

Kazakhstan

Exchange rate: US\$1.00 = 184.10 tenge.

Old Age, Disability, and Survivors

Regulatory Framework

First law: 1991.

Current laws: 1997 (social security benefits); 2003 (social insurance), implemented in 2005; 2007 (labor code), and 2013 (pensions).

Type of program: Mandatory individual account, social insurance, and social assistance system.

Coverage

Mandatory individual account (old age): Employed and self-employed residents of Kazakhstan.

Solidarity pension (old age): Employed Kazakh citizens with at least six months of contributions before January 1, 1998.

State basic pension (old age): Kazakh citizens.

Social insurance (disability and survivors): Employed and self-employed persons, including foreign citizens and persons without citizenship who work and reside permanently in Kazakhstan.

Exclusions: Employed pensioners.

State social benefit (social assistance): Residents of Kazakhstan.

Source of Funds

Insured person

Mandatory individual account (old age): 10% of monthly earnings.

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

The maximum earnings used to calculate contributions are 75 times the monthly minimum wage.

The monthly minimum wage is 19,966 tenge.

Solidarity pension (old age): None.

State basic pension (old age): None.

Social insurance (disability and survivors): None.

State social benefit (social assistance): None.

Self-employed person

Mandatory individual account (old age): 10% of monthly income.

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

The maximum earnings used to calculate contributions are 75 times the monthly minimum wage.

The monthly minimum wage is 19,966 tenge.

Solidarity pension (old age): None.

State basic pension (old age): None.

Social insurance (disability and survivors): 5% of monthly income.

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

The maximum earnings used to calculate contributions are 10 times the monthly minimum wage.

The monthly minimum wage is 19,966 tenge.

The self-employed person's contribution also finances unemployment benefits.

State social benefit (social assistance): None.

Employer

Mandatory individual account (old age): None; 5% of monthly payroll for workers employed in hazardous occupations.

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

The maximum earnings used to calculate contributions are 75 times the monthly minimum wage.

The monthly minimum wage is 19,966 tenge.

Solidarity pension (old age): None.

State basic pension (old age): None.

Social insurance (disability and survivors): 5% of monthly payroll.

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

The maximum earnings used to calculate contributions are 10 times the monthly minimum wage.

The monthly minimum wage is 19,966 tenge.

The employer's social insurance contributions also finance disability, survivor, unemployment, maternity, and child care benefits.

State social benefit (social assistance): None.

Government

Mandatory individual account (old age): None.

Solidarity pension (old age): Subsidies as needed.

State basic pension (old age): The total cost.

Social insurance (disability and survivors): None; contributes as an employer.

The government's social insurance contributions (made as an employer) also finance disability, survivor, unemployment, maternity, and child care benefits.

State social benefit (social assistance): The total cost.

Qualifying Conditions

Mandatory individual account (old age): Age 63 (men) or age 58 (women, gradually rising to age 63 by January 1, 2017). Age 55 (men and women) if the account balance is sufficient to finance a benefit at least equal to the minimum monthly pension.

The minimum monthly pension is 21,736 tenge.

Solidarity pension (old age): Age 63 with at least 25 years of contributions (men) or age 58 with at least 20 years of contributions (women); age 50 with at least 25 years of contributions (men) or age 45 with at least 20 years of contributions (women) and lived in certain ecologically damaged zones for at least five years from 1949 to 1963; or age 53 for mothers who raised at least five children until age 8.

State basic pension (old age): Paid at the retirement age regardless of the insurance period.

Social insurance (disability): Assessed with a Group I (incapacity for any work), Group II (incapacity for usual work), or Group III (capacity for work) disability.

State social benefit (disability): Assessed with a Group I (incapacity for any work), Group II (incapacity for usual work), or Group III (capacity for work) disability.

Mandatory individual account (survivors): Paid to survivors named by the deceased.

Social insurance (survivors): Paid to survivors when the insured family breadwinner dies.

Eligible survivors include dependents unable to work, children younger than age 18 (age 23 if a full-time student; no limit if disabled before age 18); a widow (er) of retirement age, disabled, or caring for children younger than age 3; and any relative caring for children younger than age 3.

State social benefit (survivors): Paid to survivors when the family breadwinner dies.

Eligible survivors include dependents unable to work, children younger than age 18 (age 23 if a full-time student; no limit if disabled before age 18); a widow(er) of retirement age, disabled, or caring for children younger than age 8; and any relative caring for children younger than age 8.

Old-Age Benefits

Old-age pension

Mandatory individual account: A benefit based on the insured's account balance at retirement may be paid monthly, quarterly, or annually.

A lump sum is paid if the value of the insured's account balance is less than 30 times the minimum monthly pension.

The minimum monthly pension is 21,736 tenge.

Solidarity pension: 60% of the insured's earnings in the best three consecutive years after 1995 plus 1% of earnings for each year exceeding 25 years (men) or 20 years (women) of work is paid.

