

Vanuatu

Exchange rate: US\$1.00 = 99.80 vatu.

Old Age, Disability, and Survivors

Regulatory Framework

First and current law: 1986 (provident fund), implemented in 1987.

Type of program: Provident fund system.

Coverage

All employees aged 14 to 55 in regular employment, including members of cooperatives.

Noncitizens may apply to the Provident Fund Board for exemption if covered by another country's social security scheme.

Exclusions: Persons covered under employer-provided retirement programs approved by the Provident Fund Board; home-based workers; and certain other categories including prisoners, patients in psychiatric hospitals, and temporary workers in agriculture and forestry with employment contracts of less than 2 months.

Voluntary coverage for persons without mandatory coverage aged 14 to 55, including self-employed persons.

Source of Funds

Insured person: At least 4% of monthly earnings (additional voluntary contributions are permitted without limit). Voluntary contributors pay 1,000 vatu to 10,000 vatu a month.

The minimum monthly earnings used to calculate contributions are 3,000 vatu.

Self-employed person: Voluntary contributions from 1,000 vatu to 10,000 vatu a month.

Employer: 4% of monthly payroll.

The minimum monthly earnings used to calculate contributions are 3,000 vatu.

Government: None.

Qualifying Conditions

Old-age benefit: Age 55; at any age if emigrating permanently. If the member has withdrawn any amount and makes additional contributions after age 55, no withdrawal is allowed until 2 years after the date of the last withdrawal, unless the member retires or dies.

Disability benefit: Must have a permanent incapacity for any employment due to a physical or mental disability.

The disability is assessed by two registered medical practitioners.

Survivor benefit: Paid on the death of the fund member before retirement.

Death benefit: Paid to named survivors.

Old-Age Benefits

Old-age benefit: A lump sum of total employee and employer contributions plus interest is paid.

Interest rate adjustment: The Provident Fund Board sets the rate annually depending on the financial performance of the fund.

Permanent Disability Benefits

Disability benefit: A lump sum of total employee and employer contributions plus interest is paid.

Interest rate adjustment: The Provident Fund Board sets the rate annually depending on the financial performance of the fund.

Survivor Benefits

Survivor benefit: A lump sum of total employee and employer contributions plus compound interest is paid.

Eligible survivors are the spouse, dependent parents of the deceased or of his or her spouse, and children. Survivors must be named by the deceased; the benefit is split among survivors as specified by the deceased.

Interest rate adjustment: The Provident Fund Board sets the rate annually depending on the financial performance of the fund.

Death benefit: A lump sum of 175,000 vatu is paid to named survivors.

Administrative Organization

Ministry of Finance provides general supervision.

Provident Fund Board (<http://www.vnpf.com.vu>), a six-member tripartite board with a general manager, administers the program.

Provident Fund Board appoints a commercial fund manager and sets the investment criteria.

Sickness and Maternity

Regulatory Framework

No statutory benefits are provided for sickness and maternity.

The 1983 Employment Act requires employers to:

- provide 100% of wages for sick leave for up to 21 days a year, if the employee has been in continuous employment with the employer at least 12 months.

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- provide 100% of wages for maternity leave for up to 3 months, if the employee has been in continuous employment with the employer for at least 6 months. Employers are required to allow a mother to interrupt work twice a day for 1 hour to feed a nursing child.
- provide medical care for workers and for their dependents when they are living on the employer's property.

Unemployment

Regulatory Framework

No statutory benefits are provided for unemployment.

The 1983 Employment Act requires employers to provide 8 weeks of severance pay for each year of employment. Employees are eligible after 1 year of work.