Moldova

The introduction of a market economy necessitated reform of the benefits system in the Republic of Moldova and this was achieved through new legislation – Law No. 156-XIV, of 14.10.1998, on benefits provided by the State social insurance scheme, which entered into force on 1.1.1999. The law is based on the principles of "insured be-nefit" and "social equity", implying primarily that all participants in the public social insu-rance scheme have equal entitlements, the only difference lying in individual levels of contribution to the scheme.

The sole factors determining the levels of benefit are therefore the period of affiliation to the scheme and the amount of contributions paid. Entitlement to benefit under the scheme thus depends on payment of social insurance contributions at the rate required by current legislation. The level of compulsory contributions to the State social insurance scheme is stipulated in the Law on the State social insurance budget for 2006. For registered self-employed business people the level of contributions is determined under Law No. 93-XIV, of 15.7.1998, on registration for self-employment in business (30% of takings from the time of registration or extension of existing registration, but no less than 2013 lei annually). For lawyers and notaries possessing a statutory licence to practice there is a monthly charge at the rate of 10% of annual income but amounting to no more than three times the national average monthly wage for 2003. Other categories of self-employed persons can conclude an individual contract whereby they pay State social security contributions at the rate of 2013 lei (1795 lei for farmers) per year and thus become entitled to the minimum level of old-age pension and to a single allowance to cover funeral costs. Not insured persons can retroactively (up to five years in the past) adhere to the social security system, by making an individual contract with the national Social Insurance Fund by paying the social security contribution for the year during which one adheres to the system.