

Pension Allocation 2008

This information leaflet provides information on the procedure of pension allocation and on the obligations of Pension Allocating Subdivision

Attention

The major purpose of this guide is to assist citizens with pension allocation issues. The size of this guide does not allow reviewing all the issues regulated by law. For additional information you may apply to the relevant regional subdivision of social insurance state service of the RA Ministry of Labor and Social Affairs as well as you may contact the "Hotline Service" by the following phone numbers 080-080-353 and 080-080-343. You may also visit the website of the RA social insurance state service www.sif.am.

1. Types of pension

The law establishes two types of pensions: insurance and social. Insurance pension is allocated for those who have the required age of seniority. For old age employment pension allocation at least 5 years of seniority is necessary, for disability or in case of loss of bread-winner from 2 to 5 years of seniority is necessary depending on the age. Social pension is allocated for those, who have no required seniority.

2. The age of pension

The age of insurance pension based on seniority is age 63 (but an age scale is established for women under 63, for 2008 the age of women's pension allocation is established at 61.5 years).

3. What does the individual need to do for pension allocation?

The allocation and payment issues of the state pensions for RA citizens are regulated by the RA law on "State Pensions" entered into force on April 10, 2003. For state pension allocation the individual is obliged to submit his/her written application and necessary documents to the RA Pension Allocation Subdivision according to his/her place of registration. A citizen who has no registration in the Republic of Armenia must apply to the Pension Allocation Subdivision of his/her actual place of residence for pension allocation. For pension allocation of a minor or a disabled person an application shall be submitted to the Pension Allocation Subdivision according to his/her place of registration by their official representative (parent, person who has adopted the minor, guardian or trustee). The individual who has attained the age of 16 has the right to apply personally for a pension).

4. Necessary documents for pension allocation

The necessary documents for seniority pension allocation in addition to the application are:

- 1) passport, social security card and copies of each;
- 2) document certifying insurance seniority (work book and its copy, other documents certifying senior or archive reference in case of necessity);
- 3) reference on social insurance payments by an authorized body implementing the required social insurance (or other document certifying that fact) or reference from the employer on the salary amount based on years and months, starting from January 1992 references on required social insurance payments or salaries received.
- 4) Photo (size 4x6)

5. Terms of pension allocation

The pension is allocated from the day of applying. Disability pension is allocated from the day of recognizing the person as disabled, if the application has been received within a period of three months. In case of the loss of a "bread-winner" the pension is allocated from the day of death, if the application has been submitted within a period of six months.

6. What are the obligations of the Pension Allocation Subdivision in the procedure of pension recalculation or change of pension type?

An employee of the corresponding Pension Allocation Subdivision is obliged:

- a) to compare the data of the application with the passport and the data of other documents submitted;
- b) to compare the originals of the documents with their copies, to protocol discrepancies and differences, if necessary to check their authenticity as regulated by law;
- c) to register the individual's application and provide him/her with a receipt stating the day, month, year of submitting the application and provide a list of additional required documents and terms of submission in case of missing documents.
- d) In case of submission of an additional document, to state the day, month, year on it and on the receipt given to the applicant and sign it.

7. Decisions of Pension Allocation Subdivision

Within 7 days after receiving the individual's application and necessary documents the Pension Allocating Subdivision reviews them and makes a decision:

- a) to allocate (recalculate) pension or change the type of pension or reject the allocation (recalculate) or changing the type of pension;
- b) To stop or suspend the payment of pension or restart it in cases regulated by law;
- c) To check the authenticity of the submitted documents;

Any of the decision stated above is formulated by a respective order and is attached to the pension case file. The copy of the decision on the suspension of pension is delivered by post or is given to the individual personally within 5 working days.

8. Allocation of disability pension

Within a period of three months after being recognized as disabled and in case of applying to the Pension Allocating Subdivision the pension is allocated from the day of being recognized disabled.

Disability pension is allocated based on a reference certifying a person's disability by the Socio-Medical Expertise Commission. The first date on the Expertise line in the reference states the day of disability.

In case of a change in disability group status, the disability pension is recalculated without the pensioner's written application but based on the reference certifying the person's disability by Socio-Medical Expertise Commission.

9. Who has the right to pension in case of loss of bread-winner?

In case of the loss of a bread-winner children under 18 have the right to pension and students under 23 in case of submitting corresponding reference.

10. What pension can an individual get, if he/she has no (insurance) seniority?

Those individuals, who have no seniority (insurance) pension, have the right to get old age social pension. Such pension is allocated when a person attains the age of 65 with the basic pension amount (from January 1, 2008, the amount is 6800 drams).

11. How is the insurance pension calculated?

According to the law the pension is calculated by the following formula:

$$\text{Pension} = H + (n \times A) \times C$$

H is the basic pension amount, which is 6800 drams from January 1, 2008,

N is the number of years of the person's seniority,

A is one year seniority cost, which is 395 drams from January 1, 2008,

C is the personal factor, which is calculated according to relations of seniority of years and 25 years of required seniority and the factor is 0.02 for each year exceeding 25 years of seniority. Following the statement above in case of exceeding $C = 1 + (n - 25) \times 0.02$.

For example, in case of 40 years $C = 1 + (40 - 25) \times 0.02 = 1 + 15 \times 0.02 = 1 + 0.3 = 1.3$

12. Applying for recalculate and changing the type of pension

In order to recalculate or change the type of pension, an application is submitted to the Pension Allocating Subdivision, where the case of pension is processed. If the application and necessary documents are received by post, the receipt is delivered to the applicant by post or is given to him/her personally. The application is registered in the applications registry.

13. Payment to the pensioner

The pension is paid to the pensioner personally. The pensioner has the right to get pension from the organization providing the service of payment (from January 1, 2008 such organizations are regional subdivisions of Social Insurance State Service, "Haypost" CJSC and "VTB-Armenia bank" CJSC (previous "Armeconombank").

14. Duties of pensioner

The pensioner is obliged to inform the pension allocating state body about those circumstances, the existence of which results in the change of pension amount or its payment suspension (change of family members, work circumstances and etc.).