

PARLIAMENT

The LAW of Republic of Moldova 156/1998

on the state social insurance pensions

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The parliament passes the present organic law.

Chapter I

GENERAL PROVISIONS

Article 1. Main concepts

In the present law are used the following main concepts:

insured person - the physical person who is able to work, constantly living in the Republic Moldova, registered as the tax payer in fund of social insurance with a view of reception of pension to proportionally paid taxes;

Agriculturist - the person having annual revenues and by case:

- owning the agricultural areas and (or) renting such areas;
 - being a member of agricultural association or other forms of agricultural association;
 - carrying on an agricultural activity in an individual farm or in an agricultural association;
- Individual code of the state social insurance (hereinafter called - individual code) - a code assigned to every insured person which keeps the evidence of the social insurance rights and duties in the public system;

Contributions of the state social insurance (hereinafter called - contributions) – contributions owed by the participants to the state social insurance;

Indexation of pensions - a measure periodically accepted for updating the pensions amount depending of the growth of the consumer price index;

Physical inability (invalidity) - the full or partial disability kept after the end of the period of payment of the temporary disablement allowance and a limiting opportunity to be engaged in an activity bringing incomes;

Pension of the state social insurance (hereinafter called - pension) - a sum of money which is paid to the insured person according to the present law, on the basis of obligatory payment of state social insurance contributions;

The insurance experience - the sum of the periods of activity during which contributions were paid in a pension fund;

System of obligatory state social insurance (hereinafter called - the public system of insurance) - the system formed by the state on the basis of a principle of compulsory contribution, by which are created funds and payments of social insurance;

Insured income - the income from which contributions of the state social insurance were paid, being base for calculation of pensions in the system of public social insurance.

Article 2. The right to pension

(1) The insured persons constantly living in Republic Moldova have the right to pension, also the persons who at the date of purpose of pension are not insured persons, but correspond to the conditions stipulated by the present law. This right is realized according to the legislation through the public system of insurance upon social risks in

case of disability (due to an advanced age, invalidity) and also in case of loss of the supporter.

(2) Categories of persons that are subject of obligatory insurance that, according to the requirements of the legislation, are defined in the Law on the state system of social insurance.

(3) Agriculturists also have the right to pension on the conditions stipulated by the present law.

Article 3. Agreements on social insurance between Republic Moldova and other states.

In cases when agreements (contracts) about social insurance, including provision with pensions, between Republic Moldova and other states, contain others, than the positions stipulated by the present law, are applied the positions of these agreements (contracts).

Article 4. Sources intended for payment of pensions

(1) Pensions appointed according to the present law, are paid from the pension fund.

2) Incomes of pension fund are formed of:

- a) employers payments;
- b) insured persons contributions;
- c) contributions from other funds;
- d) receipts from the state budget;
- e) other incomes.

Article 5. The insurance experience (Length of the Contribution Period)

(1) Insurance experience in the public system of insurance is estimated by summation of all insurance periods.

2) The non contributed periods assimilative to the insurance period are:

- a) obligatory urgent military service in armies of the Ministry of Defense, the Ministry of Internal Affairs, Service of the information and Safety, Department of civil protection and extreme situations;
- b) the period of care of the child until three years age, carried out by one of parents or in case of death of both parents – by the tutor;
- c) the period in which the insured person received compensation for the temporary incapacity to work, unemployment compensation, allowance for professional integration or reintegration.

Article 6. Calculation of the insurance experience (length of contribution period).

(1) Insurance experience is expressed in years and estimated by summation of months for which contributions in the established sizes are paid, and division of this sum to 12. The received result is approximated to one sign after the comma.

(2) The insurance experience do not join months for which contributions or the sum of the paid contribution is less than the annual contribution, stipulated by the Law on the state system of social insurance.

(3) Method of payment of contributions for different categories of payers is stipulated by the Law on the state system of social insurance.

Article 7. Evidence of the insurance experience.

The insurance experience proves are made on the base of the data containing in the individual code managed in accordance to the Law on the state system of social insurance.

Article 8. The basis for calculation of the pension size.

- (1) Basis for definition of the size of pension is monthly average insured income estimated for all period of labour activity.
- (2) Monthly average insured income is defined proceeding from the sum of the contributions brought for the insurance period, the established sizes of payments and total number of months of insurance. The formula for calculation monthly average insured income is expressed in the appendix 1, as an integral part of the present law.
- (3) For the periods specified in Article 5, par.(2), for the determination of the basis for calculation of the size of pension, is taken into consideration the tariff wages for the first category of wages in national economy at the date of pension calculation.
- (4) Limiting size of the income on which contributions are paid, the size of contributions and the order of their payment are established by the Parliament.

**Chapter II
PENSIONS**

**Part 1
Common Provisions**

Article 9. Categories of pensions

In the state system of insurance are provided following kinds of pensions:

- a) pension on old-age;
- b) pension on physical inability (invalidity);
- c) pension on successor.

Article 10. Right to pension

- (1) The persons corresponding to the conditions stipulated by the present law have the right to pension.
- (2) Right to pension arises and can be obtained on demand from the date of performance of conditions of purpose of the pension, stipulated by the present law.
- (3) Right to pension is imprescriptible.

Article 11. The right to the option of a kind of pensions

- (1) In case the insured person performs the conditions for the obtaining of more categories of pensions, he can choose for itself one kind of pension.
- (2) The pensioner who has the right to get another category of pension, this kind of pension is given to him from the date of submission of the application and necessary documents.

