

# Social Security Programs Throughout the World: The Americas, 2011



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## Preface

This fourth issue in the current four-volume series of *Social Security Programs Throughout the World* reports on the countries of the Americas. The combined findings of this series, which also includes volumes on Europe, Asia and the Pacific, and Africa, are published at six-month intervals over a two-year period. Each volume highlights features of social security programs in the particular region.

The information contained in these volumes is crucial to our efforts, and those of researchers in other countries, to review different ways of approaching social security challenges that will enable us to adapt our social security systems to the evolving needs of individuals, households, and families. These efforts are particularly important as each nation faces major demographic changes, especially the increasing number of aged persons, as well as economic and fiscal issues.

*Social Security Programs Throughout the World* is the product of a cooperative effort between the Social Security Administration (SSA) and the International Social Security Association (ISSA). Founded in 1927, the ISSA is a nonprofit organization bringing together institutions and administrative bodies from countries throughout the world. The ISSA deals with all forms of compulsory social protection that, by legislation or national practice, are an integral part of a country's social security system.

Previous editions of this report, which date back to 1937, were issued as one volume and were prepared by SSA staff. With the introduction of the four-volume format in 2002, however, the research and writing has been contracted out to the ISSA. The ISSA has conducted the research largely through its numerous country-based correspondents, as well as its social security databases and a myriad of other types of data that must be drawn together to update this report. Members of the ISSA's Social Security Observatory analyzed the information and revised the publication to reflect detailed changes to each social security program. *Social Security Programs Throughout the World* is based on information available to the ISSA and SSA with regard to legislation in effect in July 2011, or the last date for which information has been received.

Barbara Kritzer and John Jankowski managed the preparation of this report. Staff of the Division of Information Resources edited the report and prepared the print and web versions for publication.

Your suggestions and comments on this report are welcome. Any suggestions, comments, or questions about the report should be sent to Barbara Kritzer at [ssptw@ssa.gov](mailto:ssptw@ssa.gov). Corrections, updated information, and copies of relevant documentation and legislation are also welcome and may be sent to:

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This report and other publications are available at <http://www.socialsecurity.gov/policy>. For additional copies, please e-mail [op.publications@ssa.gov](mailto:op.publications@ssa.gov).

**Manuel de la Puente**  
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February 2012

***Errata Policy***

If there are any additions or corrections to the data published herein, they will be posted as errata on the web at <http://www.socialsecurity.gov/policy/docs/progdesc/ssptw/2010-2011/americas/index.html>.

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## Guide to Reading the Country Summaries

This fourth issue in the current four-volume series of *Social Security Programs Throughout the World* reports on the countries of the Americas. The combined findings of this series, which also includes volumes on Europe, Asia and the Pacific, and Africa, are published at six-month intervals over a two-year period. Each volume highlights features of social security programs in the particular region.

This guide serves as an overview of programs in all regions. A few political jurisdictions have been excluded because they have no social security system or have issued no information regarding their social security legislation. In the absence of recent information, national programs reported in previous volumes may also be excluded.

In this volume on the Americas, the data reported are based on laws and regulations in force in July 2011 or on the last date for which information has been received.<sup>1</sup> Information for each country on types of social security programs, types of mandatory systems for retirement income, contribution rates, and demographic and other statistics related to social security is shown in Tables 1–4 beginning on page 17.

The country summaries show each system's major features. Separate programs in the public sector and specialized funds for such groups as agricultural workers, collective farmers, or the self-employed have not been described in any detail. Benefit arrangements of private employers or individuals are not described in any detail, even though such arrangements may be mandatory in some countries or available as alternatives to statutory programs.

The country summaries also do not refer to international social security agreements that may be in force between two or more countries. Those agreements may modify coverage, contributions, and benefit provisions of national laws summarized in the country write-ups. Since the summary format requires brevity, technical terms have been developed that are concise as well as comparable and are applied to all programs. The terminology may therefore differ from national concepts or usage.

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<sup>1</sup> The names of the countries in this report are those used by the U.S. Department of State. The term *country* has been used throughout the volume even though in some instances the term *jurisdiction* may be more appropriate.

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### Sources of Information

Most of the information in this report was collated from the Social Security Programs Throughout the World survey conducted by the International Social Security Association (ISSA) under the sponsorship of the U.S. Social Security Administration (SSA). This information was supplemented by data collected from the ISSA's Social Security Observatory. Empirical data were also provided by numerous social security officials throughout the world. (For a listing of countries and jurisdictions that responded to the survey, see page 2.) Important sources of published information include the ISSA Documentation Service; the legislative database of the International Labour Office; and official publications, periodicals, and selected documents received from social security institutions. Information was also received from the Organisation for Economic Co-operation and Development, the World Bank, the International Monetary Fund, and the United Nations Development Programme. During the compilation process, international analysts at both SSA and the ISSA examined the material for factual errors, ambiguous statements, and contradictions in material from different sources.

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### Types of Programs

The term social security in this report refers to programs established by statute that insure individuals against interruption or loss of earning power and for certain special expenditures arising from marriage, birth, or death. This definition also includes allowances to families for the support of children.

Protection of the insured person and dependents usually is extended through cash payments to replace at least a portion of the income lost as the result of old age, disability, or death; sickness and maternity; work injury; unemployment; or through services, primarily hospitalization, medical care, and rehabilitation. Measures providing cash benefits to replace lost income are usually referred to as income maintenance programs; measures that finance or provide direct services are referred to as benefits in kind.

Three broad approaches to coverage provide cash benefits under income-maintenance programs; namely, employment-related, universal, and means-tested systems. Under both the employment-related and the

universal approaches, the insured, dependents, and survivors can claim benefits as a matter of right. Under means-tested approaches, benefits are based on a comparison of a person's income or resources against a standard measure. Some countries also provide other types of coverage.

### **Employment-Related**

Employment-related systems, commonly referred to as social insurance systems, generally base eligibility for pensions and other periodic payments on length of employment or self-employment or, in the case of family allowances and work injuries, on the existence of the employment relationship itself. The amount of pensions (long-term payments, primarily) and of other periodic (short-term) payments in the event of unemployment, sickness, maternity, or work injury is usually related to the level of earnings before any of these contingencies caused earnings to cease. Such programs are financed entirely or largely from contributions (usually a percentage of earnings) made by employers, workers, or both and are in most instances compulsory for defined categories of workers and their employers.

The creation of notional defined contributions (NDC) is a relatively new method of calculating benefits. NDC schemes are a variant of contributory social insurance that seek to tie benefit entitlements more closely to contributions. A hypothetical account is created for each insured person that is made up of all contributions during his or her working life and, in some cases, credit for unpaid activity such as caregiving. A pension is calculated by dividing that amount by the average life expectancy at the time of retirement and indexing it to various economic factors. When benefits are due, the individual's notional account balance is converted into a periodic pension payment.

Some social insurance systems permit voluntary affiliation of workers, especially the self-employed. In some instances, the government subsidizes such programs to encourage voluntary participation.

The government is, pro forma, the ultimate guarantor of many benefits. In many countries, the national government participates in the financing of employment-related as well as other social security programs. The government may contribute through an appropriation from general revenues based on a percentage of total wages paid to insured workers, finance part or all of the cost of a program, or pay a subsidy to make

### **Countries in the Americas that Responded to the Social Security Programs Throughout the World Survey**

Antigua and Barbuda	Cuba	Nicaragua
Argentina	Dominica	Panama
Bahamas	Dominican Republic	Paraguay
Barbados	Ecuador	Peru
Belize	El Salvador	Saint Kitts and Nevis
Bermuda	Grenada	Saint Lucia
Bolivia	Guatemala	St. Vincent and the Grenadines
Brazil	Guyana	Trinidad and Tobago
British Virgin Islands	Haiti	United States
Canada	Honduras	Uruguay
Chile	Jamaica	Venezuela
Colombia	Mexico	



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up any deficit of an insurance fund. In some cases, the government pays the contributions for low-paid workers. These arrangements are separate from obligations the government may have as an employer under systems that cover government employees. Social security contributions and other earmarked income are kept in a dedicated fund and are shown as a separate item in government accounts. (For further details on the government's role in financing social security, see Source of Funds under Old Age, Disability, and Survivors.)

### **Universal**

Universal programs provide flat-rate cash benefits to residents or citizens, without consideration of income, employment, or means. Typically financed from general revenues, these benefits may apply to all persons with sufficient residency. Universal programs may include old-age pensions for persons over a certain age; pensions for workers with disabilities, widow(er)s, and orphans; and family allowances. Most social security systems incorporating a universal program also have a second-tier earnings-related program. Some universal programs, although receiving substantial support from income taxes, are also financed in part by contributions from workers and employers.

### **Means-Tested**

Means-tested programs establish eligibility for benefits by measuring individual or family resources against a calculated standard usually based on subsistence needs. Benefits are limited to applicants who satisfy a means test. The size and type of benefits awarded are determined in each case by administrative decision within the framework of the law.

The specific character of means, needs, or income tests, as well as the weight given to family resources, differ considerably from country to country. Such programs, commonly referred to as social pensions or equalization payments, traditionally are financed primarily from general revenues.

