

(Unofficial translation, based upon translation made by Mrs. Flipse, adapted by J. Van Langendonck)

LAO PEOPLE'S DEMOCRATIC REPUBLIC
 PEACE INDEPENDENCE DEMOCRACY UNITY PROSPERITY

Office of the Prime Minister

No. 207/PM

Decree

regarding the

Social Security Regime for Employees in Enterprises

Pursuant to the Constitution of the Lao PDR, dated 14 August 1991;
 Pursuant to the Law on the Government of the Lao PDR, No. 05/NA, dated 8 March 1995;
 Pursuant to the Labor Law, No. 02194, dated 14 March 1994;
 Pursuant to the Proposal of the Minister of the Ministry of Labor and Social Welfare, No. 2697/LSW, dated 19 October 1999;
 Pursuant to the Proposal of the Minister of the Ministry of Justice, No. 481/MoJ, dated 29 November 1999.

The Prime Minister of the Lao PDR decrees:

Chapter 1

General Provisions

Article 1. Purpose

This Social Security Decree for Workers in Enterprises is issued to establish the principles, rules, organizations, methods, and measures to ensure social welfare rights and benefits to employees in enterprises in order to improve the lives of employees [and to] contribute to constructive national socioeconomic development.

Article 2. Compulsory Social Security

~~Employees and employers must enter into [participate in] the compulsory social security regime and are not entitled to together create agreements to avoid participating in the social security regime whatsoever.~~

This establishment of a social security regime for workers in enterprises is based on the principle of State-guaranteed insurance.

~~Employees and employers who are not in the compulsory social security regime can submit requests for voluntary insurance, but must adhere to similar rights and benefits of those in the compulsory social security regime.~~

~~[Resident] aliens and foreign persons who work in the Lao PDR must adhere to the rights and benefits of this Decree, except [in the case that] international agreements [treaties] or [other] rules provide otherwise.~~

Article 3. Scope of the Application of the Decree

~~This Social Security Decree applies to employees who work in State, private, [and] partnership enterprises in the areas of industry, agriculture, services and in other activities.~~

~~This Decree applies to employers who have 10 or more employees and shall be applied to work units with less than 10 employees, provided that such work unit is a branch of a large labor unit. When a labor unit with 10 employees has already insured itself [made social security contributions], but at any [given] time, the number of employees has decreased, that labor unit must [nevertheless] remain in the social security regime according to this Decree.~~

Article 4. Exclusions

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 Social Security Documentation
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This Decree is not enforceable upon:

- civil servants, soldiers [military], the police;
- those working with embassies and international organizations in the Lao PDR;
- foreign persons who work with companies that have a multinational network [multinational companies] located in the Lao PDR, for a period not exceeding 12 months;
- Lao employees in companies that have affiliates in other countries and who are sent to work abroad for 12 or more months;
- [elementary to high school] students, university students, medical interns or other trainees who do not receive compensation from employers.

Article 5. Objectives Governed by this Decree

This Decree governs the following benefits:

1. Governs death, referred to as: "Death Benefits";
2. Governs health care, referred to as: "Health Care Benefits";
3. Governs periods of temporary loss of working capacity, referred to as: "Disability Benefits;"
4. Governs periods of giving birth, referred to as: "Childbirth Benefits";
5. Governs sickness or injury, due to work accidents or occupational diseases, referred to as "Work Accidents or Occupational Disease Benefits;"
6. Governs periods of permanent disability, referred to as: "Invalidity Benefits;
7. Governs the period of old age, referred to as: "Pension Benefits;
8. Governs surviving family and dependents of a decedent, referred to as: "Benefit to Surviving Family";
9. Governs the care of children of an insured person, referred to as: "Child Benefits;
10. Governs periods without work, referred to as: "Unemployment Benefits."

Benefits in cases provided for in clauses 1 through 8 shall be governed commencing the day of the implementation of this Decree; for benefits from 9 to 10, they shall be applicable in the following years, depending on the appropriateness to [then] actual circumstances.

Chapter 2

Role, Rights, Duties. and Organization of the Social Security Organization

Article 6. Role of the Social Security Organization

The Social Security Organization is written in abbreviated letters as "SSO". It is an autonomous body, under the supervision of the Minister of the Ministry of Labor and Social Welfare, with its own accounting system, with the role of researching and implementing policies related to social security as provided by this Decree.

Article 7. Organization of the Social Security Organization

The Social Security Organization is comprised of:

- a Board of Directors;
- a Board of Managers;
- a tasks support mechanism for the SSO.

Article 8. The Board of Directors of the Social Security Organization

The Board of Directors is the supreme administrative organization of the SSO: This Board of Directors is comprised of 11 directors representing the following parties:

- * 3 persons representing the Government;
- * 4 persons representing employers;
- * 4 persons representing employees;

The Board of Directors is comprised of one chairman and some vice chairmen whom the Prime Minister appoints or removes pursuant to a proposal from the Minister of the Ministry of Labor and Social Welfare. The Board of Directors has a term of 4 years.

