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Law on Social security

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Lao People's Democratic Republic
Peace Independence Democracy Unity Prosperity

National Assembly

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Law on Social Security

Part I

General Provisions

Article 1 Purpose

This law defines the principles, rules, and provisions for the organisation, implementation, management and inspection of the social security with a view systematically, strengthening and effectiveness to protect the rights and interests of employers and employees by paying contributions and providing social security benefits in order to ensure basic livelihoods, social solidarity and contribute to the socio-economic development of the nation.

Article 2 Social Security

Social Security is a set of benefit guarantee to ensured person provided by the National Social Security Fund in case of health care, maternity or miscarriage, employment injury, occupational diseases, invalidity, sickness, pension, death, survivor's benefit and unemployment.

Article 3 Definition of terms

The terms used in this law have the following meaning :

1. National Social Security Fund means the pooled funds contributed by the government, employers and employees to finance social security benefits;
2. Employer means organizations of State, Lao Front for National Reconstruction, mass organizations, social associations and labour units employing individuals as employees by paying them a wage or salary;
3. Labour Unit means an establishment operating a business in any economic sector including manufacturing and services;
4. Employee means a civil servant, military or police officer, employee receiving a salary or wage from an employer;
5. Self-employed means a person who works at his own account in agriculture, industry or service sector;
6. Voluntary insured means a person who voluntarily contributes to the Social Security Fund ;
7. Insured Person means a person who pays contributions to the Social Security Fund;
8. Family member means dependent spouse, child or parent of an insured person;
9. Insurable Earnings means total salary of an insured civil servant, military or police officer, salary or wage of an employee used to calculate monthly contributions to the Social Security Fund;
10. Total salary means basic salary based on grade, seniority and position allowances and all other allowances;

11. Contribution means the monthly amount paid to the national social security fund by the government, employers, employees, self-employed persons and voluntary insured persons in accordance with the contribution rate as determined;
12. Loss of working capacity means the loss of the ability to work or mental illness caused by employment injury or occupational disease;
13. Invalidity means the loss of an organ or limb of the human body;
14. Pension points are calculated by dividing the individual's contribution in the last twelve months by the average contribution of all insured persons in the same period.

Article 4 State Policy on Social Security

The state encourages and promotes the development of social security in line with national economic growth and government, employers, employees, self-employed persons and voluntary insured persons shall contribute to the national social security fund in order to ensure the affordability of social security benefits managed by the state. All social security benefits shall be exempted from tax.

The state encourages individual, juristic entity, national and international organizations to contribute financial and technical support for the development of social security.

Article 5 Basic Principles on Social Security

Social security shall be based on the following principles:

1. To ensure the implementation of social security policy and management legally, centrally, universally across the nation;
2. To ensure the contributions of the government, employers, employees, self-employed persons and voluntarily insured persons to the national social security fund as determined in articles 55 and 56 of this Law;
3. To ensure the protection of rights and benefits of insured person and dependents;
4. To ensure equity, transparency, accountability and auditing;
5. To ensure the availability of reserve fund, risk pooling, mutual assistance and financial sustainability;
6. To ensure the calculation of benefits based on insurable earnings;
7. To comply with international conventions and treaties ratified by the Lao PDR.

Article 6 Obligations of Social Security

Obligations of social security are following:

1. The government has the obligation to allocate fund from the national budget to the national social security fund and guarantees the sustainability of the fund;
2. Employers has the obligation to join and contribute to the national social security fund;
3. Employees, self-employed person and voluntary insured person have to register and pay contributions to the national social security fund.

Article 7 Scope of Application

This Law applies to employers, employees and their dependents, self-employed persons and voluntary insured persons across the nation.

Article 8 International cooperation

The state encourages and promotes the regional and international cooperation on social security for capacity building, sharing experiences, information exchange, science, technology and resource mobilization to develop the social security system and apply international conventions and treaties ratified by the Lao PDR.

Part II

Social Security Benefits

Chapter 1

Benefits and Target Groups

Article 9 Types of benefits

The social security benefits are following:

1. Health care benefit;
2. Maternity or miscarriage benefit;
3. Employment Injury, occupational diseases or other accident that causes the lost of working capacity or invalidity;
4. Sickness benefit;
5. Pension benefit;
6. Death grant;
7. Survivor's benefit;
8. Unemployment benefit.

Article 10 Target Group of Social Security Benefits

The target groups of social security benefits are following:

1. Civil servants, military or police officer and employee in labour units are entitled to all type of benefits;
2. Self-employed persons and voluntary insured persons are entitled to benefit insured such as: medical care, maternity or miscarriage, pension, sickness, death or invalidity;
3. Dependent spouses and children of insured persons are entitled to medical care, death grant and survivor's benefits;
4. Dependent parents of insured persons are entitled to survivor's benefits.

Target groups 1 and 2 above shall contribute monthly to the National Social Security Fund to qualify for benefits as determined.