Means-tested systems constitute the sole or principal form of social security in only a few jurisdictions. In other jurisdictions, contributory programs operate in tandem with income-related benefits. In such instances, means- or income-tested programs may be administered by social insurance agencies. Means-tested programs apply to persons who are not in covered employment or whose benefits under employment-related programs, together with other individual or family resources, are inadequate to meet subsistence or special needs. Although means-tested

programs can be administered at the national level, they are usually administered locally.

In this report, when national means-tested programs supplement an employment-related benefit, the existence of a means-tested program is generally noted, but no details concerning it are given. When a means-tested program represents the only or principal form of social security, however, further details are provided.

### **Other Types of Programs**

Three other types of programs are those delivered, mainly through financial services providers (individual accounts, mandatory occupational pensions, and mandatory private insurance), publicly operated provident funds, and employer-liability systems.

#### **Programs Delivered by Financial Services Providers**

*Individual account.* Applies to a program where covered persons and/or employers contribute a certain percentage of earnings to the covered person's individual account managed by a contracted public or private fund manager. Participation may be mandatory or voluntary. The responsibility to establish membership in a scheme and the option to choose a fund manager lie with the individual. The accumulated capital in the individual account is normally intended as a source of income replacement for the contingencies of retirement, disability, ill health, or unemployment. It may also be possible for eligible survivors to access the accumulated capital in the case of the insured's death.

Contributions are assigned to an employee's individual account. The employee, and sometimes the employer, must pay administrative fees for the management of the individual account and usually purchase a separate policy for disability and survivors insurance.

*Mandatory occupational pension.* Applies to a program where employers are mandated by law to provide occupational pension schemes financed by employer, and in some cases, employee contributions. Benefits may be paid as a lump sum, annuity, or pension.

*Mandatory private insurance.* Applies to a program where individuals are mandated by law to purchase insurance directly from a private insurance company.

**Provident Funds.** These funds, which exist primarily in developing countries, are essentially compulsory savings programs in which regular contributions withheld from employees' wages are enhanced, and often matched, by employers' contributions. The

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contributions are set aside and invested for each employee in a single, publicly managed fund for later repayment to the worker when defined contingencies occur. Typically, benefits are paid in a lump sum with accrued interest, although in certain circumstances drawdown provisions enable partial access to savings prior to retirement or other defined contingencies. On retirement, some provident funds also permit beneficiaries to purchase an annuity or opt for a pension. Some provident funds provide pensions for survivors.

**Employer-Liability Systems.** Under these systems, workers are usually protected through labor codes that require employers, when liable, to provide specified payments or services directly to their employees. Specified payments or services can include the payment of lump-sum gratuities to the aged or disabled; the provision of medical care, paid sick leave, or both; the payment of maternity benefits or family allowances; the provision of temporary or long-term cash benefits and medical care in the case of a work injury; or the payment of severance indemnities in the case of dismissal. Employer-liability systems do not involve any direct pooling of risk, since the liability for payment is placed directly on each employer. Employers may insure themselves against liability, and in some jurisdictions such insurance is compulsory.

### **Format of Country Summaries**

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Each country summary discusses five types of programs:

- Old age, disability, and survivors;
- Sickness and maternity;
- Work injury;
- Unemployment; and
- Family allowances.

### **Old Age, Disability, and Survivors**

Benefits under old age, disability, and survivor programs usually cover long-term risks, as distinct from short-term risks such as temporary incapacity resulting from sickness and maternity, work injury, or unemployment. The benefits are normally pensions payable for life or for a considerable number of years. Such benefits are usually provided as part of a single system with common financing and administration as well as interrelated qualifying conditions and benefit formulas.

The laws summarized under Old Age, Disability, and Survivors focus first on benefits providing

pensions or lump-sum payments to compensate for loss of income resulting from old age or permanent retirement. Such benefits are usually payable after attaining a specified statutory age. Some countries require complete or substantial retirement to become eligible for a pension; other countries pay a retirement pension at a certain age regardless of whether workers retire or not.

The second type of long-term risk for which pensions are provided is disability (referred to in some countries as invalidity). Disability may be generally defined as long-term and more or less total work impairment resulting from a nonoccupational injury or disease. (Disability caused by a work injury or occupational disease is usually compensated under a separate program; see Work Injury.)

The third type of pension is payable to dependents of insured workers or pensioners who die. (Pensions for survivors of workers injured while working are usually provided under a separate Work Injury program.)

**Coverage.** The extent of social security coverage in any given country is determined by a number of diverse factors, including the kind of system, sometimes the age of the system, and the degree of economic development. A program may provide coverage for the entire country or some portion of the workforce.

In principle, universal systems cover the entire population for the contingencies of old age, disability, and survivorship. A person may have to meet certain conditions, such as long-term residence or citizenship. Many countries exclude aliens from benefits unless there is a reciprocal agreement with the country of which they are nationals.

The extent of employment-related benefits is usually determined by the age of the system. Historically, social security coverage was provided first to government employees and military personnel, then to workers in industry and commerce, and eventually extended to the vast majority of wage earners and salaried employees through a general system. As a result, public employees (including military personnel and civil servants), teachers, and employees of public utilities, corporations, or monopolies are still covered by occupation-specific separate systems in many countries.

In many countries, special occupational systems have been set up for certain private-sector employees, such as miners, railway workers, and seamen. Qualifying conditions and benefits are often more liberal

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than under the general system. The risk involved in an occupation, its strategic importance for economic growth, and the economic and political strength of trade unions may have had a role in shaping the type and size of benefits offered by the particular program.

Groups that might be considered difficult to administer—family workers, household workers, day workers, agricultural workers, and the self-employed—were often initially excluded from coverage. The trend has been to extend coverage to these groups under separate funds or to bring them gradually under the general system. In some countries, noncovered workers become eligible for the right to an eventual pension if they make voluntary contributions at a specified level. Some systems also provide voluntary coverage for women who leave the labor force temporarily to have children or to raise a family, or for self-employed persons not covered by a mandatory program. Some developed countries with younger programs have constructed a unified national program, thus largely bypassing the need for developing separate industrial or agricultural funds.

Most developing countries have extended coverage gradually. Their first steps toward creating a social security system have commonly been to cover wage and salary workers against loss of income due to work injury, and then old age and, less commonly, disability.

In a number of developing countries, particularly in those that were once British colonies, this initial step has come via the institutional form of provident funds. Most provident funds provide coverage for wage and salary workers in the government and private sector. A few funds have exclusions based on the worker's earnings or the size of the firm. Funds that exclude employees with earnings above a certain level from compulsory coverage may in some cases give them the option to affiliate or continue to participate voluntarily.

**Source of Funds.** The financing of benefits for old-age, disability, and survivor programs can come from three possible sources:

- A percentage of covered wages or salaries paid by the worker,
- A percentage of covered payroll paid by the employer, and
- A government contribution.

Almost all pension programs under social insurance (as distinct from provident funds or universal systems) are financed at least in part by employer and employee contributions. Many derive their funds

from all three sources. Contributions are determined by applying a percentage to salaries or wages up to a certain maximum. In many cases the employer pays a larger share.

The government's contribution may be derived from general revenues or, less commonly, from special earmarked or excise taxes (for example, a tax on tobacco, gasoline, or alcoholic beverages). Government contributions may be used in different ways to defray a portion of all expenditures (such as the cost of administration), to make up deficits, or even to finance the total cost of a program. Subsidies may be provided as a lump sum or an amount to make up the difference between employer/employee contributions and the total cost of the system. A number of countries reduce or, in some cases, eliminate contributions for the lowest-paid wage earners, financing their benefits entirely from general revenues or by the employer's contribution.

The contribution rate apportioned between the sources of financing may be identical or progressive, increasing with the size of the wage or changing according to wage class. Where universal and earnings-related systems exist side by side, and the universal benefit is not financed entirely by the government, separate rates may exist for each program. In other instances, flat-rate weekly contributions may finance basic pension programs. These amounts are uniform for all workers of the same age and sex, regardless of earnings level. However, the self-employed may have to contribute at a higher rate than wage and salary workers, thereby making up for the employer's share.

For administrative purposes, a number of countries assess a single overall social security contribution covering several contingencies. Benefits for sickness, work injury, unemployment, and family allowances as well as pensions may be financed from this single contribution. General revenue financing is the sole source of income in some universal systems. The contribution of the resident or citizen may be a percentage of taxable income under a national tax program. General revenues finance all or part of the means-tested supplementary benefits in many countries.

Contribution rates, as a rule, are applied to wages or salaries only up to a statutory ceiling. A portion of the wage of highly paid workers will escape taxation but will also not count in determining the benefit. In a few cases, an earnings ceiling applies for the determination of benefits but not for contribution purposes. In some countries, contribution rates are applied not to

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actual earnings but to a fixed amount that is set for all earnings falling within a specified range or wage class.

**Qualifying Conditions.** Qualifying to receive an old-age benefit is usually conditional on two requirements: attainment of a specified age and completion of a specified period of contributions or covered employment. Another common requirement is total or substantial withdrawal from the labor force. In some instances, eligibility is determined by resident status or citizenship.

Old-age benefits generally become payable between ages 60 and 65. In some countries, length-of-service benefits are payable at any age after a certain period of employment, most commonly between 30 and 40 years. In recent years, several countries have increased the age limit for entitlement, in part because of budgetary constraints arising as a consequence of demographic aging.