Article 9. Rights and Duties of the Board of Directors

The Board of Directors has the following primary rights and duties:

1. To serve as the logistical arm of the Ministry of Labor and Social Welfare in the consideration and adoption of short, medium, and long term social welfare plans according to proposals from the General Manager;
2. To convene meetings of the Board of Directors;
3. To determine the proportion of contributions from employers, employees, and voluntary insured persons participating in the social security fund;
4. Consider and agree to investments and distribute proceeds from investments among funds;
5. Consider and determine rate increases for various benefits according to proposals from the General Manager;
6. Propose to the Minister of the Ministry of Labor and Social Welfare the appointment or removal of a General Manager and the Deputy General Manager;
7. Appoint or remove the heads of SSO divisions according to proposals from the General Manager;
8. Consider and adopt SSO administrative expenses submitted by the General Manager;
9. Consider and adopt provisions and rules according to proposals from the General Manager.

Article 10. Meetings of the Board of the Directors

Board of Director meetings are convened to consider and agree on various issues regarding general SSO activities: determining sitting fees for the chairman and the directors of the Board of Directors, determine salaries for the Board of Managers [Management], determine the rate of contributions, benefit rates, etc.

The Board of Directors has the right to convene meetings at any time as required by tasks [at hand]. Meetings may be convened provided that more than half of all the directors participate.

Meetings of the Board of Directors are called by:

- the chairman of the Board of Directors.
- in the case that the chairman does not convene a meeting, the committee of the directors of the Board of Directors can convene a meeting, but there must be at least 1/3 of all of the directors [present at that meeting].

Resolutions of Board of Director meetings shall be valid provided that there has been a majority vote. In the case of an equivalent number of votes, the chairman shall have a deciding vote.

Article 11. The Management Committee of the Social Security Organization

The Management Committee of the SSO is an organ that administers the SSO's daily tasks. The Management Committee of the SSO is comprised of one General Manager and one or two deputy managers who are appointed or removed by the Minister of the Ministry of Labor and Social Welfare according to a proposal from the Board of Directors.

In administration, the Management Committee of the SSO has a support mechanism to assist it with its tasks, which mechanism is comprised of various divisions as required by the relevant tasks.

Article 12. Rights and Duties of the Management Committee of the Social Security Organization

The Management Committee of the SSO has the following primary rights and duties:

1. To serve as the logistical arm in short, medium, and long term social welfare-related planning;
2. To undertake the SSO's financial management and administration;
3. To propose increases or reductions to contributions and benefits for consideration by the Board of Directors;

4. Register and record contributions;
5. Consider requests for and make disbursements of benefits;
6. Compile annual summaries of income and expenses to report to the Board of Directors and to the Minister of Labor and Social Welfare;
7. Exercise other rights and fulfil other duties as provided for in SSO regulations.

Article 13. Administrative Expenses of the Social Security Organization

The Board of Directors determines the administrative expenses of the SSO, by deducting money from each fund to serve as a common budget for the Social Security Organization.

The amount of money to be used in the management of the Social Security Organization must not exceed 10% of the Social Security Organization's total revenue.

The Board of Directors shall allocate that amount of 10% into portions for the administration of the Social Security Organization, but there must be approval from the Minister of the Ministry of Labor and Social Welfare.

Chapter 3

Funds and Contributions

Article 14. Social Security Fund

The Social Security Fund is independent in character with the purpose of meeting social welfare demands for employees in enterprises; the State exempts [the Fund from] taxes and fees.

Article 15. Revenue Sources

Revenue sources of the Social Security Fund derive from:

1. Contributions from employers and employees;
2. Contributions from those who are voluntarily insured;
3. Interest or penalties from delayed payment of contributions or in case of violations of regulations [or] laws;
4. Revenue from investments.

Article 16. Structure of the Social Security Fund

The Social Security Fund is comprised of 4 funds as follow:

1. The Health Insurance Fund;
2. The Short Term Benefit Fund (childbirth, sickness, death);
3. Work Accidents or Occupational Disease Indemnity Fund;
4. The Long Term Benefit Fund (pensions, invalidity, surviving family).

Article 17. Contributions

A contribution is money that an employer, an employee, and a voluntarily insured person contribute into each fund of the Social Security Fund.

Article 18. Proportion of Contributions

Contributions to the Social Security Fund derive from wages or salaries; the Board of Directors shall determine the proportion for employer and employee contributions, but there must be agreement from the Minister of the Ministry of Labor and Social Welfare.

The contributions from employees will not exceed 50% of all contributions made by the employer and the employee.

Article 19. Contributions into the Indemnity Fund

Only the employer pays contributions into the indemnity Fund for work accidents and occupational diseases.

Article 20. Procedures for Paying Contributions

At the end of each month, an employer must deduct the employees' contribution from the salary or wage of an employee and must remit this, together with his own contribution, to the Social Security Fund while also making a declaration regarding the total number of people employed and the total amount of salary paid to employees, to the Social Security Organization before the 15th of the following month.

If past the date provided for in the above paragraph, employers shall be fined according to SSO regulations.