The maximum monthly old-age solidarity pension is 75% of the insured's earnings in the best three consecutive years after 1995.

Partial pension: A percentage of the full pension is paid according to the number of years below the required number of years of coverage.

The monthly minimum pension is 21,736 tenge.

Benefit adjustment: Benefits are adjusted periodically according to changes in the consumer price index.

State basic pension: 52% of the monthly minimum wage is paid.

The monthly minimum wage is 19,966 tenge.

The minimum monthly pension is 21,736 tenge.

Benefit adjustment: The benefit is set annually in the national budget.

Permanent Disability Benefits

Disability pension

State social benefit: A flat-rate monthly benefit is paid according to the assessed degree of disability and the prescribed category of disability.

Social insurance: A monthly benefit is paid based on the difference between average monthly insured earnings in the last 24 months and 80% of the monthly minimum wage, multiplied by the income replacement rate, the loss of working capacity rate, and the covered period rate.

The monthly minimum wage is 19,966 tenge.

The income replacement rate is 0.6.

The loss of working capacity rate is 0.7 for a loss of working capacity of 80% to 100% (Group I disability); 0.5 for a loss of at least 60% but less than 80% (Group II disability); and 0.3 for a loss of at least 30% but less than 60% (Group III disability).

The covered period rate is 0.1 with less than six months of coverage; 0.7 with at least six but less than 12 months; 0.75 with at least 12 but less than 24 months; 0.85 with at least

24 but less than 36 months; 0.9 with at least 36 but less than 48 months; 0.95 with at least 48 but less than 60 months; and 1.0 with at least 60 months.

The disability pension ceases at the retirement age and is replaced by the old-age pension.

Benefit adjustment: Benefits are adjusted periodically according to changes in the consumer price index.

Survivor Benefits

Survivor pension

Mandatory individual account: A benefit based on the deceased's account balance is distributed among named survivors in proportions determined by the deceased.

State social benefit: A flat-rate monthly benefit is paid according to family size and whether any family members have disabilities.

Social insurance: A monthly benefit is paid based on the difference between the insured's average monthly earnings in the last 24 months and 80% of the monthly minimum wage, multiplied by the income replacement rate, the number of survivors rate, and the covered period rate.

The monthly minimum wage is 19,966 tenge.

The income replacement rate is 0.6.

The number of survivors rate is 0.4 for one dependent survivor; 0.5 for two; 0.6 for three; and 0.8 for four or more.

The covered period rate is 0.1 with less than six months of coverage; 0.7 with six to 12 months; 0.75 with 12 to 23 months; 0.85 with 24 to 36 months; 0.9 with 36 to 48 months; 0.95 with 48 to 60 months; and 1.0 with 60 or more months.

Benefit adjustment: Benefits are adjusted periodically according to changes in the consumer price index.

Administrative Organization

Mandatory individual account: Kazakhstan Agency for Financial Market and Financial Organizations supervises pension funds and insurance companies.

Old-age solidarity pension: Ministry of Labor and Social Protection of the Population provides general coordination and supervision. Regional departments administer the program.

Social insurance: Ministry of Labor and Social Protection of the Population provides general coordination and supervision.

State Fund of Social Insurance (<http://www.gfss.kz>) manages the program finances.

State social benefit: Regional departments of the Ministry of Labor and Social Protection of the Population administer the program.

Sickness and Maternity

Regulatory Framework

First and current laws: 1999 (employer-financed benefits); 2003 (social insurance), implemented in 2005; 2007 (labor code).

Type of program: Employer-liability (sickness benefits), social insurance (maternity benefits), and universal (medical benefits) system.

Coverage

Cash benefits: Employed Kazakh citizens.

Medical benefits: Permanent residents of Kazakhstan.

Source of Funds

Insured person

Cash benefits: None.

Medical benefits: None.

Self-employed person

Cash benefits: Not applicable.

Medical benefits: None.

Employer

Cash benefits: The total cost of sickness benefits; see source of funds under Old Age, Disability, and Survivors for maternity and child care benefits.

Medical benefits: None.

Government

Cash benefits: None.

Medical benefits: The total cost.

Qualifying Conditions

Cash sickness, maternity, and child care benefits, and medical benefits: There is no minimum qualifying period.

Sickness and Maternity Benefits

Sickness benefit (employer liability): The daily benefit is calculated based on the insured's average daily earnings.

Benefit adjustment: Benefits are adjusted periodically according to changes in the consumer price index.

Maternity benefit (social insurance): A benefit based on the mother's average monthly earnings in the last 12 months is paid for 126 days, including 70 days before and 56 days after childbirth; may be extended in certain circumstances.

Child care benefit (social insurance): A benefit based on one of the parents' average monthly earnings in the last

24 months is paid from the end of the paid maternity leave period until the child reaches age 1.

Benefit adjustment: Benefits are adjusted periodically according to changes in the consumer price index.

Workers' Medical Benefits

Benefits include general and specialist care, hospitalization, laboratory services, dental care, maternity care, and transportation.