Many programs require the same pensionable age for women as for men. Others permit women to draw a full pension at an earlier age, even though women generally have a longer life expectancy. Although the norm has been for the differential to be about five years, there is now an emerging international trend toward equalizing the statutory retirement age.

Many programs offer optional retirement before the statutory retirement age is reached. A reduced pension, in some instances, may be claimed up to five years before the statutory retirement age. Some countries pay a full pension before the regular retirement age if the applicant meets one or more of the following conditions: work in an especially arduous, unhealthy, or hazardous occupation (for example, underground mining); involuntary unemployment for a period near retirement age; physical or mental exhaustion (as distinct from disability) near retirement age; or, occasionally, an especially long period of coverage. Some programs award old-age pensions to workers who are older than the statutory retirement age but who cannot satisfy the regular length-of-coverage requirement. Other programs provide increments to workers who have continued in employment beyond the normal retirement age.

Universal old-age pension systems usually do not require a minimum period of covered employment or contributions. However, most prescribe a minimum period of prior residence.

Some old-age pension systems credit periods during which persons, for reasons beyond their control, were not in covered employment. Credits can be awarded for reasons such as disability, involuntary

unemployment, military service, education, child rearing, or training. Other systems disregard these periods and may proportionately reduce benefits for each year below the required minimum. Persons with only a few years of coverage may receive a refund of contributions or a settlement in which a proportion of the full benefit or earnings is paid for each year of contribution.

The majority of old-age pensions financed through social insurance systems require total or substantial withdrawal from covered employment. Under a retirement test, the benefit may be withheld or reduced for those who continue working, depending on the amount of earnings or, less often, the number of hours worked. Universal systems usually do not require retirement from work for receipt of a pension. Provident funds pay the benefit only when the worker leaves covered employment or emigrates.

Some countries provide a number of exemptions that act to eliminate the retirement condition for specified categories of pensioners. For instance, the retirement test may be eliminated for workers who reached a specified age above the minimum pensionable age or for pensioners with long working careers in covered employment. Occupations with manpower shortages may also be exempted from the retirement test.

The principal requirements for receiving a disability benefit are loss of productive capacity after completing a minimum period of work or having met the minimum contribution requirements. Many programs grant the full disability benefit for a two-thirds loss of working capacity in the worker's customary occupation, but this requirement may vary from one-third to 100 percent.

The qualifying period for a disability benefit is usually shorter than for an old-age benefit. Periods of three to five years of contributions or covered employment are most common. A few countries provide disability benefits in the form of an unlimited extension of ordinary cash sickness benefits.

Entitlement to disability benefits may have age limitations. The lower limit in most systems is in the teens, but it may be related to the lowest age for social insurance or employment or to the maximum age for a family allowance benefit. The upper age limit is frequently the statutory retirement age, when disability benefits may be converted to old-age benefits.

For survivors to be eligible for benefits, most programs require that the deceased worker was a pensioner, completed a minimum period of covered employment, or satisfied the minimum contribution conditions. The qualifying contribution period is often

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the same as that for the disability benefit. The surviving spouse and orphans may also have to meet certain conditions, such as age requirements.

**Old-Age Benefits.** The old-age benefit in most countries is a wage-related, periodic payment. However, some countries pay a universal fixed amount that bears no relationship to any prior earnings; others supplement their universal pension with an earnings-related pension.

Provident fund systems make a lump-sum payment, usually a refund of employer and employee contributions plus accrued interest. In programs that have individual accounts, options for retirement include purchasing an annuity, making withdrawals from an account regulated to guarantee income for an expected lifespan (programmed withdrawals), or a combination of the two (deferred annuity).

Benefits that are related to income are almost always based on average earnings. Some countries compute the average from gross earnings, including various fringe benefits; other countries compute the average from net earnings. Alternatively, some countries have opted to use wage classes rather than actual earnings. The wage classes may be based on occupations or, for administrative convenience, on earnings arranged by size using the midpoint in each step to compute the benefit.

Several methods are used to compensate for averages that may be reduced by low earnings early in a worker's career or by periods without any credited earnings due, for example, to unemployment or military service, and for the effects of price and wage increases due to inflation. One method is to exclude from consideration a number of periods with the lowest (including zero) earnings. In many systems the period over which earnings are averaged may be shortened to the last few years of coverage, or the average may be based on years when the worker had his or her highest earnings. Other systems revalue past earnings by applying an index that usually reflects changes in national average wages or the cost of living. Some assign hypothetical wages before a certain date. Alternatively, others have developed mechanisms for automatic adjustment of workers' wage records based on wage or price changes.

A variety of formulas are used in determining the benefit amount. Instead of a statutory minimum, some systems pay a percentage of average earnings—for instance, 35 percent or 50 percent—that is unchanged by length of coverage once the qualifying period is met. A more common practice is to provide a basic rate—for example, 30 percent of average

earnings—plus an increment of 1 percent or 2 percent of earnings either for each year of coverage or for each year in excess of a minimum number of years. Several countries have a weighted benefit formula that returns a larger percentage of earnings to lower-paid workers than to higher-paid workers.

Most systems limit the size of the benefit. Many do so by establishing a ceiling on the earnings taken into account in the computation. Others establish a maximum cash amount or a maximum percentage of average earnings set, for example, at 80 percent. Some systems combine these and other, similar methods.

Most systems supplement the benefit for a wife or child. The wife's supplement may be 50 percent or more of the basic benefit, although in some countries the supplement is payable only for a wife who has reached a specified age, has children in her care, or has a disability. It may also be payable for a dependent husband.

Minimum benefits are intended to maintain a minimum standard of living in many countries, although that objective is not always achieved. A maximum that reduces the effect large families have on benefits is commonly used to limit total benefits, including those of survivors, in the interest of the financial stability of the program.

In some countries, benefits are automatically adjusted to reflect price or wage changes. In other countries, the process is semiautomatic—the adequacy of pensions is reviewed periodically by an advisory board or other administrative body that recommends a benefit adjustment to the government, usually requiring legislative approval.

**Disability Benefits.** Under most programs, provisions for disability benefits for persons who are permanently disabled as the result of nonoccupational causes are very similar to those for the aged. The same basic formula usually applies for total disability as for old age—a cash amount usually expressed as a percentage of average earnings. Increments and dependents' supplements are generally identical under the total disability and old-age programs. For persons with total disabilities, a constant-attendance supplement, usually 50 percent of the benefit, may be paid to those who need help on a daily basis. Partial disability benefits, if payable, are usually reduced, according to a fixed scale. The system may also provide rehabilitation and training. Some countries provide higher benefits for workers in arduous or dangerous employment.

**Survivor Benefits.** Most systems provide periodic benefits for survivors of covered persons or

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pensioners, although some pay only lump-sum benefits. Survivor benefits are generally a percentage of either the benefit paid to the deceased at death or the benefit to which the insured would have been entitled if he or she had attained pensionable age or become disabled at that time.

Survivor benefits are paid to some categories of widows under nearly all programs. The amount of a widow's benefit usually ranges from 50 percent to 75 percent of the deceased worker's benefit or, in some cases, 100 percent. In some countries, lifetime benefits are payable to every widow whose husband fulfills the necessary qualifying period. More commonly, the provision of widows' benefits is confined to widows who are caring for young children, are above a specified age, or have a disability.

Lifetime benefits are ordinarily payable to aged and disabled widows. Those awarded to younger mothers, however, are usually terminated when all children have passed a certain age, unless the widow has reached a specified age or has a disability. Most widows' benefits also terminate on remarriage, although a final lump-sum grant may be payable under this circumstance. Special provisions govern the rights of the divorced. Age limits for orphan's benefits are in many cases the same as for children's allowances. Many countries fix a somewhat higher age limit for orphans attending school or undergoing an apprenticeship or for those who are incapacitated. The age limit is usually removed for orphans with disabilities as long as their incapacity continues. Most survivor programs distinguish between half orphans (who have lost one parent) and full orphans (who have lost both parents), with the latter receiving benefits that are 50 percent to 100 percent larger than those for half orphans. Special payments are also made to orphans under the family allowance programs of some countries.

Benefits are payable under a number of programs to widowers of insured workers or pensioners. A widower usually must have been financially dependent on his wife and either disabled or old enough to receive an old-age benefit at her death. A widower's benefit is usually computed in the same way as a widow's benefit.

Many systems also pay benefits to other surviving close relatives, such as parents and grandparents, but only in the absence of qualifying widows, widowers, or children. The maximum total benefit to be split among survivors is usually between 80 percent and 100 percent of the benefit of the deceased.

**Administrative Organization.** Responsibility for administration generally rests with semiautonomous institutions or funds. These agencies are usually subject to general supervision by a ministry or government department but otherwise are largely self-governing, headed by a tripartite board that includes representatives of workers, employers, and the government. Some boards are bipartite with representatives of workers and employers only or of workers and the government. Where coverage is organized separately for different occupations, or for wage earners and salaried employees or self-employed workers, each program usually has a separate institution or fund. In a few cases, the administration of benefits is placed directly in the hands of a government ministry or department.