Employers must be liable to employees for the loss of rights to benefits attributable to the employer's failure to fulfill his obligations to collect contributions and remit them as required by law.

Article 21. Contributions for Health Care for Pensioners, Invalids, and Surviving Family of a Deceased Worker

Those who receive pension benefits, surviving family benefits and invalid benefits must monthly pay contributions into the Health Insurance Fund equal to the amount of money that generally insured persons pay into that fund. Each month, the SSO shall deduct such Health Insurance contributions and pay them into the Health Insurance Fund accounts.

Chapter 4 Health Care

Article 22. Health Care for Insured Persons and their Families

~~An insured person, his spouse, and children have the right to receive health care benefits.~~ If the recipient is a child, that child must be less than 18 years of age. If the child is continuing full-time education without interruption, such benefit shall be received until that child reaches 25 years of age. If the child becomes disabled and cannot find self-sustaining work, then the benefit shall be received for the rest of that child's life.

Article 23. Conditions for Health Care Insurance

~~An insured person can receive health care provided that person has paid contributions into the Social Security Fund for a minimum of three months within the last twelve months.~~

In the case that an insured person ceases paying contributions because the employment has terminated, that person has the right to receive health care benefits for three months after the date he ceases paying contributions.

If the cessation of paying contributions arises from sickness, those three months shall commence from the date that receipt of sickness benefit terminates. In the case a life-threatening illness, the above conditions shall extend until that period of serious sickness ends.

Article 24. Health Care for Pensioners, Invalids, and the Surviving Family of a Deceased Worker

Pensioners, invalids and the surviving family of a decedent are entitled to health care for themselves, their spouse and children are entitled to receive health care in the same general manner as the insured person without reference to a minimum period of insurance.

Article 25. Cases for Health Care

~~Insured persons, pensioners, invalids, and the surviving family of a decedent are entitled to receive health care in the following cases:~~

1. Examination for diseases and medical treatment;
2. Disease prevention;
3. Physical rehabilitation;
4. Pre and post-natal services;

5. Medical treatment in the event of a work-related accident or occupational disease.

Medical treatment shall not include vehicular road traffic accidents (if not attributable to work) and cosmetic treatment or surgery.

Article 26. Conditions for the Use of Treatment Services are as Follows:

Insured persons, pensioners, invalids and the surviving family of a decedent who have health problem are to undergo health examination and treatment with a doctor or a hospital that the SSO determines; the determination of such hospital must be confirmed by the Ministry of Public Health.

Article 27. Treatment Abroad

Insured persons, pensioners, invalids and the surviving family of a deceased worker may use treatment services abroad provided that such are under the following conditions:

1. Emergency cases in which the insured person goes to work abroad, in which case it becomes necessary that he is required to be admitted to a hospital abroad;
2. In case there is a bilateral agreement between the SSO and a foreign social security institution;
3. In cases where there are compelling medical reasons; in this case, SSO must first approve that treatment abroad.

Article 28. Paying Hospitals

The SSO shall pay hospitals or health care providers based upon a contract, approved by the Ministry of Public Health. The SSO shall determine additional payments to hospitals or to health care providers if the treatment is in excess of what is determined in the contract.

Article 29. Contracts to Pay between the Social Security Organization and Hospitals

The SSO shall make contracts to pay treatment costs to hospitals on an annual basis or depending on what is actual and appropriate. If a hospital that has a contract with the SSO, also has contracts with other hospitals, settlements between those hospitals shall be based upon their agreement and not upon any arrangements between those hospitals and the SSO.

Article 30. Additional Payments by Insured Persons

Insured persons must be liable for additional payments for services in excess of the services determined by the SSO.

Article 31. Compensation in Cases of Emergency Treatment

In emergency cases, insured persons, pensioners, invalids, and the surviving family of a deceased worker may make use of treatments at hospitals that are close in proximity and that are appropriate, but must report this to the pre-selected hospital within a period of 72 hours.

Hospitals selected by an insured person shall reimburse an insured person for the costs of such treatment services.

Article 32. Selection and Change of Hospital or Health Care Provider

Insured persons, pensioners, invalids, and the surviving family of a deceased worker shall select any hospital and register there to use its treatment services when they are ill or have met with an accident. In the case that such persons meet with accidents or are ill, but do not make use of such services or have not reported to their own pre-selected hospitals, all treatment services expenses shall be the sole obligation of that person.

Twelve months after selecting a hospital, the insured person may change his hospital selection by filing a request with the SSO for its consideration. When such person has changed the hospitals, the old hospital must provide copies of documents and send such to the new hospital newly chosen by the relevant person.

Article 33. Lists of Medical and Pharmaceutical Equipment

Lists of medicines, prostheses, medical equipment, and other items used in treatment or rehabilitation must be based on determinations and approvals from the Ministry of Public Health. The SSO shall not consider medicines and medical equipment not appearing in the predetermined list.

The SSO can approve the use of medicines and medical equipment that do not appear in the Ministry of Public Health's list of medicines, when the listed medicines and medical equipment are not available or can not be used.

