

## Albania

Exchange rate: US\$1.00 equals 95.43 leks.

### Old Age, Disability, and Survivors

#### Regulatory Framework

**First law:** 1947.

**Current law:** 1993 (social insurance).

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

#### Coverage

Employed and self-employed persons.

#### Source of Funds

**Insured person:** 8.8% of covered monthly earnings.

The minimum earnings used to calculate contributions are the monthly minimum wage.

The maximum earnings used to calculate contributions are 5 times the monthly minimum wage.

The monthly minimum wage is 16,120 leks.

**Self-employed person:** 23% of the monthly minimum wage.

The monthly minimum wage is 16,120 leks.

**Employer:** 12.8% of covered monthly payroll.

The minimum earnings used to calculate contributions are the monthly minimum wage.

The maximum earnings used to calculate contributions are 5 times the monthly minimum wage.

The monthly minimum wage is 16,120 leks.

**Government:** Any deficit; pays contributions for persons in compulsory military service and credits contributions for unemployed persons; covers the costs of the special state pensions for certain persons; contributes as an employer.

#### Qualifying Conditions

**Old-age pension:** Age 65 (men) or age 60 (women) with at least 35 years of contributions; age 50 with at least 30 years of contributions for a mother with six or more children older than age 8.

Partial pension: Age 65 (men) or age 60 (women) with 15 to 34 years of contributions.

Early pension: Age 62 (men) or age 57 (women) with at least 35 years of contributions.

Deferred pension: The pension may be deferred.

**Disability pension:** Paid for a total disability (blind, severely disabled, or incapable of any work) or partial disability (incapable of usual work but capable of work under special conditions) with coverage in at least 50% of the difference in years between the insured's age and age 20.

Reduced disability pension: A reduced pension is paid if the insured has a total disability but does not satisfy the coverage conditions for the full disability pension.

The degree of disability is assessed by the Medical Experts Committee.

Constant-attendance supplement: Paid if the insured requires the constant attendance of others to perform daily functions.

Child's supplement: Paid for each dependent child up to age 18 (25 if a student or disabled).

The disability pension is replaced by the old-age pension at the normal retirement age if the amount of the old-age pension is greater.

**Survivor pension:** The deceased was an old-age or disability pensioner, was insured at the time of death, or had previous coverage not more than 1 year before death.

Eligible survivors include a surviving spouse caring for a dependent child younger than age 8; a spouse with a disability; a spouse aged 50 or older (widow) or aged 60 or older (widower); dependent orphans younger than age 18 (age 25 if a student, no limit if disabled from childhood); dependent parents and grandparents aged 65 or older who lived with the deceased for the last 12 months; and dependent grandchildren.

The survivor pension for a spouse ceases on remarriage.

#### Old-Age Benefits

**Old-age pension:** The monthly pension consists of a flat-rate monthly amount of 10,276 leks for urban workers (6,344 leks for rural workers) and an earnings-related amount of 1% for each year of coverage multiplied by the insured's average covered earnings used to calculate contributions.

The maximum monthly pension is 20,552 leks for urban workers (8,416 for rural workers) or 75% of the insured's average net earnings in 3 of the last 10 years of employment, whichever is less.

Partial pension: A percentage of the full pension is paid, according to the number of years worked.

Early pension: The pension is permanently reduced by 0.6% for each month it is awarded before the normal pensionable age.

Deferred pension: The pension is increased by 0.34% for each month of deferral after the normal retirement age.

Benefit adjustment: The Council of Ministers adjusts the flat-rate pension annually according to average paid contributions.

### **Permanent Disability Benefits**

**Disability pension:** The monthly pension consists of a flat-rate monthly amount of 10,276 leks for urban workers (6,344 leks for rural workers) and an earnings-related amount of 1% for each year of coverage multiplied by the insured's average covered earnings used to calculate contributions.

The maximum monthly pension is 20,552 leks for urban workers (8,416 for rural workers) or 80% of the insured's last average net earnings, whichever is less.

**Reduced disability pension:** A percentage of the full disability pension is paid based on the difference between the actual years of coverage and those required for the full disability pension.

**Partial disability pension:** 50% of the insured's full disability pension is paid.

**Constant-attendance supplement:** A monthly supplement is paid.

**Child's supplement:** 5% of the flat-rate pension is paid per child, up to 30% of the flat-rate pension.

**Benefit adjustment:** Benefits are adjusted annually according to changes in the old-age pension.

### **Survivor Benefits**

**Survivor pension:** The spouses receive 50% of the deceased's old-age pension.

**Orphan's pension:** Each orphan and each other dependent receive 25% of the deceased's old-age pension (50% for a full orphan if there are no other eligible dependents).