Chapter 2

Health Care Benefit

Article 11 Health Care Benefit

Health care benefit is a fund allocation for medical care provided to insured person including dependent spouse and children.

Article 12 Qualifying conditions for Health Care Benefit

A beneficiary is entitled to health care benefit if he/she meets the following qualifying condition:

1. Has paid contributions to the social security fund for at least one month or longer in case of employment Injury, occupational disease and/or maternity-related illness;
2. Has paid contributions to the social security fund for at least three months or longer in case of illness and non-work-related accident.

Insured person's dependent spouse and children not older than 18 years old or 23 years old for those studying and unmarried also are qualified to the benefit.

In case of the death of insured person, his/her surviving spouse and children are also entitled to this benefit for three months after death of insured person.

Article 13 Health Care Services

An insured person and his/her dependents are entitled to health care services at health care facilities as prescribed in the Curative Law.

Treatments abroad where necessary for medical reason and treatments for chronic diseases shall be prescribed in a specific regulation.

Article 14 Calculation of Payment for Health Care Benefit

Payment for health care benefit shall be calculated according to the type of treatment and service quality as prescribed in a specific regulation.

Article 15 Use of Funds for Health Care Benefits

Funds for Health Care Benefits shall be used for health care services provided to insured person and dependent spouse and children based on the contract with health care facilities through capitation fees, fee-for-service payments and others.

Chapter 3

Maternity or Miscarriage Benefits

Article 16 Maternity or Miscarriage Benefits

Maternity or miscarriage benefit is a grant payable for each childbirth. An insured person giving birth or miscarriage, who is unable to resume work due to convalescence shall receive a cash benefit as prescribed.

Article 17 Qualifying Conditions for Maternity Cash Benefit

Qualifying conditions for maternity cash benefit as follows:

1. Has paid at least six months of contributions to the social security fund;
2. Delivery of a child or miscarriage from the third month of pregnancy or fatal death with medical certification.

Article 18 Calculation of Maternity Grant

The maternity grant payable for each child is equal to sixty percent of the monthly insurable earnings. The wife of an insured person, if unemployed, is entitled to the benefit as stipulated in the first paragraph of this article.

Self-employed persons and voluntary insured persons shall be entitled to maternity benefits as prescribed in the specific regulation.

Article 19 Calculation of Maternity Cash Benefit

An insured person giving birth or miscarriage, who is unable to resume work due to convalescence shall receive a cash benefit is equal to eighty percent of the insured person's average insurable earning in the last six months for a duration of three months.

In case the insured person is not fit to resume work after three months based on medical certification, she is entitled to sickness benefit or invalidity benefit.

Chapter 4

Employment Injury, Occupational Diseases or other Accident Benefits

Article 20 Employment Injury, Occupational Diseases or other Accident Benefits

Employment Injury, occupational disease or other accident benefits consist of a temporary loss of working capacity, lump sum or monthly invalidity benefits.

Article 21 Qualifying Conditions of Employment Injury, Occupational Diseases or other Accident Benefits

Qualifying conditions for employment injury, occupational disease or other accident benefits as follows:

1. Has paid at least one month of contributions to the social security fund for employment injury or occupational diseases and twelve months for other accident;
2. Loss of working capacity and mental impairment caused by an employment injury at the work place, during the commuting travel from home to the work place and vice versa or during an official mission;
3. Occupational diseases sustained due to the performance of professional duties at work;
4. The loss of an organ or limb of the human body caused by an employment injury, occupational diseases, other accidents or illnesses.

Medical certification shall be provided to prove the conditions 2, 3, and 4 listed above.

Qualifying conditions of loss of working capacity and invalidity due to war injury for national defence as prescribed in the specific regulation.

Article 22 Categories and Degree of Invalidity

Categories and degree of invalidity as follows:

1. Category 1 equal to degree of invalidity from 81 to 100 % ;
2. Category 2 equal to degree of invalidity from 71 to 80 % ;
3. Category 3 equal to degree of invalidity from 61 to 70 % ;
4. Category 4 equal to degree of invalidity from 51 to 60 % ;
5. Category 5 equal to degree of invalidity from 41 to 50 % ;
6. Category 6 equal to degree of invalidity from 31 to 40 % ;
7. Category 7 equal to degree of invalidity from 21 to 30 % ;
8. Category 8 equal to degree of invalidity from 1 to 20 %.

Categories 1 to 5 shall receive monthly invalidity benefit and categories 6 to 8 shall receive a lump sum benefit.

The details on the classification of categories shall be prescribed in a specific regulation.

Article 23 Calculation of Temporary Loss of Working Capacity Benefit

An insured person absent from work to receive medical treatment or rehabilitation due to an employment Injury and occupational diseases shall receive a temporary loss of working capacity benefit. The benefit is equal to seventy percent of the average insurable earning in the last six months for duration of up to six months.

In case of other accidents and illnesses, the temporary loss of working capacity benefit shall be equal to sixty percent of the average insurable earning in the last six months payable for duration of up to three months.

