

Russia

Exchange rate: US\$1.00 = 31.17 rubles.

Old Age, Disability, and Survivors

Regulatory Framework

First law: 1922.

Current laws: 1995 (disability); 1996 (mandatory pension insurance); 1998 (nonstate pension funds); 2001 (public pensions); 2001 (labor pensions); 2001 (mandatory pension insurance); 2002 (early labor pension); 2002 (insurance period); 2002 (investments); 2004 (tax code), implemented in 2005; 2009 (social insurance contributions), implemented in 2010; and 2011 (funded pensions).

Type of program: Social insurance, notional defined contribution (NDC), individual accounts, and social assistance system.

Coverage

Employed citizens, self-employed persons, and independent farmers.

Special systems for civil servants, military and police personnel, and war veterans.

The individual account covers persons born in 1967 or later.

Source of Funds

Insured person: None.

Self-employed person: In general, a monthly contribution of 14,386 rubles.

Different contribution rates apply for certain categories of self-employed person.

Employer: 22% of payroll.

The maximum annual earnings used to calculate contributions are 512,000 rubles and 10% of payroll exceeding this ceiling for general categories of employers. Reduced contribution rates apply for certain groups of employers.

Government: The total cost of social pensions. Regional and local governments may finance supplementary benefits out of their own budgets.

Qualifying Conditions

Old-age pension

Old-age labor pension: Age 60 (men) or age 55 (women) with at least five years of coverage.

The qualifying conditions are reduced for persons who have worked in the far-north region or in hazardous or dangerous

work, for mothers who have five or more children or children with disabilities, and for some specified professional categories.

Deferred pension: The pension may be deferred. The maximum deferral period depends on the year of retirement.

Retirement is not necessary. There is no income test for a working pensioner.

The pensions are payable abroad in accordance with national legislation and reciprocal agreements.

State social pension: Age 65 (men) or age 60 (women).

The state social pension is not payable abroad.

Retirement is not necessary. There is no income test for a working pensioner.

Disability pension

Disability labor pension: The pension is calculated according to three assessed degrees of disability: 100% loss of working capacity and requires constant attendance (Group I); 100% loss of working capacity and does not require constant attendance (Group II); at least a 50% loss of working capacity and does not require constant attendance (Group III).

State disability pension: There is no minimum qualifying period for persons younger than age 20 whose disability is due to a general illness or for any disability resulting from a severe work injury, an occupational disease, or military service

The state disability pension is payable abroad in accordance with national legislation and reciprocal agreements.

Survivor pension

Survivor labor pension: Paid irrespective of the deceased's length-of-service period and coverage periods.

Eligible survivors are widows older than age 55 (widower(s) or parents older than age 60) or unemployed and caring for a child younger than age 14 or disabled; children up to age 18 (age 23 if a student, no limit if disabled before age 18); brothers and sisters up to age 18; and grandfathers aged 60 or older and grandmothers aged 55 or older or disabled.

The pension does not cease on the remarriage of a widow.

The survivor labor pension is payable abroad in accordance with national legislation and reciprocal agreements.

State survivor pension: Paid irrespective of the deceased's insurance coverage or military service. Eligible survivors are parents, widows, aged 60 (men) and 55 (women) or disabled; unemployed persons caring for children younger than age 14; siblings and grandchildren up to age 18 (age 23 if student). There are lower age requirements for specified cases.

The pension does not cease on the remarriage of a widow.

Social survivor pension: Paid if the deceased was not eligible for a contributory pension.

The social survivor pension is not payable abroad.

Old-Age Benefits

Old-age labor pension: The benefit is calculated as the sum of a social insurance benefit based on the notional account (which includes a basic flat-rate element according to the category of beneficiary) and a benefit based on the value of the individual account (insured's contributions plus interest). Calculations are based on insurance coverage and a projected life expectancy at retirement of 216 months (rising to 228 months by 2013). The individual account benefit is scheduled to be paid beginning in 2013.

The basic monthly flat-rate benefit for a pensioner with no dependents is 2,963 rubles, 3,952 rubles with one dependent, 4,938 rubles with two dependents, and 5,926 rubles with three or more dependents.

The basic monthly flat-rate amount for a pensioner age 80 or older is 5,926 rubles with no dependents, 6,914 rubles with one dependent, 7,902 rubles with two dependents, and 8,889 rubles with three or more dependents.

Deferred pension: Calculated in the same way as the old-age pension.

State length-of-service pension: The benefit is calculated according to the length of state service and the value of wages earned.

