

Solomon Islands

Exchange rate: US\$1.00 equals
7.14 Solomon Islands dollars (SI\$).

Old Age, Disability, and Survivors

Regulatory Framework

First and current law: 1973 (provident fund), implemented in 1976, with amendments.

Type of program: Provident fund system.

Coverage

All employed workers aged 14 or older, including household workers and cooperative members; casual workers who earn at least SI\$20 a month and work at least 6 days a month.

Exclusions: Prisoners and persons detained in medical institutions.

Employees covered by equivalent private plans may contract out.

Voluntary coverage for unemployed and self-employed persons aged 16 to 35 and former employees who have at least 12 consecutive months of previous contributions, regardless of age.

Special system for public-sector employees.

Source of Funds

Insured person: 5% of monthly earnings.

Additional voluntary contributions by the insured person are permitted up to a combined monthly maximum of 12.5% of gross earnings.

SI\$5 is deducted annually from the member's provident fund account to finance death benefits.

Self-employed person: Voluntary contributions only.

Employer: 7.5% of monthly payroll.

Government: None.

Qualifying Conditions

Old-age benefit: Age 50, regardless of employment status; at any age if emigrating permanently.

Contributions must be paid after age 50 if the member continues in employment that is covered by the provident fund. If the member makes a withdrawal at age 50 and continues to make contributions from employment, no further withdrawal can be made for 5 years.

Early withdrawal: Age 40 if permanently retired from covered employment.

Drawdown payment: In cases of unfair dismissal or if laid-off, unemployed fund members may withdraw funds from their individual account after 3 months of continuous unemployment (see also Unemployment, below).

Disability benefit: Must be assessed with a permanent physical or mental incapacity to work.

Survivor benefit: The death of the fund member before retirement. The benefit is paid to the next-of-kin or to one or more named survivors.

Old-Age Benefits

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

Drawdown payment: The value of drawdown payments depends on the value of employee and employer contributions in the individual account, plus accumulated interest. (See also Unemployment, below.)

Interest rate adjustment: The interest rate is set by the National Provident Fund Board at the end of each fiscal year.

Permanent Disability Benefits

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

Interest rate adjustment: The interest rate is set by the National Provident Fund Board at the end of each fiscal year.

Survivor Benefits

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

Interest rate adjustment: The interest rate is set by the National Provident Fund Board at the end of each fiscal year.

Death benefit: Up to SI\$3,500 is paid.

Administrative Organization

National Provident Fund Board administers the program.

An independent tripartite body appointed by the Minister of Finance, the National Provident Fund Board is made up of two representatives each of government, employers, and employees, and two representatives chosen at the Minister's discretion.

Sickness and Maternity

Regulatory Framework

No statutory sickness and maternity benefits are provided.

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The Labor Act requires employers to provide up to 12 weeks of maternity leave to women employees (including up to at least 6 weeks after childbirth).

Work Injury

Regulatory Framework

First and current laws: 1952 (workmen's compensation), with amendments; and 1981 (employment).

Type of program: Employer-liability system, involving compulsory insurance with a private carrier.

Coverage

Employed persons, including public employees, earning SI\$4,000 a year or less; casual workers are covered under certain circumstances.

Exclusions: Self-employed persons.

Source of Funds

Insured person: None.

Self-employed person: Not applicable.

Employer: The total cost.

Government: None.

Qualifying Conditions

Work injury benefits: There is no minimum qualifying period. All absences of 3 or more days from work must be reported. Entitlement is based on an assessment of the injury and the resulting disability. No benefit is paid if the incapacity or death occurs more than a year after the worker has ceased to be employed.

Temporary Disability Benefits

The benefit ranges from 50% to 100% of earnings, according to the insured's monthly earnings and the assessed degree of disability. If the incapacity lasts for more than 3 days, the benefit is paid from the first day until recovery, certification of permanent disability, or death.

The maximum monthly benefit is SI\$160.

Workers with a temporary disability may undergo periodic medical examination by a doctor named and paid for by the employer.

Permanent Disability Benefits

Permanent disability benefit: A lump sum of 48 months of earnings is paid.

The maximum lump sum is SI\$9,000.

Partial disability: A lump sum is paid equal to a percentage of the full permanent disability benefit (48 months of earnings), according to the assessed degree of disability. In

cases of multiple injuries, individual benefit awards may be aggregated but must not exceed the full permanent disability benefit.

Workers' Medical Benefits

Medical benefits include care, medicines, and appliances.

Appliances that benefit the earning capacity of an injured worker, including artificial limbs, dental appliances, and artificial eyes, are provided at the employer's expense. In such cases, the benefit will be subject to an earnings test.

Survivor Benefits

Survivor benefit: A lump sum is paid based on 36 months of earnings minus any permanent disability benefits paid to the deceased.

The maximum lump sum is SI\$9,000 when the disability benefit is also paid.

The maximum lump sum for a fatal work injury is SI\$80,000.

Eligible survivors include members of the family living with the deceased at the time of his or her death who were totally or mainly dependent on the deceased's earnings. The courts determine how the survivor benefit is split among survivors.

Funeral grant: If there are no dependents, the grant covers reasonable burial expenses. Each case is treated separately, and receipts must be provided.

The maximum funeral grant is SI\$30.

Administrative Organization

Labor Division administers the program.

Unemployment

Regulatory Framework

A statutory office assists the unemployed in seeking alternative employment by providing individual counseling and identifying suitable job vacancies.

Under the National Provident Fund Act, unemployed fund members may drawdown up to 30% of savings in case of unfair dismissal or if laid-off, provided the member's savings in the fund are greater than SI\$10,000 and he or she is not reemployed within 3 months after dismissal. The remaining amount can also be withdrawn later under certain provisions.

Employers are required to pay a dismissal benefit of 2 weeks of earnings for each year of employment, provided that the employee has been in continuous employment with the same employer for at least 26 weeks or more and is younger than age 50.