Article 24 Calculation of Lump sum Invalidity Benefit

An insured person suffering invalidity due to an employment Injury and occupational diseases shall receive, for categories 6 to 8, a lump sum benefit equal to the degree of invalidity multiplies by twelve months of his/her average insurable earnings in the last six months.

An insured person suffering invalidity due to other accidents or illnesses shall receive, for categories 6 to 8, a lump sum benefit equal to the degree of invalidity multiplies by ten months of his/her average insurable earnings in the last six months.

Article 25 Calculation of Monthly Invalidity Benefit

An insured person suffering invalidity due to an employment Injury and occupational diseases shall receive, for categories 1 to 5; a monthly benefit equal to the degree of invalidity multiplies by his/her average insurable earnings in the last six months.

If the above beneficiary resumes work or retired, he/she shall receive fifty percent of his/her invalidity benefit.

An insured person suffering invalidity due to other accidents or illnesses shall receive, for categories 1 to 5; a monthly benefit equal to the degree of invalidity multiplies by ninety percent of his/her average insurable earnings in the last six months.

If the above beneficiary resumes work, he/she shall receive fifty percent of his/her invalidity benefit or twenty five percent if retired.

Article 26 Prosthetic Limbs

Prosthetic limbs shall be provided to beneficiaries suffering invalidity due to an employment Injury, occupational diseases, other accidents or illnesses if they face difficulties in physical movement and daily life as determined.

Article 27 Caretaker Benefit

The caretaker of an invalidity beneficiary of category 1 shall be entitled to receive a monthly benefit equal to 70 percent of the invalidity monthly benefit.

Chapter 5 Sickness Benefit

Article 28 Sickness Benefit

Sickness benefit is an income replacement benefit paid to insured person being absent from work due to employment injury, occupational diseases, other accidents, illnesses or convalescence following maternity or miscarriage.

Article 29 Qualifying Conditions of Sickness Benefit

Qualifying conditions for sickness benefit as follows:

1. Has paid contributions to the social security fund for at least three months;
2. Is deprived of his/her salaries or wages;
3. Has medical certification.

Article 30 Calculation of Sickness Cash Benefit

An insured person absent from work to receive medical treatment or rehabilitation due to sickness shall receive sickness benefit equal to seventy percent of the average insurable earning in the last six months for the first duration of up to six months.

Sickness benefit shall be extended for a second period, if still sick and receiving medical treatment, the benefit is equal to sixty percent of his/her insurable earning in the last six months for the last duration of up to six months.

In case the health status of the beneficiary has not improved by then, she/he will be entitled to an invalidity benefit as assessment by medical specialists.

Chapter 6

Pension Benefit

Article 31 Pension Benefit

Pension benefit is a monthly cash benefit paid to insured person who meets the qualifying conditions.

Article 32 Qualifying Conditions for Pension Benefit

Qualifying conditions of pension benefit as follows:

1. Has reached the age of 60 years for males and 55 years for females, and has at least 25 years of public services;
2. For those who joined the National Revolutionary Movement before 1975, invalidity categorized of 1 to 4, or worked in hazardous conditions continuously at least 5 years, who has reached the age of 55 years for male and 50 years for female and has at least 20 years of public services;
3. Having paid contributions to social security fund for at least 20 or 25 years for civil servants, military and police officers.

If an insured person, who has paid contributions to social security fund for more than 25 years, is unhealthy and has not reached the normal pension age for less than 3 years shall entitle to early retirement pension but the pension amount shall be reduced by one percent per a year of early retirement.

4. Having paid contributions to social security fund for at least 15 years for enterprise employees, self-employed insured persons and voluntary insured persons;
5. Having a retirement certificate issued by concerned organizations.

Article 33 Percentage of Pension Benefit

The percentage of pension benefit shall be determined as follows:

1. For Civil servants, military and police officer, the percentage of pension benefit shall be determined based on the following three phases:
 - Those who joined the National Revolutionary Movement from 1954 or prior shall be entitled to a pension benefit percentage ranging from eighty to hundred percent;
 - Those who joined the National Revolutionary Movement from 1955 to 1974 shall be entitled to a pension benefit percentage ranging from seventy five to ninety percent;
 - Those who joined the National Revolutionary Movement from 1975 shall be entitled to a pension benefit percentage ranging from seventy to eighty five percent.

The three above-mentioned phases shall not be applied to the prior pensioners but shall be applied for the coming pensioners.

2. Pension benefit for enterprise employees, self-employed insured person and voluntary insured person is calculated based on pension points multiply by total average insured earnings and setting index.

Article 34 Calculation of Pension Percentage and Pension Benefit

The calculation of pension percentage as follows:

1. The calculation of pension percentage for civil servants, military and police officers is made by comparing the years of services as stipulated in article 32 of this Law with the percentage rate based on three phrases as stipulated in article 33 of this Law as starting point, and adding one percent for each year additional to the minimum years of services.