### **Sickness and Maternity**

Sickness benefit programs are generally of two types: cash sickness benefits, which are paid when short-term illnesses prevent work, and health care benefits, which are provided in the form of medical, hospital, and pharmaceutical benefits. Some countries maintain a separate program for cash maternity benefits, which are paid to working mothers before and after childbirth. In most countries, however, maternity benefits are administered as part of the cash sickness program. (Benefits provided as a result of work injury or occupational disease are provided either under work injury or sickness programs. Details of the benefits are discussed under Work Injury.)

Cash sickness and maternity benefits as well as health care are usually administered under the same branch of social security. For this reason, these programs are grouped together in the country summaries.

An important reason for grouping these numerous benefits together is that each deals with the risk of temporary incapacity. Moreover, in most instances, such benefits are furnished as part of a single system with common financing and administration. Most countries provide medical care services for sickness and maternity as an integral part of the health insurance system and link those services directly with the provision of cash benefits. In some instances, however, maternity cash grants are covered under family allowance programs. Occasionally, medical care services are provided under a public health program, independent of the social insurance system. Where this dual approach is followed, it has been indicated in the summaries.

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Where health care is dispensed directly by the government or its agencies and the principal source of funds is general revenue, the cash benefit program usually continues to be administered on an insurance basis, funded by payroll contributions, and merged in some instances with other aspects of the social insurance system such as old age and disability. However, countries that deliver health care primarily through private facilities and private funding are also likely to have developed separate programs. Where the social security program operates its own medical facilities, both types of benefits are usually administered jointly.

Benefits designed to assist in the provision of long-term care, often at home, are generally supported by a special tax. Benefit levels are normally set to the level of care required. These benefits may be payable in cash, as care services, or as a combination of the two.

**Coverage.** The proportion of the population covered by sickness programs varies considerably from country to country, in part because of the degree of economic development. Coverage for medical care and cash benefits is generally identical in countries where both types of benefits are provided through the same branch of social insurance. In a number of systems, particularly in developing countries, health care insurance extends only to employees in certain geographic areas. A common procedure is to start the program in major urban centers, then extend coverage gradually to other areas. Both cash sickness and health care programs may exclude agricultural workers, who, in some countries, account for a major proportion of the working population. Where a health insurance system (as distinguished from a national health service program) exists, most workers earning below a certain ceiling participate on a compulsory basis. Others, such as the self-employed, may be permitted to affiliate on a voluntary basis. In several countries, higher-paid employees are specifically excluded from one or both forms of sickness insurance, although some voluntary participation is usually permitted.

Many countries include pensioners as well as other social security beneficiaries under the medical care programs, in some cases without cost to the pensioner. Elsewhere, pensioners pay a percentage of their pension or a fixed premium for all or part of the medical care coverage. Special sickness insurance systems may be maintained for certain workers, such as railway employees, seamen, and public employees.

Where medical care coverage is provided through a national health service rather than social insurance, the program is usually open in principle to virtually all

residents. However, restrictions on services to aliens may apply.

**Source of Funds.** Many countries have merged the financing of sickness programs with that of other social insurance benefits and collect only a single contribution from employees and employers. More commonly, however, employees and employers contribute directly to a separate program that includes both health care and cash benefits for sickness and maternity. Some countries also provide a government contribution. Where medical care is available to residents, generally through some type of national health service, the government usually bears at least the major part of the cost from general revenues.

**Qualifying Conditions.** Generally, a person becoming ill must be gainfully employed, incapacitated for work, and not receiving regular wages or sick-leave payments from the employer to be eligible for cash sickness benefits. Most programs require claimants to meet a minimum period of contribution or to have some history of work attachment prior to the onset of illness to qualify. Some countries, however, have eliminated the qualifying period.

The length of the qualifying period for cash sickness benefits may range from less than one month to six months or more and is ordinarily somewhat longer for cash maternity benefits. Usually the period must be fairly recent, such as during the last six or 12 months. In the case of medical benefits, a qualifying period is usually not required. In instances where such a requirement does exist, it is generally of a short duration. Most programs providing medical services to dependents of workers, as well as to the workers themselves, do not distinguish in their qualifying conditions between the two types of beneficiaries. A few programs require a longer period of covered employment before medical services are provided to dependents.

**Cash Benefits.** The cash sickness benefit is usually 50 percent to 75 percent of current average earnings, frequently with supplements for dependents. Most programs, however, fix a maximum benefit amount or do so implicitly through a general earnings ceiling for contributions and benefits. Benefits may be reduced when beneficiaries are hospitalized at the expense of the social insurance system.

A waiting period of two to seven days is imposed under most cash sickness programs. As a result, benefits may not be payable if an illness or injury lasts for only a few days. Similarly, in the case of a prolonged

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inability to work, benefits may not be payable for the first few days. Under some programs, however, benefits are retroactively paid for the waiting period when the disability continues beyond a specified time, commonly two to three weeks. A waiting period reduces administrative and benefit costs by excluding many claims for short illnesses or injuries during which relatively little income is lost and can also help reduce the potential for the inappropriate use of the system by workers.

The period during which a worker may receive benefits for a single illness or injury, or in a given 12-month period, is ordinarily limited to 26 weeks. In some instances, however, benefits may be drawn for considerably longer and even for an unlimited duration. A number of countries permit the agency to extend the maximum entitlement period to 39 or 52 weeks in specific cases. In most countries, when cash sickness benefits are exhausted, the recipient is paid a disability benefit if the incapacity continues.

Cash maternity benefits are usually payable for a specified period, both before and after childbirth. A woman is almost always required to stop working while receiving maternity benefits, and usually she must use the prenatal and postnatal medical services provided by the system. In some countries, cash maternity benefits are also payable to working men who stay home to care for a newborn child while the mother returns to work. Cash payments may also be available for a parent, usually the mother, who is absent from work to care for a sick child under a specified age.

The proportion of earnings payable as a cash maternity benefit differs considerably from country to country but, like cash sickness benefits, is usually between 50 percent and 75 percent of current earnings. However, in a number of countries, maternity benefits are set at 100 percent of wages. Benefit payments usually start approximately six weeks before the expected date of childbirth and end six to eight weeks afterward.

A nursing allowance—usually 20 percent or 25 percent of the regular maternity benefit and payable for up to six months or longer—may be provided in addition to the basic cash maternity benefit. A grant for the purchase of a layette—clothes and other essentials for the newborn baby—or the provision of a layette itself is furnished under some programs. Finally, a lump-sum maternity grant may be paid on the birth of each child. The wives of insured men may be eligible for this grant. Similar benefits may be provided under the family allowance program.

**Medical Benefits.** Medical services usually include at least general practitioner care, some hospitalization, and essential drugs. Services of specialists, surgery, maternity care, some dental care, a wider range of medicine, and certain appliances are commonly added. Transportation of patients and home-nursing services may be included.

There are three principal methods of meeting the cost of health care: direct payment to providers by the public system or its agents, reimbursement of patients, and direct provision of medical care. These methods may be used in different combinations and may be varied for different kinds of services.

Under direct payment, the social security or public medical care system pays providers directly for services. Patients usually have little or no direct financial dealings with the care provider. Payments for care are commonly made based on contracts with service providers or the professional groups representing them, such as practitioner or hospital associations. Remuneration may take the form of a specified fee for each service, a capitation payment in return for providing all necessary services to a given group of persons, or a salary.

Under the reimbursement method, the patient makes the initial payment and is reimbursed by social security for at least part of the cost. A maximum is sometimes placed on the refund, expressed as a percentage of the bill or a flat amount that can vary with the nature of the service as stipulated in a schedule of fees. The ceiling on medical bills can be placed on the provider when presenting the bill or on the patient when applying for reimbursement. In the latter case, the patient may be reimbursed for only a small portion of the bill.

Under the direct-provision method, the social security system or the government owns and operates its own medical facilities, largely manned by salaried staff. Countries using this method may contract for services of public or private providers. The patient normally pays no fee for most of these services, except insofar as part of the social security contribution may be allotted toward health care funding.

Regardless of the funding method used, all national health care programs provide for at least a small degree of cost-sharing by patients, usually on the assumption that such charges discourage overuse. Thus, the patient either pays part of the cost to the provider or social security agency or receives less than full reimbursement. Even under the direct-provision method, with its emphasis on basically free medical



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services to the whole population, patients are generally required to pay a small fixed fee per medical treatment or prescription or per day of hospitalization.

Some health care systems have no limit on how long medical care may be provided. Other systems fix a maximum, such as 26 weeks, for services provided for any given illness. Some set limits only on the duration of hospitalization paid for by social security. Where time limits are imposed, they may be extended.

**Maternity Care.** Prenatal, obstetric, and postnatal care for working women is provided in most countries under the medical services program. Obstetric care is sometimes limited to the services of a midwife, although a doctor is usually available in case of complications. Care in a maternity home or hospital, as well as essential drugs, are ordinarily furnished where necessary.

**Medical Care for Dependents.** When medical benefits for insured workers are provided through social insurance, similar services are typically furnished to their spouse and young children (and, in some cases, other adults or young relatives living with and dependent on the insured). Maternity care is generally provided to the wife of an insured man.

In some countries, however, medical services available to dependents are more limited than those provided to insured workers or heads of families. Dependents may be subject to a shorter maximum duration for hospital stays, for example, and may have to pay a larger percentage of the cost of certain services such as medicine.

**Administrative Organization.** The administrative organization for the sickness and maternity program is similar to that of the old-age, disability, and survivor program in many countries. Most commonly, such programs are administered by some form of national social security institution. Under some systems, social security agencies own and operate their own medical facilities, furnishing at least part of the services available under their programs.