Article 12. The guaranteed minimum and the minimal pension

- (1) The guaranteed minimum for the settlement of pension is the fixed sum guaranteed by the state to persons, confirming the presence of the full insurance experience. At the incomplete insurance experience, the guaranteed minimum is established proportionally to the confirmed insurance experience. The guaranteed minimum is applied to the calculation of the rights of pension for the period preceding the coming into force of the present law.
- (2) Minimal pension is the sum monthly paid to the entitled persons in case the size of full pension, estimated according to the present law, is below this sum. In all cases the minimal pension exceeds on 10 lei the guaranteed minimum stipulated for the corresponding category of pensioners.
- (3) Minimal size of pension on successor is estimated in percentage report to the minimal size of pension on age.

(4) Minimal pension is applied only at calculation of pension according to the present law.

Article 13. Indexation (adjustment payment) of pensions

Pensions are indexed annually, on April 1st. The coefficient of indexation is the average size of the annual growth of a consumer price index and annual growth of average wages on the country for the last year, defined by the way established by the Government. The part of pension paid from means of the budget of the state social insurance is a subject to indexation only.

Part 2

Pensions on Age

Article 14. The right to pension on old-age

The right to pension on old-age arises at the full performance of the conditions stipulated by clauses 41 and 42.

Article 15. Conditions of pension establishment on old-age

(1) Full pension on age is appointed after achievement of the pension age stipulated by art. 41, with the condition to fulfill an insurance experience stipulated by Article 42.

(2) The insured person which after achievement of the established pension age does not fulfill the condition regarding the full insurance experience, but confirms the insurance experience not less than 20 years, has the right to the incomplete pension, estimated proportionally to number of years of insurance.

Article 16. Calculation of the size of pension on old-age

(1) The full size of pension on old-age is defined at the rate of 1,2 percent of the insured income specified in art. 8, for every year necessary insurance experience (35 years).

(2) Insured person having the insurance experience more than 35 years, for every year over 35 years the size of full pension increases for two percent from the insured income.

(3) If the insured person performs the pension conditions stipulated in art. 15, par. (1), but did not realize the right to the pension, the size of pension increases with two percent from insured income for each insurance year fulfilled after achievement of the established pension age.

(4) Formulas for calculation of the sizes of pensions on old-age are resulted in the appendix 2, being an integral part of the present law.

(5) If the size of pension, estimated at presence of the 35-years insurance experience, is below the size of the minimal pension, the minimal pension is appointed.

(6) If the size of pension estimated at the incomplete insurance experience below the size of the minimal pension, pension in the estimated size is appointed, but it should not be below the size of the minimal pension, estimated to proportionally available insurance experience.

Article 17. Payment of pension on age

(1) Pension on age is paid in the full size, including to the pensioners having incomes, subject to the state social insurance.

(2) Payment of pension on age to the persons, who are being on full state maintenance, is made at a rate of 25 percent of the established pension.

(3) Payment of pension on old-age stops for the persons imprisoned, and renews in retroactively in case of the termination of this basis, but no more than for three years since the month of submission of the corresponding application.

Part 3

Disability pensions (pension on invalidity)

Article 18. The establishment of physical inability

Physical inability, the reasons, group of physical inability and time of its approach are established by Consultations of Medical Examination of Viability (CMEV) on the basis of the positions approved by the Government.

Article 19. Conditions of purpose of the disability pension

(1) Disability pensions are appointed to insured persons of full or partial disability owing to:

- a) the general disease;
- b) a labour mutilation;
- c) occupational disease.

(2) Depending on a degree of disability, three groups of physical inability are established.

Article 20. The insurance experience necessary for purpose of the disability pension.

(1) Disability pensions owing to the general disease are appointed to insured persons at presence of the following insurance experience by time of an establishment of physical inability (look the table no. 1).

	Table no. 1
Age on the date of disability establishment	Insurance experience (years)
Until 23 years	1
23-26 years	2
26-31 years	3
more than 31 years	5

(2) Disability pensions owing to a labour mutilation or occupational disease are appointed indifferently of presence of the insurance experience. (

3) While translating from the disability pension owing to a labour mutilation or occupational disease on the disability pension owing to the general disease the necessary insurance experience is defined depending on age from the date of an initial establishment of physical inability.

Close 21. Calculation of the size of the disability pension

(1) The amount of disability pension is calculated on group of physical inability by means of the formulas resulted in the appendix 3, being an integral part of the present law.

(2) If the size of the disability pension estimated according to par. (1), is below the size of the minimal pension, the minimal pension is appointed.

(3) At change of group of physical inability, the new size of pension is established according to decision CMEV.

Article 22. Renewal of the right to the disability pension

(1) Persons receiving the disability pensions, are a subject to medical re-examination in the terms established by CMEV.

(2) After each re-examination, the right to the disability pension is kept, changes or stops depending on decision of CMEV. Change or the termination of such right is established beginning with the next month of the month the corresponding decision of CMEV was taken.

(3) If the invalid was not on medical re-examination, payment of the pension stops from the next month. Renewal of payment of the disability pension is made from the date of an establishment of physical inability if re-examination took place within three years from the date of the termination of payment of pension.

(4) If medical re-examination took place after three years from the date of the termination of payment of pension, the pension is appointed on the conditions stipulated by Articles 20 and 21.

Article 23. Payment of the disability pension

(1) Disability pension is paid in the full size, including to the pensioners having incomes, a subject to the state social insurance.

(2) Payment of the disability pension to the persons, who are on full state maintenance, is made at a rate of 25 percent of the established pension.

(3) Payment of the disability pension stops for the persons imprisoned, and renews in retroactive order in case of the termination of this basis, but no more than for three years from the month of submission of the corresponding application.

Part 4

Pension on the occasion of loss of the Supporter (on successor)

Article 24. The right to pension on the occasion of loss of the supporter (on successor)

Pension on the occasion of loss of the supporter is appointed, if the deceased person was a pensioner or had the right to pension according to the present law.