The monthly pension benefit shall be calculated based on the pension percentage multiplies by the last monthly insurable earnings of the insured person;

2. For enterprise employees, self-employed insured person and voluntary insured person, the calculation shall be made by multiplying the pension points by total average insured earnings and index as prescribed in a specific regulation.

Article 35 Adjustment of Pension Benefit

The Government shall proceed with the adjustment of pension benefit for civil servants, military and police officers based on the adjustment of salary indexes and pension percentage.

The adjustment of pension benefits of enterprise employees, self-employed insured persons and voluntary insured persons shall be prescribed in a specific regulation.

Article 36 Calculation of Lump Sum Benefit

An insured person who does not meet the qualifying conditions for a monthly pension benefit as stipulated in article 32 of this Law, shall be entitled to a lump sum benefit equals to one and a half times of his/her average insurable earning in the last six months multiplied by the number of insurable years or years of services.

Chapter 7

Death Grant Benefit

Article 37 Death Grant Benefit

Death benefits are payable in case of death of an insured person or his/her dependents and consist of funeral grant and family benefits.

Article 38 Qualifying conditions of Death Grant Benefit

Qualifying conditions of death grant benefit as follows:

1. Having paid contributions to social security fund for at least 3 months;
2. A death certificate has been issued.

Qualifying conditions of decease due to battle for national defence shall be prescribed in the specific regulation.

Article 39 Calculation of Death Grant Benefit

The calculation of death grant benefit as follows:

1. Funeral Grant :

- For the death of insured person, pensioner or invalidity person, the funeral grant is payable equal to twelve months of the average of individual insurable earnings or pension benefit or invalidity benefit within the last 6 months.
 - For the death of a dependent spouse, the funeral grant is payable equal to six months of the insured person's average insurable earnings within the last six months.
 - For the death of a dependent child, who has not older than 18 years of age, the funeral grant is payable equal to three months of the insured person's average insurable earnings within the last six months.
2. Family Benefit is payable to the family of a deceased insured person and is equal to the average of individual insurable earnings or pension benefit or invalidity benefit within the last 6 months multiplied by fifteen years of services or insured as starting point. If exceed fifteen years the benefit shall be increased by each two additional years equal to one month.

Article 40 Eligible Person to Receive Death Grant

Eligible person to receive funeral grant and family benefit is spouse or children of the deceased insured person or inheritor or authorized person.

Chapter 8
Family Member Benefit

Article 41 Family Member Benefit

Family member benefit is a monthly benefit provision paid to spouse, children and parents of deceased insured person.

Article 42 Qualifying Conditions of Family Member Benefit

A family member shall be entitled to benefits if the deceased insured person has paid contributions to social security fund for at least five years.

Qualifying conditions of eligible family member as follows:

1. Husband who has reached the age of 60 years or wife who has reached the age of 55 years, have no regular income and are not re-married or invalidity categorized 1;
2. Offspring, step-children and adopted children of the deceased person whose ages not older than 18 years. Child with disability or mentally impaired and not being able to work shall be entitled to the benefit for life.
3. Father who has reached the age of 60 years and mother who has reached the age of 55 years and having no regular income and the deceased is their breadwinner.

Parents whose children all died in the battle field for the national defense shall be entitled to a survivors' benefit for life, no matter whether their deceased children were insured or not.

Article 43 Calculation of Family Member Benefit

Monthly family member benefit shall be calculated as follows:

1. A widow or widower benefit is equal to 30 percent of the last insurable earnings, pension or invalidity benefits of the deceased person;
2. An orphans' benefit is equal to 20 percent of the last insurable earnings, pension or invalidity benefits of the deceased person for each child. If there are many dependent children the orphans' benefits shall not exceed 60 percent of the last insured earnings of the deceased person.

3. A parent benefit is equal to 30 percent of the last insurable earnings, pension or invalidity benefits of the deceased person. If both parents are beneficiaries, their benefit shall not exceed 50 percent of the deceased person's last insurable earnings, pension or invalidity benefits.

All types of family member benefits shall totally not exceed 80 percent of the deceased person's last insurable earnings, pension or invalidity benefits.

Chapter 9

Unemployment Benefit

Article 44 Unemployment Benefit

Unemployment benefit is an income replacement benefit payable to an insured person who is unemployed in any given period of time.

Article 45 Qualifying Conditions

Qualifying conditions of unemployment benefit as follows:

1. Having paid contributions to social security fund for at least twelve months;
2. Unemployment caused by the bankrupt of labour unit or having been laid off;
3. Unemployed with an official certificate for at least 30 days.

Article 46 Calculation of Unemployment Benefit

The calculation of unemployment benefit as follows:

1. Sixty percent of the average insurable earnings within the last six months prior to unemployment;
2. Duration of unemployment benefit payments:
 - Three months if having paid contributions for 12 upto 36 months;
 - Six months if having paid contributions for 37 upto 72 months;
 - Nine months if having paid contributions for 73 upto 144 months;
 - Twelve months if having paid contributions for 145 months or longer;

Article 47 Introduction of Vocational Training

If it's necessary, unemployment beneficiaries shall be advised by the National Social Security Fund on a vocational training offered by relevant training institutions.