**Other eligible survivors:** Each dependent receives 25% of the deceased's old-age pension.

All survivor benefits combined must not exceed 100% of the deceased's old-age pension; 50% if the surviving spouse is working or receiving a pension in his or her own right.

### **Administrative Organization**

Ministry of Finance (<http://www.minfin.gov.al>) and a tripartite Administrative Council provide general supervision.

Social Insurance Institute (<http://www.iss.gov.al>) administers the program.

### **Sickness and Maternity**

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#### **Regulatory Framework**

**First law:** 1947.

**Current laws:** 1993 (social insurance) and 1994 (health insurance).

**Type of program:** Social insurance (cash benefits) and universal (medical benefits) system.

### **Coverage**

**Cash sickness benefits:** Employed persons.

Voluntary coverage is possible.

**Cash maternity benefits:** Employed persons, employers, and self-employed persons.

**Medical benefits:** All persons residing in Albania.

### **Source of Funds**

**Insured person:** 0.1% of covered earnings (sickness benefits), 0.6% of covered earnings (maternity benefits), and 1.7% of covered earnings (medical benefits).

The minimum earnings used to calculate contributions are the monthly minimum wage.

The maximum earnings used to calculate contributions are 5 times the monthly minimum wage.

The monthly minimum wage is 16,120 leks.

**Self-employed person:** 1.4% of the monthly minimum wage (maternity benefits) and 3% to 7% of the monthly minimum wage (medical benefits), depending on the self-employed person's geographical area.

The monthly minimum wage is 16,120 leks.

**Employer:** 0.2% of covered payroll (sickness benefits), 0.8% of covered payroll (maternity benefits), and 1.7% of covered payroll (medical benefits).

The minimum earnings used to calculate contributions are the monthly minimum wage.

The maximum earnings used to calculate contributions are 5 times the monthly minimum wage.

The monthly minimum wage is 16,120 leks.

**Government:** The total cost of medical benefits for persons not currently in the labor force.

The minimum earnings used to calculate contributions are the monthly minimum wage.

The maximum earnings used to calculate contributions are 5 times the monthly minimum wage.

The monthly minimum wage is 16,120 leks.

### **Qualifying Conditions**

**Cash sickness benefits:** Must be currently insured.

**Cash maternity benefits:** The insured must have at least 12 months of contributions.

**Medical benefits:** There is no minimum qualifying period.

### **Sickness and Maternity Benefits**

**Sickness benefit:** 70% of the insured's average daily wage in the last calendar year is paid if the insured has less than 10 years of contributions; 80% with 10 years or more; 50% during hospitalization if there are no dependents. The benefit

is paid from the 15th day of medical certification (the first 14 days are paid by the employer) for up to 6 months; may be extended up to 3 months if the Medical Experts Committee certifies the likelihood of recovery in that period.

Compensation is paid for a loss of income from a change of employment due to health reasons.

**Maternity benefit:** Up to 365 days of maternity leave is paid for at least 35 days before the expected date of childbirth and 42 days after (for multiple births, up to 390 days with at least 60 days before and 42 days after). The monthly benefit is 80% of the insured's average daily wage in the last calendar year for the period of leave before childbirth and for 150 days after; 50% for the remaining period. Benefits are also paid for the adoption of a child.

For employers and self-employed persons, the benefit is equal to the flat-rate old-age pension.

A woman who must change employment because she is pregnant is paid for a loss in income.

The flat-rate old-age pension is 10,276 leks for urban workers; 6,344 leks for rural workers.

**Birth grant:** A lump sum of 50% of the monthly minimum wage is paid to either insured parent with at least 1 year of contributions.

The monthly minimum wage is 16,120 leks.

### **Workers' Medical Benefits**

All general medical services are free.

Cost sharing: The insured is reimbursed from 35% to 100% of the cost of various essential medicines.

The Health Insurance Institute pays 90% and the insured pays 10% of the cost for some types of examinations.

There is no limit to duration.

### **Dependents' Medical Benefits**

All general medical services are free.

Cost sharing: The insured is reimbursed from 35% to 100% of the cost of various essential medicines.

The Health Insurance Institute pays 90% and the insured pays 10% of the cost for some types of examinations.

Free benefits are provided for children up to age 12 months, persons with disabilities, WWII invalids and veterans, and persons diagnosed with certain serious illnesses.

There is no limit to duration.

### **Administrative Organization**

Ministry of Finance (<http://www.minfin.gov.al>) and Ministry of Health Protection provide general supervision.

Social Insurance Institute (<http://www.iss.gov.al>) administers sickness and maternity benefits.

