grandchildren younger than age 8; grandparents at retirement age without any other source of income.

#### Old-Age Benefits

##### Old-age pension

*Mandatory individual account (new system):* The insured's contributions plus accrued interest.

The benefits may be paid monthly, quarterly, or annually; if the sum of total pension savings is less than 100,000 tenge or less than 12 times the minimum pension, a lump sum is payable.

Minimum pension guarantee: 5,000 tenge. Only the difference between the insured's benefit (contributions plus accrued interest) and the amount of the minimum pension is paid.

*Old-age pension (old system):* 60% of earnings for the best 3 consecutive years after 1995, plus 1% of earnings for each year in excess of 25 years (men) or 20 years (women) of work. The pension is paid monthly.

Partial pension: The monthly benefit is reduced in proportion to the number of years below the required number of years of coverage.

Benefit adjustment: Periodic benefit adjustment according to changes in the consumer price index.

*Old-age social allowance (new system):* 100% of the minimum pension a month (5,000 tenge).

Benefit adjustment: Established yearly in the national budget.

### **Permanent Disability Benefits**

**Disability social allowance (new system):** A flat-rate monthly allowance according to the assessed degree of disability and the prescribed category of disability.

Benefit adjustment: Periodic benefit adjustment according to changes in the consumer price index.

### **Survivor Benefits**

**Survivor social allowance (new system):** A flat-rate monthly allowance according to family size and whether any family members are disabled.

Benefit adjustment: Periodic benefit adjustment according to changes in the consumer price index.

### **Administrative Organization**

**Individual account system (new system):** Committee for the Regulation of Pension Funds, part of the Ministry of Labor and Social Protection (<http://www.enbek.kz>), is responsible for licensing and supervising nonstate pension funds and insurance companies as well as for controlling and supervising the single state pension fund.

**Old-age pension (old system):** Ministry of Labor and Social Protection (<http://www.enbek.kz>) provides general coordination and supervision. Regional departments of the Ministry of Labor and Social Protection administer the program.

**Social assistance (new system):** Regional departments of the Ministry of Labor and Social Protection (<http://www.enbek.kz>) administer the system.

### **Sickness and Maternity**

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#### **Regulatory Framework**

**First and current law:** 1999 (employer-financed benefits).

**Type of program:** Employer-liability (cash benefits) and universal (medical care) system.

### **Coverage**

**Cash benefits:** Employed citizens.

**Medical benefits:** Permanent residents.

### **Source of Funds**

#### **Insured person**

*Cash benefits:* None.

*Medical benefits:* None.

#### **Self-employed person**

*Cash benefits:* Not applicable.

*Medical benefits:* None.

#### **Employer**

*Cash sickness:* Total cost.

*Medical benefits:* None.

#### **Government**

*Cash benefits:* None.

*Medical benefits:* Total cost.

### **Qualifying Conditions**

**Cash and medical benefits:** There is no minimum qualifying period.

### **Sickness and Maternity Benefits**

**Sickness benefit:** 100% of average daily earnings is payable for each day of incapacity. The monthly benefit is payable from the first day of sickness until recovery or the determination of disability.

Benefit adjustment: Periodic benefit adjustment according to changes in the consumer price index.

**Maternity benefit:** 100% of earnings, payable for a total of 126 calendar days before and after the expected date of childbirth (may be extended to 140 days if there are complications during childbirth).

Benefit adjustment: Periodic benefit adjustment according to changes in the consumer price index.

### **Workers' Medical Benefits**

Medical services are provided directly to patients through government or enterprise-administered health providers. Benefits include general and specialist care, hospitalization, laboratory services, dental care, maternity care, and transportation.

## Administrative Organization

**Cash benefits:** Benefits are paid by the employer.

Ministry of Labor and Social Protection (<http://www.enbek.kz>) provides general coordination and supervision.

**Medical benefits:** Ministry of Health (<http://www.dari.kz>) and health departments of local governments provide general supervision and coordination.