Article 48 Job Placement Assistance

Unemployment beneficiary shall receive assistance on job placement and relevant information provided by relevant organizations.

Article 49 Termination of Unemployment Benefit

Unemployment beneficiary shall be terminated in case of as follows:

1. The duration of unemployment benefit ends ;
2. The beneficiary refuses to accept a new offered job without justifiable reason;
3. The beneficiary gets new job;
4. The beneficiary dies.

Chapter 10

Accumulation of Contributions and Insurance Periods

Article 50 Accumulation of Contributions

An insured person, who has discontinued contributions to the social security fund due to job turn-over or temporary stop payment, can continue his/her accumulative contributions for further benefits entitlements.

Article 51 Accumulation of Insurance Periods

An insured person, who is resuming to work and has continued contribution payments, shall have his/her prior insurance periods credited for future benefits entitlements.

Part III

Fund and Board of Directors of the National Social Security Fund

Chapter 1

The National Social Security Fund

Article 52 The National Social Security Fund

The national social security fund is an accumulate contributions from the government, employers, employees, self-employed insured persons and voluntary insured persons to be used for the payment of social security benefits as stipulated in this Law.

The National Social Security Fund, referred to as “NSSF”, is guaranteed by the state and exempted from taxes of any kind for all social security benefits.

Article 53 Types of Sub-Funds

The National Social Security Fund is divided into sub-funds as follows:

1. Health Care Benefit Fund;
2. Employment Injury and Occupational Disease Fund;
3. Short-term Benefit Fund for the payment of sickness, maternity or miscarriage benefits and death grant;
4. Long-term Benefit Fund for the payment of pension, invalidity or family member benefits;
5. Unemployment Benefit Fund.

Each sub-fund shall be allocated resources from the National Social Security Fund used for the payments, reserves and mutual subsidies among sub-funds as prescribed in the specific regulation.

Article 54 Sources of Fund

Sources of the National Social Security Fund generate from the following:

1. Contributing budget as allocated by the government;
2. Contributions from civil servants, military and police officers;
3. Contributions from employers or labour units;
4. Contributions from employees working in the labour units;
5. Contributions from self-employed and voluntary insured persons;
6. Interests or profit returns from the investment of the National Social Security Fund.

The sources of fund in number 1, 2, 3 and 4 above are compulsory while number 5 is a voluntary nature source of fund.

Article 55 Contributions of the Government and Employers

Contributions of the government and employers are determined as follows:

1. The government shall contribute eighth point five percent of the total payroll for the social security benefits of civil servants, military and police officers.

The government shall contribute for self-employed insured persons as prescribed in the specific regulation.

2. Employers shall contribute 6 percent of employees' monthly insurable earnings to the social security fund for the payment of their social security benefits.

Article 56 Contributions of Insured Persons

Contributions of Insured Persons are determined as follows:

1. Civil servants, military and police officers contribute eighth percent of their total monthly salary;
2. Employees working in the labour units contribute five point five percent of their monthly insurable earnings;
3. Pensioners and invalidity beneficiaries contribute at the rate of health care fund;
4. Self-employed and voluntary insured persons contribute for the contribution rates of each type of sub-funds as prescribed in the specific regulation.

Article 57 Adjustments of the Contribution Rates

The government shall adjust the contribution rates as stipulated in articles 55 and 56 of this Law in order to ensure the financial affordability and sustainability of the National Social Security Fund.

Article 58 Expenditures of the Fund

Expenditures of the National Social Security Fund as follows:

1. Expenditures for social security benefits as stipulated in Part II of this Law.
2. Expenditures for benefit adjustments, in particular increases of medical expenditures and other social security benefits.

The costs of administration are financed from the reserve fund as prescribed in the specific regulation.

Article 59 Reserve Fund

The reserves of the National **Board of Directors of the National Social Security Fund** Social Security Fund shall be invested in various forms in order to make the fund growing, strengthening and sustainability based on the agreement of the government.

Chapter 2

Board of Directors of the National Social Security Fund

Article 60 Establishment of Board of Directors of the National Social Security Fund

In order to manage the National Social Security Fund with effectiveness and efficiency, the government appoints a Board of Directors of the National Social Security Fund, which it's a non-standing organisation, has a role to manage and expense the social security fund centrally, accountability, transparency, equity, rapidity and sustainability.