In most countries with a national health insurance program, responsibility for detailed administration lies with semiautonomous, nongovernment health funds or associations. All workers covered by the program must join one of these funds.

Each health fund usually requires government approval and must satisfy certain requirements. Workers and, in some countries, employers participate in the election of governing bodies. The funds normally collect contributions within minimum and maximum limits. Funds may also receive government subsidies

related to their expenditures or to the number of affiliated members.

National law usually prescribes the minimum (and, in some cases, the maximum) cash benefits and medical services the health funds may provide. In a few countries, individual funds may determine what specific health care benefits and services to provide and arrange to furnish medical care to their members. This arrangement can involve delivery through contracts with care and service providers in the region.

Less commonly, government departments are responsible for the actual provision of medical services, usually through a national health service program. The administrative responsibility for delivering medical services in some countries is often separated from the administration of cash benefit programs, which tend to be linked with other types of social security benefits.

### **Work Injury**

The oldest type of social security—the work injury program—provides compensation for work-connected injuries and occupational illnesses. Such programs usually furnish short- and long-term benefits, depending on both the duration of the incapacity and the age of survivors. Work injury benefits nearly always include cash benefits and medical services. Most countries attempt to maintain separate work injury programs that are not linked directly with other social security measures. In some countries, however, work injury benefits are paid under special provisions of the general social security programs. Both types of programs are dealt with under Work Injury.

**Types of Systems.** There are two basic types of work injury systems: social insurance systems that use a public fund, and various forms of private or semiprivate arrangements required by law. In most countries, work injury programs operate through a central public fund, which may or may not be part of the general social insurance system. All employers subject to the program must pay contributions to the public carrier, which in turn pays the benefits.

Countries that rely primarily on private arrangements require employers to insure their employees against the risk of employment injury. However, in some of these countries, only private insurance is available. In the remainder, a public fund does exist, but employers are allowed the option of insuring with either a private carrier or the public fund.

The premiums charged by private or mutual insurance companies for work injury protection usually

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vary according to the experience of work accidents in different undertakings or industries, and the cost of protection may vary widely. In some countries, however, experience rating has been eliminated, and all employers contribute to the program at one rate.

In other instances, workers' compensation laws simply impose on employers a liability to pay direct compensation to injured workers or their survivors. Employers covered under such laws may simply pay benefits from their own funds as injuries occur or may voluntarily purchase a private or mutual insurance contract to protect themselves against risk.

**Coverage.** Work injury programs commonly cover wage and salary workers and exclude the self-employed. The programs of some of the more highly industrialized nations cover practically all employees. However, many countries either exclude all agricultural employees or cover only those who operate power-driven machinery. Some programs also exclude employees of small enterprises.

**Source of Funds.** Work injury benefits are financed primarily by employer contributions, reflecting the traditional assumption that employers should be liable when their employees suffer work injuries. Where certain elements of the work injury program are meshed with one or more of the other branches of the social insurance system, however, financing usually involves contributions from employees, employers, and the government. Another exception occurs in countries that provide medical treatment for work-connected illnesses under their ordinary public medical care programs.

**Work Injury Benefits.** Work injury programs provide cash benefits and medical benefits. Cash benefits under work injury programs may be subdivided into three types: benefits for temporary disability, those for permanent total disability, and those for permanent partial disability. No qualifying period of coverage or employment is ordinarily required for entitlement to work injury benefits. The concept of work-connected injury has gradually been liberalized in a number of countries to cover injuries occurring while commuting to and from work.

Temporary disability benefits are usually payable from the start of an incapacity caused by a work injury, though some programs require a waiting period of one to three days. Benefits normally continue for a limited period, such as 26 to 52 weeks, depending on the duration of incapacity. If incapacity lasts longer, the temporary disability benefit may be replaced by a permanent disability benefit. In some systems, temporary benefits may continue for an extended period,

particularly if the temporary and permanent benefit amounts are identical.

The temporary benefit is nearly always a fraction of the worker's average earnings during a period immediately before injury, usually at least one-third to one-half. A ceiling may be placed on the earnings considered in computing a benefit. Temporary benefits under work injury programs may be significantly higher than in the case of ordinary sickness. Benefits are reduced under some programs when a worker is hospitalized.

The second type of cash work injury benefit is provided in cases of permanent total disability. Generally, it becomes payable immediately after the temporary disability benefit ceases, based on a medical evaluation that the worker's incapacity is both permanent and total. The permanent total disability benefit is usually payable for life, unless the worker's condition changes. A minority of programs, however, pay only a single lump-sum grant of several years of wages.

The permanent total disability benefit usually amounts to two-thirds to three-fourths of the worker's average earnings before injury, somewhat higher than for ordinary disability benefits. In addition, unlike ordinary disability benefits, the rate usually does not vary based on the length of employment before the injury. Supplements may be added for dependents and for pensioners requiring the constant attendance of another person, in which case benefits may exceed former earnings. In some countries, the benefits of apprentices or new labor force entrants who become permanently disabled as a result of work-connected injury or disease are based on hypothetical lifetime wages or on the wage of an average worker in the particular industry. This mechanism overcomes the problem of establishing a lifetime benefit based on a very low starting wage.

The third type of cash work injury benefit is provided when permanent partial disability results in a worker's loss of partial working or earning capacity. It is usually a portion of the full benefit corresponding to the percentage loss of capacity. Alternatively, permanent partial disability benefits may be paid in the form of a lump-sum grant. Partial disability payments are generally smaller and are usually stipulated in a schedule of payments for particular types of injuries. Some systems pay the benefit as a lump sum when the extent of disability is below a stated percentage, such as 20 percent.

Medical and hospital care and rehabilitation services are also provided to injured workers. Nearly

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always free, they may include a somewhat wider range of services than the general sickness program. Ordinarily, they are available until the worker recovers or the condition stabilizes. In some countries, however, free care is limited, the amount being based on the duration of services or their total cost.

**Survivor Benefits.** Most work injury programs also provide benefits to survivors. These benefits are customarily payable to a widow, regardless of her age, until her death or remarriage; to a widower with a disability; and to orphans below specified age limits. If the benefit is not exhausted by the immediate survivors' claims, dependent parents or other relatives may be eligible for small benefits. No minimum period of coverage is required.

Survivor benefits are computed as a percentage of either the worker's average earnings immediately before death or the benefit payable (or potentially payable) at death. These percentages are typically larger than those for survivor benefits under the general program and do not normally vary with the length of covered employment. They are usually about one-third to one-half of the worker's average earnings for a widow, about half as much for each half orphan, and about two-thirds as much for each full orphan. A limit is commonly placed on the combined total of survivor benefits.

Not all countries, however, provide work injury benefits to survivors, and some do not differentiate between survivors in this category and survivors entitled to benefits under other social insurance programs. Some schemes pay only a lump sum equal to the worker's earnings over a specified number of years. Most systems also pay a funeral grant equivalent to a fixed sum or a percentage of the worker's earnings.

**Administrative Organization.** The functions involved in administering work injury programs differ widely between countries in which employers are not required to insure or can insure with private carriers and those in which a public agency or fund has sole responsibility for both collecting contributions and paying benefits.

### **Unemployment**

Benefits in this category provide compensation for the loss of income resulting from involuntary unemployment. In some countries, these programs are independent of other social security measures and may be closely linked with employment services. In other countries, the unemployment programs are included with social security measures covering other short-term risks, although employment services

may continue to verify unemployment and assist in a job search.

Unemployment programs, which exist mainly in industrialized countries, are compulsory and fairly broad in scope in many countries. Some countries restrict benefits to those who satisfy a means or income test. In addition to the programs offering scheduled payments, a number of countries provide lump-sum grants, payable by either a government agency or the employer; other countries provide individual severance accounts, providing total benefits equal to the value of accumulated capital in the individual account. In addition, employers in many instances are required to pay lump-sum severance indemnities to discharged workers.

**Coverage.** About half of the compulsory unemployment programs cover the majority of employed persons, regardless of the type of industry. Coverage under the remaining programs is limited to workers in industry and commerce. A few exclude salaried employees earning more than a specified amount. Some have special provisions covering temporary and seasonal employees. Several countries have special occupational unemployment programs, most typically for workers in the building trades, dockworkers, railway employees, and seafarers.

Voluntary insurance systems are limited to industries in which labor unions have established unemployment funds. Membership in these funds is usually compulsory for union members in a covered industry and may be open on a voluntary basis to nonunion employees. Uninsured workers, such as recent school graduates or the self-employed, for example, may be eligible for a government-subsidized assistance benefit when they become unemployed.

**Source of Funds.** The methods used to finance unemployment insurance are usually based on the same contributory principles as for other branches of social insurance—contributions amounting to a fixed percentage of covered wages are paid on a scheduled basis. In many cases, the government also grants a subsidy, particularly for extended benefits.

Unemployment insurance contributions are shared equally between employees and employers in many countries. Alternatively, the entire contribution may be made by the employer. However, government subsidies may be quite large, amounting to as much as two-thirds of the program's expenditures. Means-tested unemployment assistance programs are financed entirely by governments, with no employer or employee contribution.