Article 25. The persons who have the right of pension on the occasion of loss of the supporter

(1) Pensions on the occasion of loss of the supporter are appointed:

a) to children who have not reached 18 years, or if they study in the institutions with day study (secondary, professional secondary and higher), before the graduating from the institutions, but not longer, than before achievement of 23 years;

b) married from 15 years which have died not less and to the spouse who has not entered repeated marriage if it at date of death of the supporter or not later than five years after its death, has reached a pension age specified in Article 41, or became invalid I or II groups;

c) to the spouse or the trustee (trustee) who is carrying out care by children of the died supporter, not reached three years, idle or being holiday on care of the child before achievement of age of three years by it.

(2) Pension on the occasion of loss of the supporter, appointed to children, is kept and at their adoption. In case of death of the adoptive father, the adopted children have the right of a choice of one pension: or for the died parent, or for the died adoptive father.

Article 26. Calculation of the size of pension on the occasion of loss of the supporter of pension

(1) Size on the occasion of loss of the supporter, if the supporter was the addressee of pension on age or on physical inability of Ist group, is estimated in percentage to paid pension, if the supporter did not receive pension or was the addressee of the disability pension of II or III groups - in percentage to potential disability pension of Ist group of disability. The size of the pension on successor is calculated in dependence of the number of successors, as follows:

a) for one successor - 50 percent;

- b) for two successors - 75 percent;
 - c) for three and more - 100 percent.
- (2) Minimal size of pension on the occasion of loss of the supporter is estimated in percentage to the minimal size of pension on age for a corresponding category of pensioners (agriculturist or other beneficiaries) and depends on number of successors of pension as follows:
- a) for one successor - 50 percent;
 - b) for two successors - 75 percent;
 - c) for three and more - 100 percent.
- (3) Children who have lost the both parents, the pension represents the sum of pensions, estimated for each of parents.
- (4) Minimal size of pension on the occasion of loss of supporters - both parents - for each of children cannot be less than 50 percent of the minimal pension on age for a corresponding category of pensioners. If one of parents was agriculturist, the minimal size of pension on the occasion of loss of the supporter for each child cannot be less than 50 percent of the minimal pension on the age, stipulated for other addressees.

Article 27. Payment of pension on the occasion of loss of the supporter

- (1) Pension on the occasion of loss of the supporter is paid completely to the categories of successors specified in item a) of Article 25.
- (2) Pension is paid to the successors specified in items b) and) Articles 25, in case they have no the income which is a subject of the state social insurance.

Article 28. Recalculation of pension on the occasion of loss of the supporter

At change of number of successors, recalculation of pension is made in correspondence with the situation. The recalculation is made from the month following that month in which circumstances have changed or the reference behind recalculation has acted.

Article 29. Allocation of a share of pension on the occasion of loss of the supporter

- (1) Each of addressees of pension on the occasion of loss of the supporter has the right to demand allocation of the share of pension.
- (2) Allocation of a share of pension is made from the month following after that month in which the reference has acted.
- (3) Share of pension on the occasion of loss of the supporter is defined by division of the established size of pension to the number of its addressees.

Chapter III

ESTABLISHMENT OF PENSION

Article 30. The bodies which are carrying out the establishment and payment of pensions

- (1) Pensions are appointed and paid by bodies of social insurance.
- (2) Bodies of social insurance have the right to carry out the control of reliability of the documents confirming the seniority and insured income, given out by authorized bodies.
- (3) Procedure of the organization of activities regarding the establishment and payment of pensions is defined by the Government.

Article 31. The requirement of pension

- (1) Pension is appointed under the application of the person having on it the right, its tutor (trustee).

(2) Application for establishment of pension and necessary documents are submitted to territorial body of social insurance from the permanent address of the insured persons where are compulsory registered.

(3) The grant of rights to the pension or the refusal of pension application is made by the decision, passes by the territorial body of social insurance and signed by the head of this body, in 15-day's term from the date of submission of the application with all necessary documents.

(4) Decision on refusal in purpose of pension and the reasons of refusal are sent to the applicant within five-day term from the date of the issue.

Article 32. Terms of purpose of pensions

(1) Pensions on age are appointed for life.

(2) Disability pensions are appointed to the period of invalidity, confirmed by certain CMEV.

(3) Pensions on the occasion of loss of the supporter are appointed to the period of fulfillment of conditions stipulated by Article 25.

(4) Following terms of purpose of pensions depending on the category of pension required:

a) pensions on age are granted from the date of occurrence of the right to pension according to the present law, if the application and all necessary documents have been presented not later than 30 days from this date;

b) disability pensions are appointed from the issue of the CMEV decision of the establishment of the group of invalidity, if the application and all necessary documents have been presented not later than 60 days from this date;

c) pensions on the occasion of loss of the supporter are appointed from the date of death of the supporter if the application and all necessary documents have been presented not later than 90 days from this date.

(5) In case necessary documents have been submitted after the expiration of the terms stipulated in items a), b) and c) par. (4), the pension is appointed from the date of presentation of last necessary document.

(6) If terms of submission the applications stipulated in items a), b) and c) par. (4), have expired, the pension is appointed from the date of presentation of the last necessary document.

Article 33. Revision of the rights on pension

(1) Revision of the rights on pension is made in case of:

a) appearance of the new circumstances concerning the insurance experience, insured income, taken place before the appointment of the rights on pension;

b) transfer to another category of pension.

(2) Revision of the of the rights on pension in the case stipulated in item a) par. (1), is made also for pensioners by whom pensions have been appointed until January 1st, 1999, but only at presentation of the documents confirming the insurance experience.