Article 61 Composition of the Board of Directors of the National Social Security Fund

The Board of Directors of the National Social Security Fund is composed of:

1. Minister of Labour and Social Welfares, chair person;
2. Vice-minister of Finance, vice-chair person;
3. Vice-minister of Public Health, vice-chair person;
4. Vice-president of the Lao Federation of Trade Unions, vice-chair person;
5. Vice-president of the National Chamber of Commerce and Industry, vice-chair person;
6. Deputy Director of General Political Department, Ministry of National Defence, member;
7. Director of Policy Department, Ministry of Public Security, member;
8. Director of Social Security Department, Ministry of Labour and Social Welfares, member;
9. Director of Budget Department, Ministry of Finance, member;
10. Director of Civil Servant Management, Ministry of Home Affair, member;
11. Director of Curative Department, Ministry of Public Health, member;
12. Director of Personnel Department, Lao Women's Union, member;
13. Director of Labour Protection Department, Lao Federation of Trade Unions, member;
14. Secretariat of the National Chamber of Commerce and Industry, member;
15. Representatives of other stakeholders concerning to employers and employees, member;
16. Director of the National Social Security Fund, member and secretary.

The Board of Directors of the National Social Security Fund shall be appointed by the Prime Minister based on the proposal of the Minister of Labour and Social Welfare. The Directors of the fund is a secretariat and under supervision of Ministry of Labour and Social Welfare.

The organization, activities, roles and functions of the directors of social security fund shall be prescribed in the specific regulation.

Article 62 Rights and Duties of the Board Directors of the National Social Security Fund

Rights and duties of the Board Directors of the National Social Security Fund are as follows:

1. To consider and approve internal rule and action plans of the National Social Security Fund;
2. To guide, encourages, monitor and inspect the performance of the directors of social security fund;
3. To consider and approve sources of the National Social Security Fund;
4. To consider and determine the rate of sub-funds allocation in order to meet the needs of benefit provisions over a given period as approved by the government;
5. To consider and propose the adjustment of contribution rates and level of benefits to the social security management organization for further submission to the government for approval;
6. To consider setting up a social security member database and issuance of member cards ;
7. To consider monthly, quarterly, semi-annual and annual budgets of benefits and administrative budgets and submit to the social security management organization for approval;
8. To relate and cooperate with foreign countries, regional and international organisations in the field of management of the social security fund as assigned;
9. To summarize and report regularly on the National Social Security Fund's implementation to the social security management organization and to the government;
10. To perform other rights and duties as prescribed in the law or assigned.

Article 63 Meetings of the Board Directors of the National Social Security Fund

Ordinary meetings of the Board Directors of the National Social Security Fund shall be held quarterly to consider and approve important issues regarding the social security fund.

In the case of necessary or emergency the extraordinary meeting can be called by the chair or proposed by at least five members to hold the meeting.

Ordinary meetings can be held only two thirds of the total number of members is presented. Resolution of the meeting shall be effective only when adopted by a majority vote of the participation members. In case of a tied vote, the chairperson shall be entitled to cast the deciding vote.

Part IV

Receiving Social Security Benefits

Chapter 1

Social Security Registration

Article 64 Social Security Registration

Employer, employee and self-employed and voluntary insured persons shall register with the National Social Security Fund in order to pay contributions in accordance with this Law.

Article 65 Social Security Registration Documents

Social security registration documents of employer, employee, self-employed and voluntary insured persons are as follows:

1. Personal information of employer, employee, self-employed and voluntary insured persons as specified in the printed forms;
2. List of employees who registered with social security scheme provided by the concerned employer as specified in the printed forms;
3. Employment contract ;
4. Business license.

Article 66 Submission of Registration Documents and Card Issuance

Submission of registration documents and card issuance must be handled according to the following procedure:

The employer must be submitted all social security registration-related documents to the National Social Security Fund within 30 days after an employment contract has been signed.

Self-employed and voluntarily insured persons must be submitted his/her social security registration documents in a due time;

The National Social Security Fund must be considered social security registrations and proceed with card issuance within 30 days after receiving completed and corrected documents.

Chapter 2

Claim Review and Approval

Article 67 Claims of Social Security Benefits

Insured person who has claims social security benefits must be submitted the required documents to the national social security fund are following:

1. Social security member card;

2. Certificates of medical care, childbirth or miscarriage, employment injury or occupational disease, invalidity, sickness, pension, death grant, family member benefits or unemployment;
3. Other relevant documents.

For health care services in health care facilities, insured persons shall be shown social security card or health insurance card which issued by the National Health Insurance Bureau.

Article 68 Claim Reviews

The Directors of National Social Security Fund must be considered all claims within fifteen days after receiving a completed and corrected claim forms.

Part V Prohibitions

Article 69 Prohibitions for the Social Security Staff

Prohibitions for the social security staff are as follows:

1. To perform unjust, immoral, unfair duties, poor quality, under standard of services and do not follow the regulations toward insured persons;
2. To cheat and corrupt the social security cash benefits, forging documents or using forged documents, deliberate delay, destroy or lose the social security claim documents.
3. Abuse of position, power, duties for the benefits of their own, family and friends, giving, accepting bribes regarding social security affair;
4. Disclosure secret of social security organization;
5. Any conduct violating social security legislation.

Article 70 Prohibitions for Insured Persons and Family Members

Prohibitions for insured persons and family members are as follows:

1. Reporting of false information;
2. Falsification of documents and giving bribes to social security officials;
3. Discrediting or spreading rumours or false information about social security;
4. Committing other acts that violate social security laws and regulations.