State social pension: The pension is a percentage of the basic-flat-rate portion of the labor pension.

Benefit adjustment: Benefits are adjusted according to the rate of inflation and increases in the average wage.

Permanent Disability Benefits

Disability labor pension: The benefit is calculated as the sum of a basic flat-rate element according to the category of beneficiary and a benefit based on the notional account. Calculations are based on a projected life expectancy at retirement of 216 months (rising to 228 months by 2013) and a contribution period adjustment factor for younger insured persons.

For a pensioner with no dependents the basic monthly flat-rate amount is 5,926 rubles (Group I), 2,963 rubles (Group II), or 1,482 rubles (Group III). For a pensioner with one dependent, 6,914 rubles (Group I), 3,951 rubles (Group II), or 2,469 rubles (Group III). For a pensioner with two dependents, 7,902 rubles (Group I), 4,938 rubles (Group II), or 3,457 rubles (Group III). For a pensioner with three or more dependents, 8,889 rubles (Group I), 5,926 rubles (Group II), or 4,445 rubles (Group III).

State disability pension: Benefits are set by the government according to categories of beneficiaries and increased according to the number of dependents.

Benefit adjustment: Benefits are adjusted according to the rate of inflation and increases in the average wage.

Survivor Benefits

Survivor labor pension: The benefit is calculated as the sum of a basic flat-rate element according to the category of beneficiary and a benefit based on the notional account. Calculations are based on a projected life expectancy of 216 months (rising to 228 months by 2013), the number of survivors.

The basic monthly flat-rate component for full orphans is 2,963 rubles for each child; for other dependent family members, 1,482 rubles.

The pension is split equally among all eligible survivors.

Double the value of the accrued rights from the notional account is also paid to the children of a deceased single mother.

Social survivor pension: The pension is set by the government according to different categories of beneficiaries.

Benefit adjustment: Benefits are adjusted according to the rate of inflation and increases in the average wage.

Administrative Organization

Pension Fund of the Russian Federation (<http://www.pfrf.ru>) and its regional bodies administer benefits and collect contributions.

Ministry of Health and Social Development (<http://www.minzdravsoc.ru>) is responsible for policy development.

Sickness and Maternity

Regulatory Framework

First law: 1912.

Current laws: 1991 (medical insurance), 1995 (child benefits), 1999 (mandatory social insurance), 2001 (labor code), 2006 (sickness and maternity benefits), and 2011 (Social Insurance Fund budget).

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

Coverage

Cash benefits: Employed citizens.

Exclusions: Self-employed persons.

Medical benefits: All citizens and refugees.

Source of Funds

Insured person

Cash benefits: None.

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Medical benefits: None. (The insured may contribute to voluntary supplementary medical and maternity insurance. The contribution rates vary by plan.)

Self-employed person

Cash benefits: Not applicable.

Medical benefits: None. (The self-employed person may contribute to voluntary supplementary medical and maternity insurance. The contribution rates vary by plan.)

Employer

Cash benefits: 2.9% of payroll.

Medical benefits: 5.1% of payroll.

Employer medical benefits contributions also finance family allowances.

Government

Federal and local governments provide partial funding for medical benefits.

Qualifying Conditions

Cash and medical benefits: There is no minimum qualifying period. For the childbirth grant, the claimant must register with a medical establishment at the beginning of the pregnancy.

Sickness and Maternity Benefits

Sickness benefit: The benefit varies according to the length of the coverage period: 60% of current earnings is paid with less than five years of coverage; 80% with five to eight years; 100% with more than eight years (or if the insured has three or more dependent children).

For the care of a sick child younger than age 7, the benefit is provided for the period of sickness, up to 60 days a year; for a child younger than age 15, for 15 to 45 days a year; for a family member older than age 15, for seven to 30 days a year.

The minimum benefit is 100% of the legal minimum wage.

The legal minimum wage is 4,611 rubles.

The maximum benefit is 36,563 rubles.

Funeral grant: A lump sum of up to 4,809.11 rubles is paid, depending on local government financial resources.

Maternity benefit: 100% of the insured's gross earnings in the last 24 months is paid for 70 days before the expected date of childbirth and 70 days after childbirth; may be extended by an additional 14 or 40 days in certain cases.

The minimum benefit is 100% of the legal minimum wage.

The legal minimum wage is 4,611 rubles.

The maximum benefit is 36,563.28 rubles.

Childbirth grant: A lump sum of 12,405.32 rubles is paid. The local government pays an additional sum.