(3) Revision of the rights on pension is made according to the conditions stipulated by the present law.

(4) Pensioner, who requires the transfer to the category of pension stipulated by the present law and which earlier received this kind of pension, can choose the pension, estimated according to the present law, or the pension, established to it earlier.

(5) New rights on pension are appointed beginning with the month following that when the application and necessary documents have been submitted to body of social insurance.

Chapter IV

PAYMENT of PENSIONS

Article 34. Method of pensions payment

- (1) Payment of pensions is made monthly for current month on the residence.
- (2) Pension is paid personally to the addressee, its trustee, tutor or the authorized representative of one of them.
- (3) The pension is paid to the authorized representative only at presentation of the power of attorney, valid no more than six consecutive months.

Article 35. Retroactive payment

- (1) The pensions not received in due time, are paid retroactively within three years until the date of demand.
- (2) The pensions, which have been not paid in due time by fault of body of social insurance appointing or paying the pension, these one are paid without any restriction in term.

Article 36. Payment of pensions to the persons who have left on a constant residence abroad

- (1) Insured persons, left on a constant residence abroad, according to the present law of pension are not appointed to receive it.
- (2) Addressees of pensions leaving on a constant residence abroad, the appointed pensions are paid for six months forward beginning with the month following that in which the holder was struck off the register on the residence.

Article 37. Payment of the pension which have been not received by the deceased pensioner.

- (1) Spouse, parents or children of the died pensioner have the right to receive of the pension, not paid to him.
- (2) Pensions which in due time have been not paid to the died pensioners by fault of body of social insurance, appointing or paying the pension, in case of absence of the persons who are having the right of their reception according to the par. (1), are paid in the full size to the person who has furnished proofs of that it has incurred charges on burial died.

Article 38. Deduction from pensions

- (1) Deduction from pensions are made on the basis of:
 - a) judgments, definitions, decisions and verdicts;
 - b) decisions of administrative bodies, which will compulsory performed;
 - c) decisions of bodies of social insurance on collecting the sums of the pensions, unduly paid by the fault of the beneficiary.
- (2) deduction from pension on the occasion of loss of the supporter, established to the parent or the trustee (tutor) on children, are not made, except for cases of unduly paid sums.

Article 39. Duties and responsibilities

- (1) The body of social insurance should inform the insured persons annually about the situation of their individual account.
- (2) Employer is obliged to present to the body of social insurance the information about the insured person employed, the data necessary for conducting the individual account of this one.
- (3) Employer is obliged to communicate, in a five-day's term from the pensioner employment this fact to the body of social insurance, which makes the payment of pension

(4) Employer is obliged to give to the body of social insurance or the competent person in 10-day's term from the date of the reference, the information necessary for establishment of pension.

(5) Employer and the worker bear, in the order established by the legislation, the responsibility for reliability presented to the bodies of social insurance of data and documents.

(6) In case of occurrence of new circumstances which can cause change of the size of pension or the termination of its payment, the pensioner should inform within 30 days on it the body of the social insurance making payment of pension.

(7) If the presentation of doubtful data has caused an excessive expenditure of means for payment of the pensions, guilty persons compensate to a pension fund the illegally paid sums.

Article 40. The appeal of decisions concerning the provision of pensions

(1) Decisions on purpose or about refusal in purpose of pension, and also about deduction from pension or collecting of unduly paid sums can be appealed against in National Social Insurance House.

(2) In case of disagreement with the decision accepted by National Social Insurance House, it can be appealed against in competent administrative court.

Chapter V

THE PENSION AGE and the INSURANCE EXPERIENCE (period)

Article 41. The Pension Age

(1) Since January 1st, 1999 it is established a pension age for men - 60 years and 6 months, for women - 55 years and 6 months. In every subsequent year, the pension age increases with 6 months. Beginning on January 1st, 2003 until December 31st 2007 including, there established the pension age necessary for reception of the right to pension on age, for men - 62 years, for women - 57 years according to table 2.

Table no. 2

Beginning on January 1 st	Pension Age	
	Men	Women
1	2	3
1999	60 years and 6 months	55 years and 6 months
2000	61 years	56 years
2001	61 years and 6 months	56 years and 6 months
2002	62 years	57 years
2003	62 years	57 years
2004	62 years	57 years
2005	62 years	57 years
2006	62 years	57 years
2007	62 years	57 years

(2) Since January 1st, 1999 for the women who have given birth and have brought up to eight-year age five and more children, the pension age of 50 years and 9 months is established. In every subsequent year it will increase for 9 months. Since January, 1st, 2004 for women of the specified category the pension age of 54 years is established (tab. 3).

Table no. 3

Beginning on the January 1 st	Age of pensions of women who have given birth and brought 5 and more children
1999	50 years and 9 months
2000	51 years and 6 months
2001	52 years and 3 months
2002	53 years
2003	53 years and 9 months

(3) Since January 1st, 1999 the pension age for the persons engaged on works with especially harmful and especially heavy working conditions (stipulated by the List 1 of manufactures, works, trades, posts and the parameters entitling pension on age on favorable terms, the approved Governmental order no. 822 from December 15th, 1992), is established for men - 50 years and 9 months, for women - 45 years and 9 months. In every subsequent year, the pension age will be increased with 9 months. Since January 1st, 2004 for persons of the specified category the pension age for men - 54 years, for women - 49 years is established. (tab. 4)

Table 4

Pension age of the persons engaged on difficult and harmful works

Beginning on January 1 st	Men	Women
1999	50 years and 9 months	45 years and 9 months
2000	51 years and 6 months	46 years and 6 months
2001	52 years and 3 months	47 years and 3 months
2002	53 years	48 years
2003	53 years and 9 months	48 years and 9 months

Article 42. The insurance experience

(1) Since January 1st, 1999 for purpose of pension on age, the necessary insurance experience is established for men - 26 years, for women - 22 years. In every subsequent year it will increase with one year for men and with two years for women, until the approach of the insurance experience of 30 years both for men, and for women (tab. 5).