Article 34. Inspection of Quality of Health Care Provided in Hospitals

SSO Quality Inspection Units undertake regular inspections related to health care provided to insured persons. Each year, Quality Inspection Units must report to the SSO Board of Directors.

Chapter 5

Sickness Benefits

Article 35. Conditions for Benefits

An insured person who is temporarily unemployed due to his own illness or who has met with an accident not attributable to work, is entitled to receive sickness benefits; if that sickness or accident prevents the insured person from working full time, the SSO shall pay a benefit for the difference between the full time salary and the salary for the period in which that person was unable to work full time.

Article 36. Additional Benefits

An insured person who is prohibited from working due to his health or due to a communicable disease has the right to receive sickness benefits.

~~For a female insured person who cannot work during pregnancy or 6 months after child birth, her additional benefits will be similar to the sickness benefits, according to Article 37 of this Decree.~~

Article 37. Term of Coverage for Sickness Benefit

An insured person shall receive sickness benefits, provided that person has paid contribution into the Social Security Fund for a minimum of 3 months in the last 12 months.

In the case that an insured person changes his employment, the term for his insurance commences from the time that person worked with the old employer and is combined with the time employed by the new employer.

Article 38. Calculating Sickness Benefit

Employers must pay wages to workers in case of sickness for a period of 30 days according to Article 29 of the Labor Law. Thereafter, the SSO shall pay an amount equivalent to 60% of the insured earnings, taking as a reference point for calculation the average insured earnings over a period of 6 months before that person stopped working, subject to additional SSO determinations.

Article 39. Incomplete Return to Work

In the case that a sick person becomes well and can return to work, but his work is not the same as before because he has not completely regained his health, that person shall receive benefits equal to 60% of the difference between the old insured and the new insured earnings.

Employers are responsible to find tasks appropriate to the health of the relevant person to work temporarily at that job while recuperating. If the employee unreasonably rejects to such work, benefits payments shall be stopped immediately. If the SSO makes an evaluation and is of the view that the relevant person can return to employment, but

the employer unreasonably rejects to that persons return to employment, the SSO shall claim back from the employer the amount of the sickness benefits it paid to the insured person.

Article 40. Term of Sickness Benefits

Sickness benefits have a term of 1 year. If after 1 year, it is seen that the health of the relevant person improves, and that person is expected to returns to normal, the SSO shall continue to pay sickness benefits, for a maximum of 6 months. To the contrary, if after 1 year, the health of that person cannot return to normal, the SSO shall calculate an invalidity benefit for that person.

Article 41. Re-Examination of Health

An insured person who is sick must undergo a medical re-examination every 3 months. When that person has had a health examination, but it is observed that person has not improved and his health has not returned to normal, if it is necessary [or that person to undergo rehabilitation, that person must undergo rehabilitation in accordance with SSO established regulations. If that person unreasonably refuses rehabilitation, the SSO shall immediately cease paying such benefits.

Article 42. Resolution of Medical Disputes

In the case that the SSO does not agree with the chosen doctor of the insured person regarding a diagnosis or a prescription and medical equipment used for treatment, there must be a third senior doctor to resolve such dispute.

If the insured person still does not agree with the resolution by that third party doctor, the insured person is entitled to appeal that decision.

Chapter 6 *Child Birth Benefits*

Article 43. Conditions for Benefits

An insured person who stops working due to pregnancy, childbirth, miscarriage, and adoption shall receive childbirth benefits according to SSO established regulations.

Article 44. Minimum Duration of Insurance for Childbirth Benefits

An insured person, whether male or female, shall be entitled to receive childbirth benefits, provided that person has made contributions for 9 months into the Social Security Fund within the last 12 months.

Article 45. Means to Calculate Childbirth Benefits

An insured person shall receive childbirth benefits equal to 70% of the insured earnings. The way of calculation shall be the same as for sickness benefits and the benefits can be received for only 3 months. If after 3 months, that person cannot return to work due to a medical reason, that person shall be entitled to receive sickness benefits according to conditions provided for in Chapter 5 of this Decree.

Article 46. Minimum Duration of Insurance for Childbirth Grants

Insured persons shall be entitled to receive childbirth grants, provided that they have made contributions to the Social Security Fund for 12 months in the last 18 months. This term is not applicable to those already receiving benefits from SSO.

Article 47. Childbirth Grants

An insured person, or the wife of an insured person; who gives birth or adopts a child under 1 year old, has the right to receive childbirth grants, whether that child is born domestically or abroad, but the grant can only be paid if that child has never received this benefit before. The grant to be received shall be equal to 60% of the lowest salary per child.

Chapter 7
Death Grant

Article 48. Death Grant

In the case that an insured person dies, the SSO shall pay a death grant equal to 6 months of the insured earnings of that person. If the spouse of an insured person dies, the benefit received shall be equal to 3 months of the spouse's insured earnings. If the child of an insured person dies, the grant received shall be equal to 2 months of the parent's insured earnings, but the child must meet the conditions in Article 93 of this Decree.