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**Qualifying Conditions.** To be entitled to unemployment benefits, a worker must be involuntarily unemployed and have completed a minimum period of contributions or covered employment. The most common qualifying period is six months of coverage within the year before employment ceased. In a number of industrialized countries, however, students recently out of school who are unable to find jobs may be eligible for unemployment benefits, even without a work record. This benefit provides a transition from school to work, particularly in periods of recession.

Nearly all unemployment insurance programs, as well as those providing unemployment assistance, require that applicants be capable of, and available for, work. An unemployed worker, therefore, is usually ineligible for unemployment benefits when incapacitated or otherwise unable to accept a job offer. Usually, the unemployed worker must register for work at an employment office and report regularly for as long as payments continue. This close linkage between unemployment benefits and placement services ensures that benefits will be paid only after the person has been informed of any current job opportunities and been found unsuitable.

An unemployed worker who refuses an offer of a suitable job without good cause usually will have benefits temporarily or permanently suspended. Most programs stipulate that the job offered must have been suitable for the worker. The definitions of suitable employment vary considerably. Generally, the criteria include the rate of pay for the job being offered in relation to previous earnings; distance from the worker's home; relationship to the worker's previous occupation, capabilities, and training; and the extent to which the job may involve dangerous or unhealthy work. In some countries, long-term unemployed workers may also be obliged to undertake employment retraining programs. Some countries also provide the unemployed with access to educational placements. If an unemployed worker refuses a place on a retraining program or fails, without good cause, to attend an educational placement, benefits can be temporarily or permanently suspended.

An unemployed worker may satisfy all of the qualifying conditions for a benefit but still be temporarily or permanently disqualified. Nearly all unemployment systems disqualify a worker who left voluntarily without good cause, was dismissed because of misconduct, or participated in a labor dispute leading to a work stoppage that caused the unemployment. The period of disqualification varies considerably, from a few weeks to permanent disqualification.

**Unemployment Benefits.** Weekly benefits are usually a percentage of average wages during a recent period. A system of wage classes rather than a single fixed percentage is used in some countries. The basic rate of unemployment benefits is usually between 40 percent and 75 percent of average earnings. However, a ceiling on the wages used for benefit computations or maximum benefit provisions may considerably narrow the range within which the basic percentage of wages applies.

Flat-rate amounts are sometimes payable instead of graduated benefits that vary with past wages and customarily differ only according to the family status or, occasionally, the age of the worker. Supplements for a spouse and children are usually added to the basic benefit of unemployed workers who are heads of families. These supplements are either flat-rate amounts or an additional percentage of average earnings.

Most countries have a waiting period of several days before unemployment benefits become payable to reduce the administrative burden of dealing with a very large number of small claims. Most waiting periods are between three and seven days. Some programs have a waiting period for each incident of unemployment, and others limit eligibility to once a year. Longer waiting periods may be prescribed for certain workers, such as the seasonally employed.

Most countries place a limit on the period during which unemployment benefits may be continuously drawn. Typically, this limit varies from eight to 36 weeks but may be longer in certain cases.

Duration of benefits may also depend on the length of the preceding period of contribution or coverage under the program. That criterion may reduce the maximum duration of unemployment benefits for workers with brief work histories. However, workers with a long history of coverage may, under some programs, have their benefit period extended well beyond the ordinary maximum.

Many unemployed workers who exhaust the right to ordinary benefits continue to receive some assistance, provided their means or incomes are below specified levels. Recipients are usually required to continue registering and reporting at an employment exchange. Some countries that have unemployment assistance but no insurance program do not place any limit on the duration of payments. A number of countries require that insured workers approaching retirement age who have been out of work for a specified period be removed from the unemployment rolls and granted a regular old-age benefit.

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**Administrative Organization.** Unemployment insurance systems may be administered by government departments or self-governing institutions that are usually managed by representatives of insured persons, employers, and the government.

Unemployment insurance and placement service programs usually maintain a close administrative relationship that ensures that benefits are paid only to workers who are registered for employment. At the same time, this liaison increases the effectiveness of the placement services by providing an incentive, through payment of benefits, for unemployed persons to register and report regularly.

Some countries have merged the administration of unemployment insurance and employment service programs, especially at the lower administrative levels where claims are received and benefits are paid by the local employment office. Other countries require persons to register with a local employment office, but the receipt of claims and payment of benefits are handled by a separate insurance office.

In addition to providing an income for the unemployed, many governments have elaborate measures to prevent or counteract unemployment. The typical procedure is for government employment services to work with industry to promote occupational and geographic mobility of labor and to minimize unemployment caused by economic or technological developments; they do that by subsidizing the retraining and relocation of workers in industries that are declining or being restructured. Governments may grant tax and other incentives to industry to locate in areas of high unemployment, or they may allocate funds to create jobs in anticipation of periods of seasonal unemployment.

### **Family Allowances**

The general purpose of family allowance programs is to provide additional income for families with young children to meet at least part of the added costs of their support. These programs may either be integrated with other social security measures or kept entirely separate. In this report, family allowances primarily include regular cash payments to families with children. In some countries, they also include school grants, birth grants, maternal and child health services, and allowances for adult dependents.

Most industrialized countries have family allowance programs that originated in Europe in the 19th century when some large companies began paying premiums to workers with large families. The idea spread gradually, and several European countries

enacted programs during the 1920s and 1930s. Most programs in operation today, however, have been in place since 1945.

**Types of Systems and Coverage.** Family allowance programs are of two types: universal and employment-related. The first category, in principle, provides allowances to all resident families with a specified number of children. The second category provides allowances to all wage and salary workers and, in some cases, the self-employed. A few systems cover some categories of nonemployed persons as well. Most employment-related programs continue to pay family allowances to insured persons with dependent children in their care when they retire or are temporarily off the job and receiving sickness, unemployment, work injury, disability, or other benefits. Employment-related family programs also pay allowances to widows of social security beneficiaries.

**Source of Funds.** The differences in family allowance programs are reflected in the methods used for financing. In universal systems, the entire cost is usually covered by general revenue. By contrast, countries linking eligibility with employment meet the cost of allowances entirely or in considerable part from employer contributions, usually at a uniform percentage-of-payroll rate. If employer contributions do not cover the entire cost, the remainder is usually met from a government subsidy. Few countries require an employee contribution toward family allowances, although some require self-employed persons to contribute.

**Eligibility.** Eligibility is commonly related to the size of the family and, in some cases, to family income. Many countries pay allowances beginning with the first child. In addition, some countries pay an allowance for a nonemployed wife or other adult dependent, even if there are no children.

In some countries, families with only one child are ineligible. Age requirements vary but are usually tied to the last year of school or the minimum working age, which are often the same and fall somewhere between ages 14 and 18. Under most programs, the continuation of schooling, apprenticeship, or vocational training qualifies a child for an extension of the age limit. In the case of children with disabilities, many countries extend the age limit beyond that for continued education or pay allowances indefinitely.

**Benefits.** Whether a program pays a uniform rate for all children or an increasing or decreasing amount for each additional child may reflect the history or the intent of the program. The allowance structure may

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vary, for example, depending on whether the primary intent is to provide assistance or stimulate population growth. The allowance in most countries is a uniform amount for every child, regardless of the number of children in a family. The allowance in most of the other countries increases for each additional child; the payment for a fifth child, for example, may be considerably larger than that for the first or second child. In a few countries, the allowance per child diminishes or ceases with the addition of children beyond a certain number. In some countries, family allowances (and tax exemptions for dependent family members) have been replaced or supplemented by credits or other forms of a negative income tax.

**Administrative Organization.** In countries where family allowances are available to all families and financed from general revenues, the program is usually administered by a government department. Where allowances are payable mainly to families of employed persons and financed primarily from employer contributions, the administration may be by a semiautonomous agency under public supervision. Equalization funds may handle the program's financial operations. Each employer pays family allowances to its employees with their wages. The firm then settles with the local fund only the surplus or deficit of contributions due, after deducting allowances the firm has paid. A similar procedure of settling only surpluses or deficits is followed by the local funds in relation to the regional equalization funds under whose supervision they operate. The equalization process makes it possible to fix a uniform contribution rate for all employers, regardless of the number of children in their employees' families. It also eliminates any effect allowances might have on inducing employers to discriminate in hiring workers with children.