Dependents' Medical Benefits

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

Administrative Organization

Cash sickness benefits: Employers pay benefits directly to employees.

Ministry of Labor and Social Protection of the Population provides general coordination and supervision.

Cash maternity and child care benefits: Ministry of Labor and Social Protection of the Population provides general coordination and supervision.

State Fund of Social Insurance (<http://www.gfss.kz>) manages the program finances.

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

Clinics, hospitals, and other facilities administered by the Ministry of Health and local health departments provide medical services.

Work Injury

Regulatory Framework

First law: 1955 (temporary benefits).

Current laws: 1993 (work injury) and 2005 (employer liability).

Type of program: Employer-liability, normally through a private carrier, and social assistance system.

Coverage

Employed persons.

Source of Funds

Insured person: None.

Self-employed person: The cost of certain benefits.

Employer: Pays the total cost of annual insurance premiums that range from 0.04% to 9.9% of payroll or provides benefits directly to the insured (temporary disability

benefit, the lump-sum grant, medical benefits, and the funeral benefit).

Government: The total cost of permanent disability and survivor benefits.

Qualifying Conditions

Work injury benefits: There is no minimum qualifying period.

Temporary Disability Benefits

100% of earnings is paid from the first day of incapacity until recovery or award of a permanent disability pension.

Permanent Disability Benefits

State social benefit (permanent disability): A flat-rate monthly benefit is paid according to the assessed degree and prescribed category of disability.

Benefit adjustment: Benefits are adjusted periodically according to changes in the consumer price index.

Lump-sum grant: According to collective agreements, at least five times annual earnings is paid for a Group I (incapacity for any work) or Group II (incapacity for usual work) disability; two times annual earnings for a Group III (capacity for work) disability; or 100% of annual earnings for the permanent loss of working capacity if no disability group is determined.

Benefit adjustment: Benefits are adjusted periodically according to changes in the consumer price index.

Workers' Medical Benefits

Medical benefits: Benefits include general and specialist care, hospitalization, laboratory services, transportation, appliances, and rehabilitation.

Survivor Benefits

State social benefit (survivors): A flat-rate monthly allowance is paid according to family size and whether any family members have a disability.

Eligible survivors include dependents unable to work, children younger than age 18 (age 23 if a full-time student; no limit if disabled before age 18); a widow(er) of retirement age, disabled, or caring for a child(ren) younger than age 8; and any relative caring for a child(ren) younger than age 8.

Benefit adjustment: Benefits are adjusted periodically according to changes in the consumer price index.

Funeral benefit: The cost of the funeral if the death was the result of a work injury or an occupational disease.

Administrative Organization

Temporary disability benefits: Employers pay benefits directly to employees.

Permanent disability and survivor benefits: Regional departments of Ministry of Labor and Social Protection of the Population administer the program.

Medical benefits: Ministry of Health Care and Social Development (<https://www.mzsr.gov.kz/en>) and health departments of local governments provide general supervision and coordination.

Clinics, hospitals, and other facilities administered by the Ministry of Health and local health departments provide medical services.

Unemployment

Regulatory Framework

First and current law: 2003 (compulsory social insurance), implemented in 2005.

Type of program: Social insurance system.

Coverage

Employed and self-employed permanent residents of Kazakhstan.

Exclusions: Employed pensioners.

Source of Funds

Insured person: None.

Self-employed person: See source of funds under Old Age, Disability, and Survivors.

Employer: See source of funds under Old Age, Disability, and Survivors.

Government: See source of funds under Old Age, Disability, and Survivors.

Qualifying Conditions

Unemployment benefit: Must have at least six months of coverage.

Unemployment Benefits

A monthly benefit is paid based on average monthly insured earnings in the last 24 months multiplied by the income replacement rate and the covered period rate.

The income replacement rate is 0.3.

The covered period rate is 0.7 with six to 11 months of coverage; 0.75 with 12 to 23 months; 0.85 with 24 to 35 months; 0.9 with 36 to 47 months; 0.95 with 48 to 59 months; and 1.0 with 60 or more months.

The duration of the benefit depends on the insured's coverage period.

Administrative Organization

Ministry of Labor and Social Protection of the Population provides general coordination and supervision.

State Social Insurance Fund (<http://www.gfss.kz>) manages the program finances.

Family Allowances

Regulatory Framework

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

Type of program: Social assistance system.

Coverage

Needy residents of Kazakhstan; persons with disabilities; full-time students and persons in 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: The total cost.

Qualifying Conditions

Family allowances: Must satisfy needs and income tests.

Family Allowance Benefits

Family allowance: Cash benefits are based on individual or family income, subject to needs and income tests. (Income from state social benefits is not included.)

Benefit adjustment: Benefits are adjusted periodically according to changes in the consumer price index.

Administrative Organization

Ministry of Labor and Social Protection of the Population provides general coordination and supervision and administers the program through regional departments.