Table no. 5

Insurance experience

Beginning on January 1 st	Men	Women
1999	26 years	22 years
2000	27 years	24 years
2001	28 years	26 years
2002	29 years	28 years
2003	30 years	30 years

2) The special experience, got on works with especially harmful and especially heavy working conditions, the entitling pension to the persons specified in par. (3) Articles 41, is established for men - 10 years, for women - 7 years and 6 months.

Chapter VI
PENSION to SOME CATEGORIES of CITIZENS

Article 43. Conditions of pensions establishment to deputies in Parliament and members of the Government

(1) Insured person who activated at least two years as deputy in constantly operating Parliament or engaged paid posts in Parliament of XII convocation or the Supreme body of S.S.R. of Moldova, reached a pension age stipulated in par. (1) Article 41, and confirming the general insurance experience according to par. (1) Article 42, has the right to the pension estimated at a rate of 75 percent from the sum of all monthly payments of the deputy on corresponding post, engaged in the Parliament.

(2) The insured person who activated at least two years as member of the Government, reached a pension age stipulated in par. (1) Article 41, and confirming the general insurance experience according to par. (1) Article 42, has the right to the pension estimated at a rate of 75 percent from the sum of all monthly payments of the deputy or the member of Government on corresponding post, engaged in the Government.

(3) The persons specified in the par. (1) and (2), being in disability in the period of practicing the relevant functions, the disability pension of I and II groups is estimated at the rate of 75 percentage from the sum of all monthly payments of the deputy or the member of Government on corresponding post, engaged in the Government or Parliament.

(4) The reexamination of pensions estimated according to par. (1)-(3) is made in the same time with the monthly payment growth of the deputies and the Government members, taking into consideration the engaged post.

Article 44. Conditions of pensions estimation for the civil servant

(1) Insured person having the status of the civil servant reached a pension age stipulated in par. (1) Article 41, and confirming insurance experience in public service of 15 years, has the right to the anticipated pension with 5 years before reaching the age of pension stipulated in par. (1), Article 41. The pension is calculated at a rate of 75 percent of the defined monthly average income according to Article 45.

(2) Insured person having the status of the civil servant who activated in the function of I class and reached the insurance experience stipulated in par. (1) Article 42, at the expiration of the mandate in this post, has the right to the anticipated pension with 2 years before reaching the age of pension stipulated in par. (1) Article 42. The pension is calculated at a rate of 75 percent from the defined monthly average income according to par. (4) Article 45.

(3) The insured person having the status of civil servant, in case of liquidation or reorganization of the public authority, or in case of the personnel diminution, has the right to the anticipated pension with 2 years before reaching the pension age stipulated in par. (1) Article 41., if he performed the insurance experience stipulated in par. (1) Article 42, having the status of civil servant: 10 years for men and at least 8 years for women. The pension is calculated according to the provisions of Article 16.

(4) The insured person who does not have the status of civil servant, but confirms an insurance experience in the public service at least of 15 years, he reached the pension age stipulated in par. (1) Article 41 and performed the insurance experience stipulated in par. (1) Article 42, has the right to the pension estimated at a rate of 75 percent from the defined monthly average income according to Article. 45.

Article 45. Determination of the monthly average income for calculation of pensions for the civil servants

(1) The pensions estimated according to Article 44, are calculated from the monthly average income of the last 60 months of activity as civil servant.

(2) The income reached in the period until January 1st, 1999 is updated by the multiplication of the individual coefficient, defined for the relevant period as stipulated in

annex no. 4, on the value that represents the average of average wages on the country for all the period after January 1st, 1999, including the year previous to the year of reexaminations of pensions rights.

(3) The income reached after January 1st, 1999 is taking into consideration into its real amount.

(4) The pensions estimated according to par (2) Article 44, are calculated from the size of the monthly average income reached in the public service being in function of I class, but not more than for the last 60 months.

Article 46. Conditions of purpose of pensions to local elective persons

(1) Insured person who engaged not less than 8 years a post of chairman, vice-president of regional (district) advice or mayor, reached a pension age specified in par. (1) Article 41, and confirming the general insurance experience stipulated in par. (1) Article 42, has the right to the pension estimated at a rate of 75 percent of the all monthly payments of the person in the relevant function.

2) The provisions of par. (1) extend also on the insured persons borrowing the function of vice-mayor. In the experience permitting the right to the pension according to this Article, is also include the activity of vice-mayor, function engaged before the date of coming into force of the Law no. 123-XV dated as of march 18th, 2003 regarding the local public administration.

(3) In case of liquidation or reorganization of the authority of the local public administration, the persons specified in par. (1) have the right to the anticipated pension with 4 years before reaching the pension age stipulated in par. (1) Article 41. The pension is calculated according to provisions of Article 16.

Article 47. Insurance experience in the public service.

