

Kazakhstan

Exchange rate: US\$1.00 = 147.70 tenge.

Old Age, Disability, and Survivors

Regulatory Framework

First law: 1991.

Current laws: 1997 (pensions), implemented in 1997 and 1998; 1997 (social allowances), implemented in 1997; 2003 (compulsory social insurance), implemented in 2005; and 2007 (social security).

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.

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

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

Source of Funds

Insured person

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

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 10% of the monthly minimum wage.

The maximum earnings used to calculate contributions are 10% of 75 times the monthly minimum wage.

The monthly minimum wage is 17,439 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 5% of the monthly minimum wage.

The monthly minimum wage is 17,439 tenge.

The self-employed person's social insurance contributions also finance disability, survivor, and unemployment benefits.

State social benefit (social assistance): None.

Employer

Mandatory individual account (old age): None.

Solidarity pension (old age): 11% levy on payroll.

State basic pension (old age): None.

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

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

State social benefit (social assistance): None.

Government

Mandatory individual account (old age): The cost of the guaranteed minimum pension.

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.

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

Qualifying Conditions

Mandatory individual account (old age): Age 63 (men) or age 58 (women) with at least 35 years of contributions. Age 50 (men) or age 45 (women) and lived in certain ecologically damaged zones for at least 10 years from 1949 to 1963. Age 53 for mothers living in rural areas with five or more children older than age 8.

Age 55 (men and women) if the accumulated capital is sufficient to finance a benefit at least equal to the minimum pension, or if unemployed with at least 35 years of contributions.

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 10 years from 1949 to 1963. Age 53 for mothers living in rural areas with five or more children older than age 8.

Partial pension: Paid if the insured does not meet the coverage requirements for the full old-age solidarity pension at the normal retirement age.

State basic pension (old age): Paid at the retirement age regardless of the insurance period and income to pensioners with less than a government-defined minimum level and to those who are not entitled to contributory benefits.

Social insurance (disability): Assessed with at least a 30% loss of working capacity.

State social benefit (disability): Assessed with a disability.

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

Eligible survivors include dependents unable to work, including 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 18; and any relative caring for children younger than age 18.

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

Eligible survivors include dependents unable to work, including 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 18; and any relative caring for children younger than age 18.

Old-Age Benefits

Old-age pension

Mandatory individual account: The benefit is based on the insured's contributions plus accrued interest and may be paid monthly, quarterly, or annually.

A lump sum is paid if the value of the insured's contributions plus accrued interest is less than 100,000 tenge or less than 12 times the minimum pension.

The monthly minimum pension is 17,490 tenge.

Solidarity pension: 60% of the insured's earnings in the best three consecutive years after 1995 plus 1% of earnings for each year in excess of 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 17,490 tenge.

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

State basic pension: 50% of the monthly minimum wage is paid.

The monthly minimum wage is 17,439 tenge.

The monthly minimum pension is 17,490 tenge.

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

Permanent Disability Benefits

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

Social insurance (disability): 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 17,439 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%; 0.5 for a loss of 60% to 79%; and 0.3 for a loss of 30% to 59%.

The covered period rate is 0.1 with less than six months of coverage; 0.7 with six to 11 months; 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 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

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

Social insurance (survivors): 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

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replacement rate, the number of survivors rate, and the covered period rate.

The monthly minimum wage is 17,439 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 11 months; 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.

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 (compulsory social insurance), implemented in 2005; 2007 (labor code); and 2007 (social security), implemented in 2008.

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

Coverage

Cash benefits: Employed Kazakh citizens.

Exclusions: Self-employed persons.

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.

Medical benefits: None.

Government

Cash benefits: None.

Medical benefits: The total cost.

Qualifying Conditions

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

Sickness and Maternity Benefits

Sickness benefit: The daily benefit is calculated based on average earnings, according to a schedule in law.

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

Maternity benefit: A benefit based on the mother's average monthly earnings for the last 12 months, up to a maximum, is paid for children younger than 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.

Administrative Organization

Cash benefits: Employers pay benefits directly to employees.

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

Medical benefits: Ministry of Health (<http://www.mz.gov.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 involving compulsory insurance with 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 insurance premiums that range from 0.04% to 9.9% of payroll or directly provides benefits 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 disabilities.

Eligible survivors include dependents unable to work, including 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 18; and any other relative caring for children younger than age 18.

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 (<http://www.mz.gov.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.

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 Fund of Social Insurance (<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 reside in Kazakhstan and 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. Regional departments of labor and social protection administer the program.