An insured person shall receive a death grant provided that person has made contributions into the Social Security Fund for 12 months for the last 18 months. This term is not applicable to those who are already receiving benefits from the SSO.

Article 49. Persons Eligible to Receive Death Grants

The SSO shall disburse death grants for funerals to relatives who are responsible for paying for funeral ceremonies for the decedent.

Chapter 8

Work Accidents or Occupational Disease Benefits

Article 50. Work Accidents

A work accident is a danger that arises, and causes an employee to become injured, be disabled, become an invalid, or die, when undertaking his duties at the place of work, at a place of rest, in a canteen, or other premises within the scope of the labor unit's liability and as such duties were assigned by the employer or by a person entitled to manage work in the place of an employer.

Article 51. Occupational Diseases

All diseases that arise from an occupation affecting an employee's body and mental state shall be deemed an occupational disease.

The list of occupational diseases must comply with the conventions of the International Labor Organization. For employees who contract diseases that are not so listed, but which diseases are confirmed by a board of physicians that they truly derived from the occupation, then that employee shall have the right to receive benefits.

Article 52. Conditions for Benefits

An insured person who is injured due to a work accident or an occupational disease is entitled to receive this benefit without the condition of a minimum duration of insurance, but if the relevant person intentionally caused the work accident or occupational disease to arise, that person shall have no right to receive that benefit.

Article 53. Receiving Benefits Without Insurance

In the case that a employee, who is not within the target group of this Decree, meets with a work accident or an occupational disease, his employer must be liable to provide benefits according to this Decree to his employees.

Article 54. Benefits for Work Accidents or Occupational Diseases

When an employee meets with a work accident or an occupational disease, he shall receive the following benefits:

1. Medical treatment and rehabilitation benefits;
2. Temporary incapacity benefits;
3. Care giver benefits;
4. Permanent disability benefits;
5. Funeral benefits;
6. Surviving families of decedent benefits.

Article 55. Health Treatments

An employee who becomes sick due to a work accident or an occupational disease is entitled to receive health treatments according to Chapter 4 of this Decree; if the treatments are paid for from some other source, the SSO shall pay the difference between the expenses paid for by the other source and the actual costs of the treatment.

Article 56. Temporary Incapacity

When an injured worker has stopped work due to sickness from a work accident or an occupational disease, he is entitled to receive temporary incapacity benefits until that person can return to work.

Article 57. Calculating Benefits

An employer must pay temporary incapacity benefits to an insured person for a period of 30 days as provided for in Article 29 of the Labor Law. Thereafter, the SSO shall pay 100% of the insured person's salary or wages, but will only

pay that for 6 months. After 6 months, if that person's health has not recovered, that benefit shall be reduced to an amount equal to 60% within 18 months. After 18 months, the SSO shall change it to a permanent disability benefit.

Article 58. Insured Earnings Used to Calculate Benefits

The calculation of benefits is to be based upon the average salary of the last 6 months. If the final month's salary of an employee is less than the usual income, then the previous month's income shall be the basis for calculation.

Article 59. Return to Part-time Work

Upon expiration of the treatment period, if an employee's health has improved, but has not returned to normal and that person cannot return to his former job, an employer has the duty to find any task appropriate to that person's health for that person's undertaking. If the employer unreasonably refuses, the SSO shall claim back from the employer the benefits paid to that employee. If the new work for that person is part-time work and the wages have been reduced from the previous wages, the SSO shall pay the relevant person the difference between the old and new wages.

If the employee unreasonably refuses to undertake the new job, benefits will be reduced as appropriate in proportion to the health of that person.

Article 60. Permanent Disability

An employee who permanently cannot return to work due to a work accident or an occupational disease may file a permanent disability benefit request. That person shall receive this permanent disability benefit until he reaches pension age.

Article 61. Disability Assessment Unit

The SSO must establish a unit to evaluate and categorize employee disabilities and thereafter report to the SSO board of physicians for consideration and decision-taking. This unit has the duty to cooperate with rehabilitation centers and to consider and find appropriate jobs for those with disabilities. When the board of physicians has agreed to the type of disability, if the disabled person does not agree, that person may appeal the ruling.

Article 62. Re-Examination of Disability

Every three years, the SSO shall re-examine and re-evaluate the degree of disability. In the case that a person who is disabled is seriously ill and his health appears to be deteriorating, he may request that the SSO re-examine that person before this time.

Article 63. Calculating Permanent Disability Benefits

The calculation of permanent disability benefits uses a percentage degree of disability, multiplied by 67.5% of the average 12 month insured earnings before the accident arose.

Article 64. Forms of Benefit Payment

Disbursements of disability benefits are monthly; but if the level of disability is lower than 25%, the disabled person may request that the SSO pay a lump sum benefit.

Article 65. Benefits to Caregivers

In the case that a person who is disabled cannot live without help, the SSO shall provide a caregiver benefit to the person who cares for that person. The calculation of this benefit is made with reference to the number of hours that person cares for the disabled person, by using a Government-declared minimum monthly salary or a minimum wage as a reference point for that calculation.