Article 71 Prohibitions for Individuals and Organizations

Prohibitions for individual persons and organizations are as follows:

1. To create obstacles hampering the mission of social security officials;
2. To act as middle men for paying and/or receiving bribes in relation to social security
3. To voice or report false information in relation to social security;
4. To assist or protect from punishment civil servants, employees or insured persons who violate social security legislation;
5. Any conduct violating social security laws and regulations.

Part VI

Resolution of Disputes

Article 72 Forms of Resolution of Disputes

Resolution of social security disputes can be proceed through one of the following forms:

1. Compromise or Mediation;
2. Administrative resolution;
3. Resolved by the organization of economic dispute resolution;
4. Judgements of the Court;

Article 73 Compromise or Mediation

In case of the dispute on social security benefit occurs, the concerned parties may use conflict resolution by bargaining, negotiation, agreement or mediation to find a mutually acceptable conclusion.

Article 74 Administrative Resolution

In case of the dispute on social security benefit occurs, the concerned parties may apply to the social security management organization to pronounce an administrative resolution by the law and regulation.

Article 75 Resolved by the Organization of Economic Dispute Resolution

In case of the economic dispute on social security benefit occurs, the concerned parties may submit to the organization of economic dispute resolution for a legal resolution.

Article 76 Judgement by the Court

In case of the dispute on social security occurs, any of parties concerned may submit to the People's Court in accordance with the laws and regulations.

Any international dispute regarding social security matters shall be solved in accordance with international conventions and/or treaties ratified by the Lao PDR.

Part VII

Social Security Management and Inspection

Chapter 1

Social Security Management

Article 77 Social Security Management Organisation

The government manages social security centrally and unity countrywide by mandated the Ministry of Labour and Social Welfare to directly act as the responsible and to coordinate with the concerned ministries and local authorities.

The social security management organization composed of:

- The Ministry of Labour and Social Welfare;
- The Provincial and Capital Department of Labour and Social Welfare;
- The District and Municipal Labour and Social Welfare Office;

If necessary, a labour and social welfare unit could be established at village level.

Article 78 Rights and Duties of the Ministry of Labour and Social Welfare

In managing of social security affairs, the Ministry of Labour and Social Welfare has the following rights and duties:

1. To study and make policies, strategic plans, law and regulations on social security in order to propose to the government for approval;
2. To translate social security policies and strategic plans into work programs, projects and activities for developing the social security system;
3. To disseminate widely and extensively the policy, strategic plans, laws and regulations pertaining to social security matters to the public;
4. To guide, monitor, inspect and evaluate the implementation of social security matters include the national social security fund;
5. To issue decisions, orders and recommendations on social security;
6. To cooperate with the relevant stakeholders and local authorities for the smooth operations of the social security;
7. To consider grievances submitted by individuals, juristic persons and organisations regarding the performance or administrative decisions that may violate social security law and regulations;
8. To consider and propose of an appointment of the board director of National Social Security Fund to the government;
9. To collect statistics on social security target groups and monitor the issuance of social security cards;
10. To guide and improve its lower organisations and develop their capacity in collaboration with provincial and capital authorities;
11. To promote social security and mobilise nationwide all stakeholders concerned from private and public sectors to participate in the social security system;
12. To set up a social security data base;
13. To relate and cooperate with foreign countries, regional and international organisations regarding social security;
14. To summarize and report periodically on the results achieved on the implementation of social security to the government ;
15. To exercise all rights and duties as prescribed in the laws and regulations.

Article 79 Rights and Duties of Provincial and Capital Labour and Social Welfare Sections

In managing of the social security affairs, Provincial and Capital Labour and Social Welfare Sections have the following rights and duties:

1. To translate social security policies and strategic plans into work programs, projects and activities for developing the social security system;
2. To implement law and regulations related to social security and disseminate information and undertake public relations within their provinces or capital;
3. To push and encourage all relevant stakeholders to participate in the social security system;
4. To collect and summarize statistics on target groups that joined the National Social Security Fund and beneficiaries for each type of social security benefits;
5. To monitor, support, inspect and evaluate social security operations frequently;
6. To provide guidance and monitor the use of social security member cards;
7. To propose organisational reforms to the higher authorities and upgrade technical for social security officials;
8. To relate and cooperate with foreign countries on social security as assigned to by the higher authority;
9. To summarize and report periodically on the result of the social security implementation to the Ministry of Labour and Social Welfare and to provincial authorities;
10. To exercise all rights and duties as prescribed in the laws and regulations.