The insurance experience in public service includes the periods:

a) of activity as civil servant in the central and local public authorities stipulated in Annex no. 1 of the Law on the public service no. 443-XIII on May 4th, 1995;

b) of activity as civil servant in public authorities, which until the date of coming into force of the Law on the public service no. 443-XIII on May 4th, 1995, activated on the territory of Republic of Moldova according to the classified list of public authorities and public functions there including, approved by the Government.

c) of activity in head posts in the authorities of the central and local public administration, held by appointment or election (Government member, chairman and vice chairman of the district, chairman or vice chairman of the district council or the district executive committee, mayor or vice mayor of the municipal town, city, village, chairman of the city, village soviet);

d) of activity as deputy in Parliament permanently or in a function paid in the Parliament by the XII legislation or the Supreme Soviet of S.S.R. of Moldova;

e) of activity as judge, public prosecutor, or officer (investigator) as well as staying in military service by contract or in the service of the bodies of Internal Affairs, if for those periods were paid contributions of compulsory social state insurances;

f) of activity in the international organizations and institutes as a representative of the public authorities of the Republic of Moldova, in functions not being in connection with the technical service of the relevant organizations and institutions;

g) of activity in functions paid (including elective functions) in the Central Committee authorities, district and city committee of the Communist Party of Moldova until August 27th, 1991, in paid functions (including the elective functions) in the authorities of the trade union bodies on the republican level until May 30th, 1993, exception the functions related to technical service.

Article 48. Payment of pensions

- (1) Pensions specified in Articles 43, 44 and 46, are completely paid indifferently of the incomes, subject to the state social insurance;
- (2) Pensions and profits, estimated according to the Law no. 358-Xv on July 31st, 2003 for the modification and completion of any legal documents, are completely paid, indifferently of the incomes, subject to the state social insurance;
- (3) Pensions paid on January 1st, 2004 to the deputies and Government members, of the persons having the status of civil servant or having the status of chairman, vice-chairman of the district council, of the district executive committee and mayor are completely paid, indifferently of the incomes, subject to the state social insurance.

Article 49. Source of financing

- (1) Charges on payment of pensions as per Article 43, 44 and 46 are made as follows: 50 percent of the established size of pension – from the budget of the state social insurance and 50 percent from the state budget.
- (2) Charges on payment of pensions estimated according to Law no. 358-XV on July 31st, 2003 for the modification and completion of any legislative documents are made from the budget of state social insurance and the payment of profits (increases) are made from the state budget.
- (3) Payment of the pensions appointed till January, 1st, 2004, is made as follows: 50 percent of the established size - from the budget of the state social insurance and 50 percent - from the state budget.

Chapter VII FINAL and TRANSITORY PROVISIONS

Article 50. Activities included in insurance experience.

- (1) Besides the periods specified in Article 5, in the insurance experience are included the periods in which before coming into force of the present law, following kinds of activity were carried out:
 - a) work as a member of collective farm, irrespective of its character and duration. At calculation of the experience of work in collective farm for the period after 1965 if the member of collective farm without valid excuse did not carry out the established minimum of labour participation, the operating time on actual duration is considered;
 - b) creative activity of members of the creative unions, confirmed by secretaries of boards of the corresponding creative unions;
 - c) activity as attendants and workers of a cult since April 1st, 1992;
 - d) care of invalid of I group, of a child-invalid until the age of 16 or a person of who reached the age of 75;
 - e) training on day time branches of higher educational institutions;
 - f) military service or other service equal to it.
- (2) Method of inclusion in the insurance experience of the periods specified in items d) - f) par. (1), is established by the Government.
- (3) Charges connected with inclusion in the insurance experience of the periods, specified in items d) - f) par. (1), are compensated from the state budget.

Article 51. Acknowledgement of the insurance experience got before introduction of the individual account

- (1) Insurance experience got before introduction of the individual account, proves to be true by the work-record card or other documents issued in a proper way. (
- 2) Method of acknowledgement of the insurance experience specified in par. (1), is established by the Government.

Article 52. Calculation and acknowledgement of the insured income which is taken place before introduction of the individual account

(1) Insured income, taken place before introduction of the individual account, joins all kinds of a payment, the premium, other insured payments, temporary disablement allowances, all kinds of payments in collective farms, wages in kind, except for unique payments and grants.

(2) Kinds of incomes non insured are defined by the Government.

(3) Insured income proves to be true by the documents which have been given out by the enterprises, the organizations, establishments in which worked the insured persons, by the higher bodies, and also the archives. The specified documents are made out by way established by the Government.

(4) in case of impossibility to present the information on wages, because these documents were not kept owing to acts of nature or other extreme situations (a fire, flooding, a confrontation, etc.), the size of pension can be estimated at the rate of average earnings of the worker of a corresponding trade and qualification for date of purpose of pension (according to the Ministry of Labour and Social Protection).

Article 53. Calculation of the size of pension on old-age of pension

(1) Size on age is defined as the sum of the rights to pensions for the period preceded day of coming into force of the present law, and the period which has followed the specified date. The formula for calculation of the size of such pension is resulted in the appendix 4, being an integral part of the present law.

(2) For the insured persons, after coming into force of the present law, performed an insurance experience of at least 20 years, the size of pension is defined in conformity with Article 16, on the basis of monthly average insured income estimated after coming into force of the law, taking into consideration the general insurance experience.

(3) If the size of pension estimated according to the par. (1), is less than the size of the minimal pension specified in Article 12, the minimal pension according to the conditions stipulated in par. (5) - (6) Article 16 is appointed.

Article 55. Calculation of the size of the disability pension

(1) For insured persons being in group of physical inability, as the result of the labour mutilation or occupational disease, and confirming necessary for purpose of pension the insurance experience which includes the periods of work before coming into force of the present law, the size of pension is estimated according to par. (1) Article 54.

(2) The sizes of the disability pensions appointed on the basis of the insurance experience which has been got before coming into force of the present law, depend on the group of physical inability and are estimated under the formulas resulted in the appendix 5, being an integral part of the present law.

(3) The sizes of the disability pensions appointed on the basis of the insurance experience which has been got after coming into force of the present law, are estimated in conformity with Article 21.

(4) If the size of pension estimated according to a par. (1), is less than the size of the minimal pension, the minimal pension is estimated according to conditions of par. (3) Article 21.