Article 66. Death Benefits

The SSO shall pay death benefits in an amount equal to 6 months of the insured earnings for an insured person who dies of a work accident or an occupational disease.

Article 67. Benefits to the Surviving Family

In the case that an employee meets with a work accident or an occupational disease causing death, persons dependent on that person are entitled to receive benefits as a surviving family. If the relevant person receives an adaptation benefit, the payment of this surviving family benefit is to commence on the date that the adaptation benefit terminates.

Article 68. Surviving Spouse

The surviving spouse who has registered a marriage before the death of the insured spouse will receive benefits for the surviving spouse.

Article 69. Conditions for Benefits to a Surviving Spouse

A surviving spouse shall receive benefits, provided that he/she meets the conditions provided for in Articles 89 and 90 of this Decree.

Article 70. Benefits to Surviving Children

The persons eligible to receive benefits to surviving children of a decedent are: biological children, stepchildren, and adopted children of the decedent.

These children of the decedent shall be eligible for these benefits provided that they meet all of the conditions provided for in Article 93 of this Decree.

Article 71. Benefits to Surviving Parents

In the case that a decedent leaves no spouse, the parents shall receive this benefit if the decedent cared for that father or mother. Regarding this benefit, the same conditions apply as in Article 69 of this Decree.

Article 72. Way of Calculating Benefits

Benefits to surviving families are paid monthly; calculations shall be as follows:

- The benefit for spouse or parents of decedent is an amount equal to 50% of the average 12-month insured earnings of the decedent.
- The benefit for children of the decedent is equal to 15% to each child, of the average 12-month insured earnings of the decedent. In the case that there is no spouse or parents surviving the decedent, each child shall receive a benefit equal to 20%. If there are many children, the total amount shall not exceed 60%;
- The total benefit for the surviving family of a decedent shall not exceed a maximum of the benefits that would be payable assuming the decedent had become permanently disabled.

Article 73. Health Care and Rehabilitation

A person with a temporary or a permanent disability must receive rehabilitation and receive occupational training. If that person rejects that rehabilitation and occupational training, the SSO shall cease paying benefits to that person.

Chapter 9 Pension Benefits

Article 74. Pension Age

An insured person who will receive a pension must be 60 years old. In necessary cases, those aged 55 may receive pensions, but the pension will be reduced by 0.5% monthly according to the age under 60. For persons who have

reached 60 years of age, but who continue to work, but not beyond age 65, in this case pensions shall be increased to an amount equal to 0.5% per month according to the number of years worked beyond age 60.

Article 75. Minimum Number of Insurance Years

An insured person shall receive a pension, provided that he has made contributions into the Social Security Fund for a total period of 5 years. If the insurance years do not total 5 years, the pension received will be a lump sum.

Article 76. Basis for Calculating Pensions

The calculation of pensions is based on the following:

1. Pension points;
2. Average salary;
3. Accrual rate.

Article 77. Pension Points

An insured person's pension points in each year derives from the average of that person's contributions within a period of 12 months divided by the total average contributions of insured persons for the same period. If the resulting figure is a decimal, the pension points shall be calculated to three points after the decimal.

In the case that an insured person has not paid contributions because of sickness or for some other reason, the pension points for that period shall be calculated as equal to the time previous to that period.

Article 78. Free Pension Points

An insured person who is 31 years old or older shall receive free pension points. Those under 45 years old shall have their free pension points calculated by using their age and deducting 30 years. Those who are 45 years and older shall receive free pension points of 15 years. Free pension points shall equal 0.8 per year.

Article 79. Insurance Years and Assimilated Periods

The insurance year is the period in which contributions have been paid into the Social Security Fund. The period assimilated to an insurance year shall be that period in which pension points are received or the period in which pension points are purchased, ~~whether or not the contributions were compulsory or voluntary.~~

During a period in which no contributions were made, that period shall be assimilated to a period of insurance as follows:

1. Period receiving benefits in the case of sickness, childbirth benefits, or temporary incapacity;
2. Period receiving permanent disability benefits at the level of 60% or more;
3. Period receiving caregiver benefits.

Article 80. Average Wages

Average wages are the total average earnings of ~~an insured person before the payment~~ of pension benefits. ~~Disbursements~~ of pensions shall be undertaken based upon Article 104 of this Decree.

Article 81. Calculating the Amount of a Pension

The total amount of pension derives from the pension points that the insured has received or has purchased multiplied by the average wages according to Article 80 of this Decree, and thereafter multiplying it by 1.5% (accrual rate).

Article 82. Division of Benefits after Divorce

In the case that an insured person becomes divorced before receiving a pension, ~~(and after?)~~ that person's right to receive a pension and pension points shall be divided equally between spouses, but that division must be ~~within the limits of the couple's life together~~ based upon the Family Law.

Chapter 10

Benefits to the Surviving Family

Article 83. Persons Entitled to Benefits for the Surviving Family

An insured person who has paid contributions into the Social Security Fund for 5 years or pensioners who die, leaving family members who survived that decedent, shall be entitled to receive benefits for surviving families as provided for in this Chapter.