Article 80 Rights and Duties of District and Municipal Labour and Social Welfare Office

In managing of social security affairs, the district and municipal level Labour and Social Welfare Office have the following rights and duties:

1. To elaborate work plans and periodically implement work plans, projects, and activities concerning social security;
2. To collect and summarize statistics on target groups that joined the Social Security Fund and beneficiaries for each type of social security benefits within the area responsibility;
3. To push and encourage all relevant stakeholders to participate in the social security system;
4. To provide guidance and monitor the use of social security member cards;
5. To summarize and report periodically on the result of the social security implementation in its district and municipal to the Provincial or Capital Labour and Social Welfare Section and to district authority;
6. To exercise all rights and duties as prescribed in the laws and regulations.

Chapter 2

Social Security Inspection

Article 81 Social Security Inspection Organization

The Social Security Inspection Organizations are as follows:

1. Internal inspection organization is the one of the social security management organization mentioned in Article 77 of this Law;
2. The external inspection organizations include the following :
 - The National Assembly referring to the Law on Inspection of the National Assembly;
 - The State Inspection and Anti-Corruption organization as prescribed in the Law on State Inspection;
 - The State Auditing organization as prescribed in the Law on Auditing;
 - The Lao Front for National Construction, mass organisations, people and mass media,

The aim of external inspection is to inspect the performance of the social security management organisation to ensure strengthening, accountable, transparency, equitable and efficient.

Article 82 Contents of Social Security Inspections

Inspections of social security activities have the following objects:

- The implementation of policies, strategies, action plans, law and regulations on social security;
- Work and implementation plans, science and technical research projects on social security;
- The work performance of social security officials and benefit provisions;
- Sources of the National Social Security Fund, incomes and expenditures of social security benefits and budget plans of the administration for the fund.

In addition, inspections shall comply with other provisions as prescribed in other relevant laws and regulations.

Article 83 Types of Social Security Inspections

The types of social security inspections are as follows:

1. Regular systematic inspections, which are carried out based on the operational plan on a regular basis and at a specified time;
2. Inspections with advance notification which are inspections outside the operational plan in the event of necessity and of which notice shall be given in advance to the inspecting target;

3. Emergency inspections are urgent inspections carried out when deemed necessary without advance notification inspecting target.

In the social security inspection shall be performed by the law and regulations strictly.

Article 84. Inspection Reports and Correction Measures

The inspection committee must be minuted and report on the result of inspections and propose resolution measures to the responsible organization in case of violations.

The inspection committee must be legally responsible for the findings reported and to ensure confidentiality of all social security documents that are reviewed.

Article 85 Rights and Obligations of the Inspecting Target

An inspecting target has the following rights and obligations:

- To request the inspection committee to represent the agreement and inspection identification cards;
- To complain the relevant organization on the inappropriate inspection as prescribed in the agreement;
- To facilitate the mission of inspections committee by providing requirement documents, information, evidences and answering to the issues raised by the inspection matter;
- To exercise other rights and other obligations as prescribed in the law and regulations.

Part VIII

Award towards Persons with Outstanding Performance and Measures against Violator

Article 86. Award towards Persons with Outstanding Performance

Individuals, juristic persons or organizations with outstanding performance in the implementation of this Law shall be rewarded or receive other award in accordance with laws and regulations.

Article 87 Measures against Violator

Individuals, juristic persons or organizations committed violations of the law and regulations on social security shall be re-educated, disciplinary sanctions, fines and civil or criminal charges depending on the lightly or severity of the violation as prescribed in the laws and regulations.

Article 88 Re-education Measures

Individuals, juristic persons or organizations committed violation on the social security law and regulations, in cases of minor violations and first-time occurrence shall be warned and re-educated.

Article 89 Disciplinary Sanctions

Social security staff, who violates the social security law and regulations which causes a prejudice that is not severe and does not constitute a criminal offense but witness failure to report in good faith, disappear from the mistakes shall be subjected to following disciplinary measures:

1. Receive a censure or warning for the offense, to be recorded in his/her personal profile;
2. Suspension of his/her ranking salary grade and step and other rewards;
3. Removal from the position or transfer to another duty of lower position rank;
4. Lay off without any entitlement to severance pay.

A person facing disciplinary measures must return all gains obtained unlawfully to the concerned organisation.

Article 90 Fine Measures

Individuals, juristic persons or organizations committed violation of the social security law and regulations, in cases that cause a prejudice but do not constitute a criminal offense, shall be fined as the same amount over the value of prejudice caused.

In the case of second-time or serial offenders, fines shall be twice the amount of the prejudice caused and any property obtained through illegal means shall be confiscated.

Article 91 Civil Liability Measures

Individuals, juristic persons or organizations, that causes damage to others due to social security affair shall compensate for the loss or damage created by one own.

Article 92 Penal Measures

An individual person, who commits violations of the social security law and regulations which is a criminal offence shall be prosecuted in accordance with the criminal law depending on the lightly or severity of the violation.

Part IX Final Provisions

Article 93 Implementation

The government of the Lao People's Democratic Republic is entrusted to implement this law.

Article 94 Effectiveness

This law enters into force after sixty days from the date of promulgation of the presidential decree issued by the President of the Lao People's Democratic Republic.

President of the National Assembly

(Seal and Signature)

Pany Yathotou