**Table 1.**  
**Types of social security programs**

Country	Old age, disability, and survivors	Sickness and maternity			Unemployment	Family allowances
		Cash benefits for both	Cash benefits plus medical care <sup>a</sup>	Work injury		
Antigua and Barbuda	X	X	X	b	b	b
Argentina	X	X	X	X	X	X
Bahamas	X	X	b	X	X	b
Barbados	X	X	b	X	X	b
Belize	X	X	b	X	b	b
Bermuda	X	b	c	X	b	b
Bolivia	X	X	X	X	b	X
Brazil	X	X	X	X	X	X
British Virgin Islands	X	X	b	X	b	b
Canada	X	X	X	X	X	X
Chile	X	X	X	X	X	X
Colombia	X	X	X	X	X	X
Costa Rica	X	X	X	X	b	X
Cuba	X	X	X	X	b	X
Dominica	X	X	b	X	b	b
Dominican Republic	X	X	X	X	b	d
Ecuador	X	X	X	X	X	b
El Salvador	X	X	X	X	b	b
Grenada	X	X	b	X	b	b
Guatemala	X	X	X	X	b	b
Guyana	X	X	b	X	b	b
Haiti	X	b	b	X	b	b
Honduras	X	X	X	X	b	b
Jamaica	X	e	X	X	b	X
Mexico	X	X	X	X	X	X
Nicaragua	X	X	X	X	b	X
Panama	X	X	X	X	b	b
Paraguay	X	X	X	X	b	b
Peru	X	X	X	X	b	b
Saint Kitts and Nevis	X	X	b	X	b	b
Saint Lucia	X	X	b	X	b	b

(Continued)

**Table 1.**  
**Types of social security programs—Continued**

Country	Old age, disability, and survivors	Sickness and maternity		Work injury	Unemployment	Family allowances
		Cash benefits for both	Cash benefits plus medical care <sup>a</sup>			
Saint Vincent and the Grenadines	X	X	b	X	b	b
Trinidad and Tobago	X	X	b	X	b	X
United States	X	X	X	X	X	X
Uruguay	X	f	f	X	X	X
Venezuela	X	X	X	X	X	e

SOURCE: Based on information in the country summaries in this volume.

- a. Coverage is provided for medical care, hospitalization, or both.
- b. Has no program or information is not available.
- c. Medical benefits only.
- d. Coverage is provided under other programs.
- e. Maternity benefits only.
- f. Some coverage is provided under other programmes.



**Table 2.**  
**Types of mandatory systems for retirement income**

Country	Flat-rate	Earnings-related	Means-tested	Flat-rate universal	Provident funds <sup>a</sup>	Occupational retirement schemes	Individual retirement schemes
Antigua and Barbuda		X	X				
Argentina	X	X	X				
Bahamas		X	X				
Barbados		X	X				
Belize		X	X				
Bermuda	X <sup>b</sup>		X			X	
Bolivia			X	X			X
Brazil		X	X				
British Virgin Islands		X					
Canada		X	X	X <sup>c</sup>			
Chile		X <sup>d</sup>	X				X <sup>e</sup>
Colombia		X					X <sup>e</sup>
Costa Rica		X	X				X
Cuba		X	X				
Dominica		X					
Dominican Republic		X	X				X
Ecuador		X	X <sup>f</sup>				X
El Salvador		X <sup>d</sup>					X <sup>e</sup>
Grenada		X					
Guatemala		X					
Guyana		X					
Haiti		X					
Honduras		X					
Jamaica	X <sup>g</sup>	X <sup>g</sup>					
Mexico		X <sup>d</sup>					X <sup>e</sup>
Nicaragua		X	X				
Panama		X					X
Paraguay		X					
Peru		X					X <sup>e</sup>
Saint Kitts and Nevis		X	X				
Saint Lucia		X					

(Continued)

**Table 2.**  
**Types of mandatory systems for retirement income—Continued**

Country	Flat-rate	Earnings-related	Means-tested	Flat-rate universal	Provident funds	Occupational retirement schemes	Individual retirement schemes
Saint Vincent and the Grenadines		X					
Trinidad and Tobago		X	X				
United States		X	X				
Uruguay		X	X				X
Venezuela	X <sup>g</sup>	X <sup>g</sup>					

SOURCE: Based on information in the country summaries in this volume.

NOTE: The types of mandatory systems for retirement income are defined as follows:

**Flat-rate pension:** A pension of uniform amount or one based on years of service or residence but independent of earnings. It is financed by payroll tax contributions from employees, employers, or both.

**Earnings-related pension:** A pension based on earnings. It is financed by payroll tax contributions from employees, employers, or both.

**Means-tested pension:** A pension paid to eligible persons whose own or family income, assets, or both fall below designated levels. It is generally financed through government contributions with no contributions from employers or employees.

**Flat-rate universal pension:** A pension of uniform amount normally based on residence but independent of earnings. It is generally financed through government contributions with no contributions from employers or employees.

**Provident funds:** Employee and employer contributions are set aside for each employee in publicly managed special funds. Benefits are generally paid as a lump sum with accrued interest.

**Occupational retirement schemes:** Employers are required by law to provide private occupational retirement schemes financed by employer and, in some cases, employee contributions. Benefits are paid as a lump sum, annuity, or pension.

**Individual retirement schemes:** Employees and, in some cases, employers must contribute a certain percentage of earnings to an individual account managed by a public or private fund manager chosen by the employee. The accumulated capital in the individual account is used to purchase an annuity, make programmed withdrawals, or a combination of the two and may be paid as a lump sum.

- a. No country in the Americas has a provident fund. The column in this table is to facilitate comparisons with countries in other regions.
- b. The benefit increases with the length of the contribution period.
- c. The universal pension is increased by an income-tested supplement.
- d. The earnings-related social insurance system is closed to new entrants and is being phased out.
- e. The government provides a guaranteed minimum pension.
- f. The means-tested pension has not been implemented.
- g. The pension formula contains a flat-rate component and an earnings-related element.

**Table 3.**  
**Demographic and other statistics related to social security, 2011**

Country	Total population (millions)	Percentage 65 or older	Dependency ratio <sup>a</sup>	Life expectancy at birth (years)		Statutory pensionable age		Early pensionable age <sup>b</sup>		GDP per capita (US\$)
				Men	Women	Men	Women	Men	Women	
Antigua and Barbuda	0.088	6.8	48.4	73.5	77.6	60	60	c	c	18,778
Argentina	40.4	10.6	54.9	72.4	79.9	65	60	c	c	14,538
Bahamas	0.343	6.8	41.3	72.7	78.9	65	65	60	60	28,700
Barbados	0.273	11.4	40.5	73.9	80.3	66	66	60	60	21,800
Belize	0.312	4.0	63.7	74.9	77.8	65	65	60	60	6,628
Bermuda	0.069	15.1	49.3	77.5	84.0	65	65	c	c	69,900
Bolivia	9.9	4.7	68.8	64.8	69.4	58	58	c	c	4,419
Brazil	194.9	7.0	48.0	70.7	77.4	65d	60d	c	c	10,367
British Virgin Islands	0.025	6.3	35	76.3	79.0	65	65	c	c	38,500
Canada	34.0	14.1	44.0	78.9	83.5	65	65	c	c	37,808
Chile	17.1	9.3	45.7	76.2	82.4	65	60	c	c	14,311
Colombia	46.3	5.6	52.3	70.4	77.7	60	55	c	c	8,959
Costa Rica	4.7	6.5	45.8	77.1	82.0	65	65	62	60	11,106
Cuba	11.3	12.4	42.3	77.4	81.3	65	60	c	c	9,900
Dominica	0.073	10.3	49.7	73.0	79.0	60	60	c	c	8,883
Dominican Republic	9.9	6.3	59.5	71.2	76.6	60	60	55	55	8,433
Ecuador	14.5	6.2	57.7	73.0	78.9	60	60	c	c	8,268
El Salvador	6.2	7.0	63.8	67.7	77.1	60	55	c	c	6,629
Grenada	0.104	7.2	52.4	74.5	77.7	60	60	c	c	8,362
Guatemala	14.4	4.3	84.5	68.0	75.1	60	60	c	c	4,720
Guyana	0.754	4.3	60.8	67.2	73.5	60	60	c	c	3,240
Haiti	10.0	4.4	67.6	61.1	63.9	55	55	c	c	1,151
Honduras	7.6	4.3	69.7	71.3	75.9	65	60	c	c	3,842
Jamaica	2.7	7.8	58.4	70.9	76.0	65	60	c	c	7,633
Mexico	113.4	6.3	54.9	74.8	79.6	65	65	60	60	14,258
Nicaragua	5.8	4.6	64.2	71.4	77.5	60	60	c	c	2,641
Panama	3.5	6.6	55.1	73.9	79.1	62	57	60	55	13,057
Paraguay	6.5	5.1	63	70.8	74.9	60	60	55	55	4,523
Peru	29.1	6.1	56.4	71.7	76.9	65	65	55	50	8,629
Saint Kitts and Nevis	0.051	7.6	41.8	72.3	77	62	62	c	c	14,527
Saint Lucia	0.174	6.7	48.7	72.2	77.5	63	63	60	60	9,605

(Continued)

**Table 3.**  
**Demographic and other statistics related to social security, 2011—Continued**

Country	Total population (millions)	Percentage 65 or older	Dependency ratio <sup>a</sup>	Life expectancy at birth (years)		Statutory pensionable age		Early pensionable age <sup>b</sup>		GDP per capita (US\$)
				Men	Women	Men	Women	Men	Women	
Saint Vincent and the Grenadines	0.109	6.8	49.3	70.5	74.7	60	60	c	c	9,154
Trinidad and Tobago	1.3	7.0	38.0	66.9	73.8	60	60	c	c	25,572
United States	310.4	13.1	49.6	76.2	81.3	66	66	62	62	45,989
Uruguay	3.4	13.8	56.9	73.7	80.7	60	60	c	c	13,189
Venezuela	29.0	5.6	54	71.8	77.7	60	55	c	c	12,323

SOURCES: United Nations Population Division, Department of Economic and Social Affairs. *World Population Prospects: The 2010 Revision Population Database*, available at [http://esa.un.org/unpd/wpp/unpp/panel\\_indicators.htm](http://esa.un.org/unpd/wpp/unpp/panel_indicators.htm) (2010); *Human Development Report 2011*, prepared for the United Nations Development Programme (Palgrave Macmillan, 2011); U.S. Central Intelligence Agency. *The World Factbook, 2011* (Washington D.C.: Central Intelligence Agency, 2011).