Pregnancy registration supplement: 465.20 rubles is paid when the pregnancy is registered in the first 12 weeks.

Adoption benefit: The benefit must not exceed 36,563.28 rubles.

Child care leave benefit (monthly): Paid to insured or unemployed parents until the child is aged 18 months. The benefit is 40% of the insured's average wage in the last 24 months and is at least 2,326 rubles for the first child and 4651.99 rubles for the second and subsequent children.

The maximum monthly benefit is 14,625.31 rubles.

Parents of a child with a disability also receive benefits for four vacation days a month.

Workers' Medical Benefits

Compulsory medical insurance covers medical services provided directly to patients by public and private health providers. Benefits include general, preventive, and emergency care; hospitalization; laboratory services; dental care; maternity care; vaccinations; and transportation.

Cost sharing: Medicine prescribed during hospitalization are provided free or at reduced rates to persons with certain categories of illness, persons with disabilities, and war veterans.

Voluntary medical insurance covers specialized care, expensive medicine, and appliances.

Some categories of the population, including the elderly, persons with disabilities, and war veterans, may receive a cash reimbursement for some medicine.

Dependents' Medical Benefits

Medical benefits for dependents are the same as those for the insured.

Administrative Organization

Cash benefits: Social Insurance Fund of the Russian Federation (<http://www.fss.ru>) and regional social insurance funds administer cash sickness and maternity benefits.

Regional departments of social protection administer maternity benefits for the unemployed and other nonworking citizens.

Medical benefits: Ministry of Health and Social Development (<http://www.minzdravsoc.ru>) and regional health departments implement state health care policy and develop health care programs.

Federal Compulsory Medical Insurance Fund (<http://www.ffoms.ru>) implements health care policy within the state social insurance system and administers the financing of medical insurance programs.

Medical services are provided through clinics, hospitals, maternity homes, and other medical facilities, including private health care providers.

Regional governments administer medical insurance.

Work Injury

Regulatory Framework

First law: 1903.

Current laws: 1998 (work injury and occupational diseases), implemented in 2000; 2001 (labor code); 2005 (risk classification); 2011 (Social Insurance Fund budget); and 2011 (contributions).

Type of program: Social insurance system.

Coverage

Employed citizens.

Exclusions: Self-employed persons.

Source of Funds

Insured person: None.

Self-employed person: Not applicable.

Employer: From 0.2% to 8.5% of payroll according to 32 classes of professional risk related to 22 industry categories. Employers may finance supplementary benefits out of their own budgets.

Government: None. Regional and local governments may finance supplementary benefits out of their own budgets.

Qualifying Conditions

Work injury benefits: There is no minimum qualifying period.

Temporary Disability Benefits

100% of average gross earnings are paid from the first day of incapacity until the insured is fully rehabilitated.

Average gross earnings are based on earnings immediately before certification of the degree of disability.

The Medical and Social Assessment Office assesses the degree of disability at least once a year.

Lump-sum compensation: A lump sum of up to 72,701.2 rubles is paid to insured workers according to the loss of working capacity. The benefit is adjusted according to regional environmental conditions.

A monthly benefit is paid for a temporary, prolonged loss of working capacity based on the average wage in the last 12 months and the assessed loss of working capacity.

Permanent Disability Benefits

Permanent disability pension: The pension depends on the assessed degree of disability.

The minimum level of assessed disability varies from 10% to 30%.

The maximum benefit is 45,020 rubles a month and is set annually by the Social Insurance Fund.

The Medical and Social Assessment Office assesses the degree of disability at least once a year.

Constant-attendance allowance: 900 rubles a month is paid to those requiring special medical care; 225 rubles for daily attendance.

Workers' Medical Benefits

Compulsory medical insurance covers medical services provided directly to patients by public and private health care providers. Benefits include general, preventive, and emergency care; hospitalization; laboratory services; dental care; transportation; free appliances and medicine; and the cost of professional rehabilitation.

Specialized care may be provided under voluntary supplementary insurance offered by the employer.

Survivor Benefits

Survivor pension: Paid on the death of the insured as the result of a work injury or an occupational disease. The benefit is calculated as the sum of a basic flat-rate benefit according to different survivor categories, and a benefit based on the notional account and the number of eligible survivors.

Lump-sum compensation: In addition to the pension, a lump sum of 72,701.20 rubles is paid and split equally among all eligible survivors.

Death grant: A lump sum of up to 1,000 rubles is paid. (The employer may pay an additional benefit.)