Health Insurance Institute (<http://www.isksh.com.al>) administers medical benefits.

## **Work Injury**

### **Regulatory Framework**

**First law:** 1947.

**Current law:** 1993 (social insurance).

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

### **Coverage**

Employed persons, apprentices, and vocational training students.

Exclusions: Self-employed persons.

### **Source of Funds**

**Insured person:** None.

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

**Employer:** 0.3% of payroll.

**Government:** None.

### **Qualifying Conditions**

**Work injury benefits:** There is no minimum qualifying period. The incapacity for work is assessed by the Medical Experts Committee. Occupational diseases are defined by the Council of Ministers.

### **Temporary Disability Benefits**

The benefit is 100% of the insured's average daily wage in the last 3 years and is paid for up to 12 months.

### **Permanent Disability Benefits**

**Permanent disability benefit:** For an assessed loss of working capacity of at least 67%, the benefit is 80% of the insured's average monthly earnings in the last 3 years but not less than the flat-rate old-age pension.

The flat-rate old-age pension is 10,276 leks for urban workers; 6,344 leks for rural workers.

**Partial permanent disability:** For an assessed loss of at least 33% of working capacity, the benefit is 50% to 80% of the insured's average monthly earnings in the last 3 years, depending on the degree of loss of working capacity.

**Minor permanent disability:** For an assessed loss of between 10% and 33% of working capacity, a lump sum is paid according to a schedule in law. Material damages incurred by the insured person are compensated in full.

### **Workers' Medical Benefits**

Compensation is available for medical care and the cost of rehabilitation.

### **Survivor Benefits**

**Survivor pension:** The surviving spouse receives 50% of the deceased's old-age pension.

Eligible survivors include a surviving spouse caring for a dependent child younger than age 8, a spouse with a disability, or a spouse aged 50 or older (widow) or aged 60 or older (widower).

**Orphan's pension:** 25% of the deceased's old-age pension is paid for each dependent orphan younger than age 18 (age 25 if a student, no limit if disabled from childhood); 50% for a full orphan if there are no other eligible dependents.

**Other eligible survivors:** 25% of the deceased's old-age pension is paid for each dependent parent, grandparent aged 65 or older who lived with the deceased for the last 12 months, and dependent grandchildren.

All survivor benefits combined must not exceed 100% of the deceased's old-age pension.

### **Administrative Organization**

Ministry of Finance (<http://www.minfin.gov.al>) and a tripartite Administrative Council provide general supervision.

Social Insurance Institute (<http://www.iss.gov.al>) administers the program.

### **Unemployment**

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#### **Regulatory Framework**

**First law:** 1947.

**Current law:** 1993 (social insurance).

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

#### **Coverage**

Employed persons.

Exclusions: Self-employed persons.

#### **Source of Funds**

**Insured person:** None.

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

**Employer:** 0.9% of payroll.

**Government:** None.

#### **Qualifying Conditions**

**Unemployment benefit:** The insured must have at least 1 year of contributions, not be receiving any other benefits (except for partial disability), be registered at an unemployment office, and be willing to undergo training.

### **Unemployment Benefits**

A flat-rate benefit is paid for up to 12 months or for a total of 365 calendar days if the insured has temporary periods of employment. The benefit must be no less than the flat-rate old-age pension.

The flat-rate old-age pension is 10,276 leks for urban workers; 6,344 leks for rural workers.

**Child's supplement:** Each dependent child younger than age 18 (25 if a student or disabled) receives 5% of the unemployment benefit, up to 30%. The supplement is reduced by 50% if one parent is employed or receiving a pension.

### **Administrative Organization**

Ministry of Labor, Social Affairs, and Equal Opportunities (<http://www.mpcs.gov.al>) provides general supervision.

National Employment Service administers benefits.

Social Insurance Institute (<http://www.iss.gov.al>) collects contributions.

### **Family Allowances**

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#### **Regulatory Framework**

**First law:** 1947.

**Current law:** 1993 (financial aid and social services).

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

#### **Coverage**

Families residing in Albania.

#### **Source of Funds**

**Insured person:** None.

**Self-employed person:** None.

**Employer:** None.

**Government:** The total cost.

#### **Qualifying Conditions**

**Family allowances (social assistance):** Families residing in Albania with low or inadequate income or with a family member who is disabled or blind.

#### **Family Allowance Benefits**

**Family allowances (social assistance):** Financial aid is provided to eligible families.

### **Administrative Organization**

Ministry of Labor, Social Affairs, and Equal Opportunities (<http://www.mpcs.gov.al>) provides general supervision.

State Social Service administers the program at district and local levels.