Medical services are provided through clinics, hospitals, and other facilities administered by the Ministry of Health and local health departments.

## Work Injury

### Regulatory Framework

**First law:** 1955 (short-term benefits).

**Current law:** 1993 (work injury), with 1995 and 1999 amendments.

**Type of program:** Employer-liability system.

### Coverage

Employed persons.

### Source of Funds

**Insured person:** None.

**Self-employed person:** Not applicable.

**Employer:** The cost of certain benefit payments.

**Government:** The cost of disability and survivor benefits.

### Qualifying Conditions

**Work injury benefits:** There is no minimum qualifying period.

### Temporary Disability Benefits

100% of earnings. The monthly benefit is payable from the first day of incapacity until recovery or the award of a permanent disability pension.

### Permanent Disability Benefits

**Permanent disability benefit:** A flat-rate monthly allowance according to the assessed degree of disability and the prescribed category of disability.

Benefit adjustment: Periodic benefit adjustment according to changes in the consumer price index.

**Lump-sum grant:** Depending on the nature of the disability, employers provide compensation to meet any additional costs caused by a work injury, in accordance with collective agreement but not less than five times annual earnings in the case of a group I disability (incapable of work) or group II disability (incapable of usual work) caused by a work injury or

occupational disease; twice annual earnings in case of a group III disability (disabled but capable of work) caused by work injury or occupational disease; or 100% of annual earnings in case of the permanent loss of working capacity but no disability group determined.

Benefit adjustment: Periodic benefit adjustment according to changes in the consumer price index.

### Workers' Medical Benefits

The employer pays for all medical benefits, including appliances and rehabilitation.

### Survivor Benefits

**Survivor social allowance:** A flat-rate monthly allowance according to family size and whether any family members are disabled.

Payable on the death of the family breadwinner to dependents who are not able to work, including children younger than age 18 (no limit if disabled before age 18); brothers, sisters, and grandchildren with parents who are not able to work; parents; a widow(er) of retirement age or taking care of children, brothers, and grandchildren younger than age 8; grandparents at retirement age without any other source of income.

**Funeral benefit:** The reasonable cost of the funeral is financed from the national budget and by employers.

**Death grant:** The employer pays dependents a sum equal to 10 times the deceased's earnings.

Benefit adjustment: Periodic benefit adjustment according to changes in the consumer price index.

### Administrative Organization

**Temporary disability benefits:** Enterprises and employers pay benefits to employees.

**Pensions:** Regional departments of Ministry of Labor and Social Protection (<http://www.enbek.kz>) administer the program.

**Medical benefits:** Ministry of Health (<http://www.dari.kz>) and health departments of local governments provide general supervision and coordination.

Medical services are provided through clinics, hospitals, and other facilities administered by the Ministry of Health and local health departments.

Medical Insurance Fund finances approved medical treatments.

### Family Allowances

#### Regulatory Framework

**First and current law:** 2001 (social assistance), implemented in 2002.

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

### **Coverage**

Citizens, refugees, noncitizens, and stateless persons resident in Kazakhstan who satisfy a needs test and an income test; disabled persons; persons in full-time education or training; persons aged 80 or older; and children younger than age 7.

### **Source of Funds**

**Insured person:** None.

**Self-employed person:** None.

**Employer:** None.

**Government:** Total cost.

### **Qualifying Conditions**

**Family allowances:** Residents must satisfy needs and income tests.

### **Family Allowance Benefits**

**Family allowance:** Cash benefits are determined in relation to an individual or family satisfying a needs test and an income test. (Income from social assistance allowances is not included.)

**Benefit adjustment:** Periodic benefit adjustment according to changes in the consumer price index.

### **Administrative Organization**

Ministry of Labor and Social Protection (<http://www.enbek.kz>) provides general coordination and supervision. Regional departments of labor and social protection administer the program.