Article 84. Types of Benefits

Benefits for the surviving family of a decedent are divided into three types as follows:

1. Adaptation benefit;
2. Surviving spouse benefit;
3. Surviving child benefit.

Article 85. Objectives and Payment of the Adaptation Benefit

Persons who are eligible to receive adaptation benefits are:

1. The surviving spouse of a decedent;
2. Children under 18 years old or children still in full time studies, but who are not older than 25 years old, or disabled children.

Adaptation benefits are in an amount equal to 80% of the insured person's salary. They are paid monthly with a maximum term of 12 months.

Article 86. Conditions of Receipt of Adaptation Benefits

Persons who receive adaptation benefits are not entitled to receive surviving family benefits, benefits for surviving children or similar types of benefits.

Article 87. Surviving Family Benefits

Surviving family benefits shall be paid to the legal spouse and to dependants of the decedent. A person who shall be entitled to receive this type of benefit must be a person who is unable to work.

Article 88. Persons Entitled to Receive Surviving Spouse Benefits

The surviving spouse of a decedent who has registered the marriage before that death shall be the person who receives surviving families of decedents.

Article 89. Conditions and Rights to Receive Surviving Spouse Benefits

1. The wife of a decedent who is 44 years or older;
2. The wife of a decedent who is disabled or who cannot work;
3. The wife of a decedent who has one or more minor children;
4. The husband of a decedent who is disabled or who cannot work.

Article 90. Remarriage

The SSO shall pay benefits to a surviving family, provided that the surviving spouse does not remarry. If the surviving spouse nevertheless remarries, and that remarriage terminates within one year, that person shall have again the right to receive surviving family benefits from [his/her previous spouse. In the case that a remarriage ends due to the death of the

new spouse who had been married for longer than one year, if the new spouse was insured, the relevant person is entitled to choose between benefits from the old or new spouse.

Article 91. Calculating Benefits for the Surviving Spouse

In the case that a pensioner dies, the surviving spouse benefit shall equal 60% of that person's pension.

In the case that an insured worker dies before receiving a pension, the surviving spouse benefit shall be equal to 60% of the assumed invalidity benefits, assuming the decedent would have become invalid and would have been entitled to an invalidity benefits.

Article 92. Combining Surviving Spouse Benefits with Pension and Other Benefits

Surviving spouse benefits can be combined with pension benefits or similar benefits, but to a maximum of 125% of the pension. Adaptation benefits cannot be combined with these benefits.

Article 93. Persons Entitled to Receive Surviving Child Benefits

Persons entitled to receive surviving child benefits are: biological children, stepchildren, and adopted children of the decedent.

Children of the decedent who are 18 years of age and less shall receive surviving child benefits. In the case that a decedent's child undertakes continuous and full time study, that child shall receive that benefit until 25 years of age. If the child of the decedent is disabled and cannot work, that child shall receive this benefit continuously.

Article 94. Combining Surviving Child Benefits with Other Benefits

Persons entitled to receive surviving child benefits shall not receive adaptation benefits or other benefits of a similar nature.

Article 95. Calculating Surviving Child Benefits

Children of a decedent shall each receive benefits of 20% of the pension or assumed invalidity benefits, but the total benefits shall not exceed 60% of the decedent's pension or the assumed invalidity benefit.

The total amount of benefits to surviving spouse and surviving children of a decedent, at a maximum, shall not exceed 80% of the pension or 100% of assumed invalidity benefits.

Chapter 11 **Invalidity Benefits**

Article 96. Persons Entitled to Receive Invalidity Benefits

When an insured person cannot continue to fulfill his duties and undertake his work tasks attributable to ill health or due to disability, and the SSO has evaluated that the relevant person is unable to work, that person shall be entitled to receive invalidity benefits.

Article 97. Conditions for Receiving Invalidity Benefits

An insured person shall be entitled to receive invalidity benefits provided that person has paid contributions into the fund for at least 5 years. When that person reaches 60 years of age, these invalidity benefits shall be transformed into pension benefits of an equivalent amount of money.

A person who has received invalidity benefits shall not be entitled to receive sickness benefits in the case of sickness or any other benefit for the same purpose.

Article 98. Calculating Invalidity Benefits

Invalidity benefits shall be calculated similarly to old-age pension calculations. The number of years in which one becomes invalid to the pension age shall be deemed insurance years. From the time that the invalidity commences to the pension age, the insured person shall receive annual pension points equal to his average pension points for the years previous to the invalidity.

Article 99. Caregiver Benefits

When an invalid cannot live independently and it is necessary to have a permanent caregiver with him, then that caregiver shall be entitled to receive benefit as provided for in Article 65 of this Decree.

Article 100. Medical Examinations

Before making a request for invalidity benefits, an insured person must undergo a medical examination with his selected care provider. In necessary cases, in which the person concerned must be admitted to a hospital to monitor or examine his medical condition, the SSO shall be liable for such costs.

Article 101. Medical Treatment

If there is medical treatment that can assist in improving the health of a person who is ill, the SSO shall pay for such medical treatment.