(5) Since January 1st, 2010 the sizes of disability pensions will be estimated in conformity with Article 21.

Article 55. Calculation of the size of pension on the occasion of loss of the supporter of potential pension.

(1) Size of pension of I group of physical inability from which, in conformity with Article 26, the pension on the occasion of loss of the supporter is established, is estimated in conformity with Article 55.

(2) If the size of pension estimated according to conditions, stipulated by par. (1), is less than the size of the minimal pension, the minimal pension on the conditions specified in par. (2) and (4) Article 26, is appointed.

Article 56. Pensions to workers of civil aircraft

(1) Separate categories of workers of civil aircraft, irrespective of departmental subordination of the enterprises on which they are engaged, pensions are appointed under condition to stop activate in this post. To such categories concern:

a) members of crews of the air courts, having the insurance experience got in special conditions: men - not less than 25 years, the woman - not less than 20 years, after achievement of 45 years;

b) the workers carrying out management of air movement and having the certificate of the dispatcher: men - after achievement of 55 years, women - after achievement of 50 years, at the insurance experience in posts not less than 12 years and 6 months at men, 10 years at women and the general insurance experience not less than 25 years at men and 20 years at women;

c) the non production personnel (engineers, technical personnel): men - after achievement of 55 years, women - after achievement of 50 years - at the insurance experience in posts not less than 20 years at men, 15 years at women and the general insurance experience not less than 25 years at men and 20 years at women.

(2) Method of calculation of the insurance experience for the categories of workers specified in par. (1) and the List of the posts entitling pension on conditions of present Article, are established by the Government.

(3) Sizes of pensions to workers of civil aircraft are 30 percent of monthly average insured income for the last three years of labour activity in the posts specified in par. (1), but the size of this income should not exceed the size of three average wages on the country.

(4) Pensions are paid to assignees of the categories of persons specified in par.(1), in conformity with Article 17.

(5) The present Article will operate within ten years from the date of coming into force of the present law.

Article 57. Final provisions

(1) Present law comes into force beginning on January 1st, 1999.

(2) From the date of coming into force of the present the following are abrogated:

- The law no 437-XII from December 27th, 1990, on the state provision with pensions in Republic Moldova,;

- the Law no. 1005-XII from April, 2nd, 1992 on modification and additions in the Law on the state provision with pensions in Republic Moldova;

- the Law no.162-XIII from June, 30th, 1994, on modification and additions in the Law on the state provision with pensions in Republic Moldova ;

- the Law no. 452-XIII from May, 6th, 1995, on modification and additions in the Law on the state provision of pensions in Republic Moldova;

- Article I of the Law no. 1374-XIII from November, 19th, 1997 about modification and additions in some acts;

- the Law no. 1428-XIII from December, 23rd, 1997, on modification and additions in the Law on the state provision of pensions in Republic Moldova ;

- the Decision of the Supreme body of Republic Moldova no. 438-XII from December, 27th, 1990 about the order of introduction in action of the Law on the state provision of pensions in Republic Moldova;
- The Decision of Parliament no. 1006-XII from April 2nd, 1992, about modification and additions in the Decision of Parliament about the order of introduction in action of the Law on the state provision of pensions in Republic Moldova;
- the Decision of Parliament no. 1007-XII from April, 2nd, 1992 about the statement of the List no. 3 of the workers in agriculture directly engaged in manufacture of agricultural production to whom the right to pension on age on favorable terms is given.

(3) Government:

- till January 1st, 1999 will cancel the Decision no 865 from December 29th, 1992 about long-service pensions to workers of formation (schools) and public health services ;
 - within 2 months, it will present to Parliament the offer regarding changes and the additions to the laws and other normative documents in connection with the coming into force of the present law;
 - during the year 1999 :
- to accept the statutory acts providing realization of the present law;
 To accept the Decision about transfer of consultations of medical examination of viability in subordinate to the Ministry of Labour, Social Protection and Family.

CHAIRMAN of PARLIAMENT

Dumitru DIACOV

Chisinau, on October 14th, 1998
 No. 156-XIV.

Annex no. 1

Formula of calculation of the monthly average insured income

The monthly average insured income is estimated using the following formula:

$$S_a = \frac{\sum_{i=1}^n C_j}{n}$$

in which:

S_a – monthly average insured income;

con_j – sum of contributions paid for the period I of insurance;

C_j – quota of contribution estimated in the period I of insurance;

n – number of months for which the contributions were paid.

Annex no. 2

Formulas of calculation of pension on age

(1) The complete pension on age is calculated using the following formula:

$$P = \{1,2\% \times 35 + 2\% \times (V_t - V_n) + 2\% \times (R - R_n)\} \times S_a,$$

In which:

P – size of pension;

V_t – the performed insurance experience, but not less than 35 years;

V_n – the necessary insurance experience, but not less than 35 years;

R – the real pension age;

R_n – standard pension age;

S_a – the monthly average reached income, which calculated for every year can not exceed 3 average wages on country for the relevant year.

(2) Should the insured person, at the date of pension establishment, not confirm the necessary insurance experience, but performs an insurance experience of at least 20 years, then the pension is calculated using the formula:

$$P = 1,2\% \times V_t \times S_a$$

Annex no. 3

Formulas of calculation of disability pensions

The disability pension, in proportion to the group of degree (group) of disability, is calculated using the formulas:

for disability:

group I :

$$P = 0,42 \times S_a + \frac{V_a}{V_{max}} \times S_a \times 0,1;$$

group II:

$$P = 0,35 \times S_a + \frac{V_a}{V_{max}} \times S_a \times 0,1;$$

group III:

$$P = 0,20 \times S_a + \frac{V_a}{V_{max}} \times S_a \times 0,1,$$

in which:

P – size of pension;

S_a – the monthly average insured income, reached after the coming into force of the present law, but which can not be higher than the double size of the wage on country for the year previous to that of pension establishment;

V_a – performed insurance experience;

V_{max} – the potential maximum insurance experience from the age of 18th till the ages of pension stipulated in art. 41, but not exceeding the age of 42 years.