Administrative Organization

Social Insurance Fund of the Russian Federation (<http://www.fss.ru>) and regional funds administer temporary disability benefits.

Enterprises and employers pay benefits to employees.

Pension Fund of the Russian Federation (<http://www.pfrf.ru>) administers permanent disability pensions.

Ministry of Health and Social Development (<http://www.minzdravsoc.ru>) administers the provision of medical services through clinics, hospitals, maternity homes, and other medical facilities, including private health care providers.

Regional health departments implement and administer state health care policies and programs.

Regional employment services administer and finance the program.

Unemployment

Regulatory Framework

First law: 1921.

Current laws: 1991 (employment), 1997 (registration), 2001 (labor code), 2004 (cash compensation), and 2006 (benefits).

Type of program: Social insurance and social assistance system.

Coverage

Citizens aged 16 to 59 (men) or aged 16 to 54 (women).

Source of Funds

Insured person: None.

Self-employed person: None.

Employer: None.

Government: Financed from federal and local government budgets. Regional and local governments may finance supplementary benefits for unemployed persons and their dependents out of their own budgets.

Qualifying Conditions

Unemployment benefits: Must be registered at an employment office, have 26 weeks of full-time employment in the last 12 months (or the 26-week equivalent for part-time employment), and be willing and able to work.

Benefits may be reduced, postponed, suspended, or terminated if the worker is dismissed because of misconduct, leaving employment without good cause, violating conditions for job placement or vocational training, or filing a fraudulent claim.

Unemployed persons who do not meet the coverage conditions or persons who have never worked may be eligible for reduced benefits.

Unemployment Benefits

Unemployment benefit: Benefits are calculated as a percentage of previous average wages and are paid for up to 12 months. The benefits decrease over time: 75% of the previous average monthly wage is paid for the first three months, 60% for the next four months, and 45% for the last five months.

The benefit is increased by 10% of the regional minimum subsistence level for victims of radiation and persons living in radiation-contaminated zones.

For a second 12-month period, the monthly benefit is 30% of the local minimum subsistence level.

The minimum monthly benefit is 850 rubles.

The maximum monthly benefit is 4,900 rubles.

For unemployed persons who do not meet the coverage conditions or for persons who have never worked, the benefit is 30% of the regional minimum subsistence level for the first six months and 20% of the regional minimum subsistence level for the next six months, but not less than 100 rubles a month.

Dependent's supplement: The benefit is increased by 10% of the regional minimum subsistence level for each dependent, up to 30%. If both parents are unemployed, both are entitled to claim a supplement for the same dependent.

Early pension: Paid to unemployed older workers aged 58 to 59 (men) or aged 53 to 54 (women). (The benefit is the same as the old-age labor pension under Old Age, Disability, and Survivors.)

Administrative Organization

Ministry of Health and Social Development (<http://www.minzdravsoc.ru>) provides general supervision.

Regional employment services administer the program.

Local employment services pay benefits.

Family Allowances

Regulatory Framework

First law: 1944.

Current laws: 1995 (child benefits), 2004 (cash compensation), 2005 (social insurance fund), and 2006 (families with children).

Type of program: Social insurance and social assistance system.

Coverage

Children younger than age 16 (up to age 18 if a full-time student).

Source of Funds

Insured person: None.

Self-employed person: None.

Employer: See source of funds under Sickness and Maternity. Employers may finance supplementary benefits out of their own budgets.

Government: Federal and local government budgets subsidize the cost of benefits. Regional and local governments may finance supplementary benefits out of their own budgets.

Qualifying Conditions

Child allowances: Paid to families with income below the locally determined minimum subsistence level. The child must reside in the household.

Family (maternity capital) grant: Paid to women after the birth or adoption of the second, third or subsequent child after January 1, 2007. In special cases men are entitled to the grant after the adoption of two children.

Family Allowance Benefits

Child allowances: The allowance varies according to geographic region and is paid for each child from age 18 months to age 16 (age 18 if a full-time student).

Supplements are paid if a parent fails to pay alimony.

Single parents receive twice the child allowance.

A parent caring for a sick child receives 60% to 100% of wages for the first seven days of illness; thereafter, 30% of wages (50% for single mothers) until the child's full recovery.

Family (maternity capital) grant: 387,640.30 rubles is paid.

Administrative Organization

Ministry of Health and Social Development (<http://www.minzdravsoc.ru>) provides general supervision of the program.

Regional and local departments of social protection pay benefits.

Pension Fund of the Russian Federation (<http://www.pfrf.ru>) and its regional bodies administer family (maternity) grants.