Medical treatment may be refused if such treatment causes pain, is dangerous, or entails a high risk to the health of the insured.

If the insured unreasonably refuses medical treatment, that person's invalidity benefits shall be reduced or disbursements shall be stopped altogether.

Article 102. Health Rehabilitation

An invalid who is entitled to receive a benefit from the SSO must be registered and be rehabilitated at a rehabilitation center determined by the SSO. If that indicated center is unable to rehabilitate the health of the insured person, the SSO shall send that person to another rehabilitation center that is capable of rehabilitating the insured. All costs are paid according to the rules of the SSO. If there is a case where rehabilitation is rejected, then Article 101 of this Decree is applied.

Chapter 12

General Rules regarding Management and Benefits

Article 103. Determining a Ceiling for Insured Earnings for Calculating Benefits

The Board of Directors of the Social Security Organization shall periodically determine the ceiling for insured earnings that will be used for calculating benefits.

Article 104. Modification of Benefit Rates

Employees who have received benefits from the SSO for one or more years shall have those benefits adapted according to the fluctuations of average earnings on which contributions are paid to the Social Security Fund.

Article 105. Right to Receive Benefits

The insured persons under this Decree are entitled to receive only one social security benefit at a time, but they are entitled to choose the highest benefits available. In addition, such persons may receive money as compensation from other sources.

Article 106. Term and Rights to Receive Benefits

An insured person who meets all the conditions as provided for in this Decree has the right to immediately receive benefits. An insured person may request back payment of benefits, but there are restrictions, such as: for short term benefits, the maximum is 3 months, and for long term benefits, the maximum is 1 year. If beyond these periods, requests for back payment of benefits shall not be considered.

If the benefit is delayed attributable to SSO or an SSO branch providing incomplete information or incorrect information, the SSO must pay interest according to bank loan rates, from the date that the insured person was entitled to receive the benefit. If such delay arises due to some other reason or is attributable to the insured person, the SSO shall not pay interest.

Article 107. Claims for Benefits

The insured person may personally make a claim, or someone else, who has confirming evidence, may make a claim in place of the claimant. When a claim is filed, the SSO must provide a certifying document to show that the claim is in principle correct.

Article 108. Term for Decision and Provisional Benefits

Upon receiving a claim from an insured person, the SSO must consider such, and decide upon it within one month. If within one month, the SSO is unable to come to approve the claim, the SSO must pay provisional benefits to the claimant, based upon the information already in hand.

Article 109. Reconsideration of Claims

When a claimant is of the view that a benefit that the SSO has agreed to pay is not appropriate with what is actually needed, that person has the right to re-file his claim. After receiving that claim, the SSO must consider such and approve it within one month.

Article 110. Recovery of Unduly Benefits

In the case that the SSO has already paid benefits, but has done so mistakenly, and the recipient of that benefit did not know that the amount received was not accurate, the SSO shall have no right to demand a return of the money already paid.

In the case that benefit are mistakenly paid by SSO because the recipient of the benefits or a health care provider intended to commit a wrongful act in receiving the benefit, the SSO shall demand to collect the return of the excess or mistaken amount of money within 2 years.

Article 111. Organization of the Inspection Unit

The SSO has the duty to establish an inspection unit within its organization. This unit has the duty to inspect and collaborate with relevant parties to implement this Decree.

Article 112. Rights and Duties of Inspectors

SSO inspectors have the right and the duty to inspect enterprises at all times. They have the right to interrogate, record, make copies of all information without physically moving any information, and have the right to question individuals for inspecting the correctness of compliance with this Decree.

If any enterprise does not allow inspectors to undertake their duties, then the inspectors have the right to request assistance from relevant authorities.

Article 113. Measures for implementing inspections

Inspectors shall issue warnings in writing to relevant individuals, enterprises or institutions with provisions for definite times for them to properly adhere to this Decree.

In the case that such notified party does not follow the warning, and does not adhere to the times provided, or that party commits additional violations, the inspector shall officially record that offense and send it to the SSO.

If the violation is a criminal offense, the SSO shall send that record to the relevant organization for prosecution according to the law. It must also send a copy of that record to the party committing the offense within 7 days.

Chapter 13
Arbitration of Disputes

Article 114. Arbitration Procedures

An insured person who does not agree with a SSO decision has the right to file a petition with the arbitration unit that must accept and consider such within a period of 15 days. If any party does not agree to the arbitration, then that party shall have the right to file suit in the people's courts.

Chapter 14
Final Provisions

- Article 115.** The Ministry of Labor and Social Welfare and the Board of Directors of the Social Security Organization have the responsibility to implement this Decree.
- Article 116.** Ministries, equivalent agencies, provincial governors, the prefectural mayor, enterprises, and all relevant parties must acknowledge and strictly adhere to this Decree.
- Article 117.** This Decree is effective from 1 July (7) 2000. Decrees, provisions, [and] rules previously issued conflicting with this Decree are hereby repealed.

Vientiane, 23-12-1999
Prime Minister of the Lao PDR

[signature]

Sisavath Keobounphan