Annex no.4

Formulas for calculation the pension on age at the conditions of art 54, par. (1)

(1) Pension on age, at the conditions of art. 54, par. (1) is calculated using the formula:

$$P_t = \frac{V_v}{V_t} \times P_v + \frac{V_n}{V_t} \times P_n;$$

In which:

P_t – size (amount) of payment;

P_v – size of payment calculated for the period previous to coming into force of the present law;

P_n – the size of pension calculated according to art.16;

V_v – insurance experience performed previously to coming into force of the present law

V_n – insurance experience performed after coming into force of the present law

V_t – the general insurance experience performed during the entire activity.

(2) Pension, for the period previous to coming into force of the present law, is calculated using the following formulas:

1) for the works in agriculture:

$$P_v = P_{m1} + 0,005 \times V_t \times S_m \times K;$$

2) for other pension beneficiaries on age:

$$P_v = P_{m2} + 0,005 \times V_t \times S_m \times K,$$

In which:

P_v – size of pension;

P_{m1} – the minimum size of pension calculation on age for the agriculturists;

P_{m2} – the minimum size of pension calculation on age for other beneficiaries of this kind of pension;

V_t – the insurance experience performed during the entire period of activity;

S_m – the monthly average wage on country, defined for each category of beneficiaries, for the year previous to that of reaching the age of pension;

K – the individual coefficient of the pensioner, calculated according to par. (3).

(3) The individual coefficient of pensioner represents the report between the amount of salary for any consecutive 36 months (indifferently if the work

was interrupted) of the last 5 years of work previous to the coming into force of the present law and the amount of the average wage per country for the same period, but can not exceed 5,0. In case the work experience is less than 36 months, the individual coefficient is defined from the real time worked and can not exceed 2,0.

(4) The pension, in case the general insure experience performed during the entire activity is higher than the insurance experience necessary to the date of its establishment, is calculated I the conditions of art. 16, using the formula:

$$P = \{1,2\% \times 35 + 2\% \times (V_t - V_n) + 2\% \times (R - R_n)\} \times S_a,$$

In which:

P – size of pension;

V_t – the general insure experience performed during the whole activity, but not smaller than that needed;

V_n – the insure experience necessary at the date of obtaining the right to the pension;

R – the real age for pension;

R_n – the pension age necessary at the date of obtaining the right to the pension;

S_a – the monthly average insured income.

If the insured person, at the date of reaching the pension age stipulated in art. 15, confirms an insurance payment of at least 20 years, but these do not exceed the insurance experience necessary at the date of pension establishment, then the pension is calculated using the formula:

$$P = 1,2\% \times V_t \times S_a$$

(5) In case, at the date of pension establishment, the insured person had the status of an agriculturist or/and member of farm association for at least ½ of the pension age, then the pension is calculated using the formula established for the agriculturists.

Annex no. 5

Formulas for calculation of the disability pension at the conditions of art. 54, par. (2)

The disability pension, for the period previous to that of coming into force of the present law, is calculated, in function of the degree of disability, using the following formulas:

1) for disability persons of group I:

$$P_v = P_{m3} + 0,20 \times S_m \times K;$$

2) for the disability persons of group II:

$$P_v = P_{m4} + 0,15 \times S_m \times K;$$

3) for the disability persons of group III:

$$P_v = P_{m5} + 0,07 \times S_m \times K,$$

In which:

P_v – size of pension;

P_{m3} – the minimum size of calculation of disability pension for group I;

P_{m4} – minimum size of calculation of disability pension of group II;

P_{m5} – minimum size of calculation of disability pension of group III;

S_m – the monthly average wage per country for the year previous to the year of pension;

K – the individual coefficient of the pensioner calculated according to par. (3) annex no. 4.

Modifications introduced according to the Law no 324 on 07.10.04, OM 186-188 from 15.10.04

Art. II of the Law no. 324

- (1) The payment of pensions at the date of coming into force of the present law, calculated according to annexes 2-5 of the Law no 156-XIV from October 14th, 1998, regarding the state social insurance pensions, are recalculated according to this law.
- (2) To the recalculation of pensions established until January 1st, 2001 is applied $S_m = 407$ lei – the monthly average salary on country according to the situation on January 1st, 2001
- (3) The sum of the increase after the recalculation can not be less than 25% from the amount of established pension.
- (4) The integral pension, established beginning on November 1st, 2004, can not be less than:
219, 00 lei – the amount of pension on age for the agriculturists;
246, 00 – the amount of pension on age for other beneficiaries of this pension;
175, 00 lei – the amount of pension for invalidity of I group;
169, 00 lei – the amount of pension for invalidity of II group;
119, 00 lei – the amount of pension for invalidity of III group.
- (5) In case the insurance experience is incomplete, the amount of pension is calculated proportionally to the confirmed insurance experience.

Art. III - Beginning with November 1st, 2004, it increases with 25%:

The pensions established for some categories from civil aviation;

Payment of pensions established for insurance experience, which are paid from the means of state social insurances budget.

Art. IV. (1) The present law comes into force on November 1st, 2004.

(2) The expenses regarding the performance of the present law provisions will be paid from the means of the state social insurances budget.

CHIARMAN OF
PARLIAMENMT

Eugenia OSTAPCIUC

Chisinau, October 7th, 2004
No. 324-XV