NOTES: Information on statutory and pensionable ages is taken from the country summaries in this volume.

GDP = gross domestic product.

- a. Population aged 14 or younger plus population aged 65 or older, divided by population aged 15–64.
- b. General early pensionable age only; excludes early pensionable ages for specific groups of employees.
- c. The country has no early pensionable age, has one only for specific groups, or information is not available.

**Table 4.**  
**Contribution rates for social security programs, 2011 (in percent)**

Country	Old age, disability, and survivors			All social security programs <sup>a</sup>		
	Insured person	Employer	Total	Insured person	Employer	Total
Antigua and Barbuda	3 <sup>b</sup>	5 <sup>b</sup>	8 <sup>b</sup>	3	5	8
Argentina	11	10.17	21.17	14	21.5 <sup>c</sup>	35.5
Bahamas	3.9 <sup>b</sup>	5.9 <sup>b</sup>	9.8 <sup>b</sup>	4.4	6.4 <sup>c</sup>	10.8
Barbados	5.93 <sup>b</sup>	5.93 <sup>b</sup>	11.86 <sup>b</sup>	6.68	6.68	13.36
Belize	<sup>d</sup>	<sup>d</sup>	<sup>d</sup>	<sup>d</sup>	<sup>d</sup>	<sup>d</sup>
Bermuda	5 <sup>e</sup>	5 <sup>e</sup>	10 <sup>e</sup>	5 <sup>e</sup>	5 <sup>e</sup>	10 <sup>e</sup>
Bolivia	11.71	0	11.71	11.17	10 <sup>c,f</sup>	21.17
Brazil	8 <sup>b</sup>	20 <sup>b</sup>	28 <sup>b</sup>	8	21	29 <sup>g</sup>
British Virgin Islands	3.25	3.25	6.5	4	4.5	8.5
Canada	4.95	4.95	9.9	6.73	7.44 <sup>c,h</sup>	14.17 <sup>h,i</sup>
Chile	10 <sup>j</sup>	0 <sup>j,k</sup>	10 <sup>j,k</sup>	17.6	3.35	20.95 <sup>i</sup>
Colombia	4	12	16	8	37.148	45.148
Costa Rica	3.67	8.17	11.84	9.17	17.42 <sup>c</sup>	26.59 <sup>i</sup>
Cuba	1	12.5 <sup>l</sup>	13.5 <sup>l</sup>	1	12.5	13.5
Dominica	4 <sup>b</sup>	6.75 <sup>b</sup>	10.75 <sup>b</sup>	4	6.75 <sup>c</sup>	10.75
Dominican Republic	2.87	7.10	9.97	5.91	14.19 <sup>c</sup>	20.1
Ecuador	6.64 <sup>l</sup>	3.1 <sup>l</sup>	9.74 <sup>l</sup>	8.64	10.36	19
El Salvador	6.25	4.05 <sup>j,k</sup>	10.3 <sup>j,l</sup>	9.25	11.55	20.8
Grenada	4 <sup>b</sup>	5 <sup>b</sup>	9 <sup>b</sup>	4	5	9
Guatemala	1.83	3.67	5.5	4.83	6.67 <sup>m</sup>	11.5
Guyana	5.2 <sup>b</sup>	7.8 <sup>b</sup>	13 <sup>b</sup>	5.2	7.8	13
Haiti	6	6	12	6	8	14
Honduras	1	2	3	3.5	7.02	10.7
Jamaica	2.5 <sup>b</sup>	2.5 <sup>b</sup>	5 <sup>b</sup>	2.5	2.5	5 <sup>i</sup>
Mexico	1.75	6.9	8.65	2	8.6 <sup>c,n</sup>	10.6
Nicaragua	4 <sup>b</sup>	7 <sup>b</sup>	11 <sup>b</sup>	6.25	14.5	20.75
Panama	8.5	4	12.5	9	12 <sup>c</sup>	21
Paraguay	9 <sup>b</sup>	14 <sup>b</sup>	23 <sup>b</sup>	9	14	23
Peru	0	0	0	13 <sup>o</sup>	9.63	22.63 <sup>o</sup>
Saint Kitts and Nevis	5 <sup>b</sup>	5 <sup>b</sup>	10 <sup>b</sup>	5	6	11
Saint Lucia	5 <sup>b</sup>	5 <sup>b</sup>	10 <sup>b</sup>	5	5	10

(Continued)

**Table 4.**  
**Contribution rates for social security programs, 2011 (in percent)—Continued**

Country	Old age, disability, and survivors			All social security programs <sup>a</sup>		
	Insured person	Employer	Total	Insured person	Employer	Total
Saint Vincent and the Grenadines	3.5 <sup>b</sup>	4.5 <sup>b</sup>	8 <sup>b</sup>	3.5	5	8.5
Trinidad and Tobago	3.2	6.4	9.6	3.605	7.21	10.815 <sup>i</sup>
United States	6.2 <sup>p</sup>	6.2	10.4	5.65	9.7 <sup>c</sup>	17.35 <sup>a,i</sup>
Uruguay	15 <sup>q</sup>	7.5 <sup>q</sup>	22.5 <sup>q</sup>	18	12.5 <sup>c</sup>	30.5 <sup>g,l,q</sup>
Venezuela	4 <sup>l</sup>	9 <sup>l</sup>	15 <sup>l</sup>	6.5	11.75	18.25

SOURCE: Based on information in the country summaries in this volume.

- a. Includes Old Age, Disability, and Survivors; Sickness and Maternity; Work Injury; Unemployment; and Family Allowances. In some countries, the rate may not cover all of these programs. In some cases, only certain groups, such as wage earners, are represented. When the contribution rate varies, either the average or the lowest rate in the range is used.
- b. Also includes the contribution rates for other programs.
- c. Employers pay the total cost of work injury benefits.
- d. A flat-rate weekly contribution to finance all benefits is paid according to eight earnings classes.
- e. Plus flat-rate social insurance contributions.
- f. Employers pay the total cost of family allowances.
- g. Government pays the total cost of unemployment benefits.
- h. Contributions may be higher in some provinces.
- i. Government pays the total cost of family allowances.
- j. Contributions finance old-age benefits only.
- k. Separate premiums are paid for survivors and disability insurance.
- l. Different rates for public and private sector workers.
- m. Plus a flat-rate contribution for sickness and maternity.
- n. Plus contributions for medical benefits.
- o. Different contribution rates exist for insured persons. For old age, rates are 10% (individual account) and 13% (social insurance). Survivors and disability insurance is separate.
- p. Temporarily reduced to 4.2% from 2011 through 2012.
- q. The individual account has a separate survivors and disability insurance.

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A grayscale topographic map of North and South America, showing terrain features like mountains and rivers. The map is centered on the continent and occupies the middle portion of the page.

# **Country Summaries**

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## Antigua and Barbuda

Exchange rate: US\$1.00 = 2.70 East Caribbean dollars (EC\$).

### Old Age, Disability, and Survivors

#### Regulatory Framework

**First and current laws:** 1972 (social insurance); 1973 (old age); 1973 (survivors); 1977 (disability); 1993 (social assistance); and 2001 (self-employed).

**Type of program:** Social insurance and social assistance.

#### Coverage

**Social insurance:** Employed and self-employed persons aged 16 to 59.

Exclusions: A married woman working for her husband; certain family members working for a family business; certain casual workers; foreign diplomats; employees of international organizations; and foreign military personnel residing in Antigua and Barbuda.

**Social assistance:** Aged 60 or older and blind with annual income from all sources of less than EC\$5,000.

#### Source of Funds

##### Insured person

**Social insurance:** 3% of covered monthly earnings (private sector) or 2% of covered monthly earnings (public sector).

The minimum weekly earnings used to calculate contributions are EC\$7.50; EC\$32.50 a month.

The maximum annual earnings used to calculate contributions are EC\$54,000.

The insured's (private sector) contributions also finance sickness and maternity benefits.

**Social assistance:** None.

##### Self-employed person

**Social insurance:** 8% of covered monthly earnings.

The minimum monthly earnings used to calculate contributions are EC\$450.

The maximum annual earnings used to calculate contributions are EC\$54,000.

The self-employed person's contributions also finance sickness and maternity benefits.

**Social assistance:** None.

##### Employer

**Social insurance:** 5% of covered monthly payroll.

The minimum earnings used to calculate contributions are EC\$7.50 a week; EC\$32.50 a month.

The maximum annual earnings used to calculate contributions are EC\$54,000.

The employer's contributions also finance sickness and maternity benefits.

**Social assistance:** None.

#### Government

**Social insurance:** None; contributes as an employer.

**Social assistance:** None.

#### Qualifying Conditions

**Old-age pension:** Age 60 with at least 500 weeks of contributions.

**Partial pension:** A reduced pension is paid at age 60 with 350 to 499 weeks of contributions.

**Transitional pension:** A reduced pension is paid at age 60 with at least 156 weeks of contributions starting on or before December 31, 1974.

**Old-age settlement:** Age 60 or older and does not meet the qualifying conditions for the old-age pension but has at least 26 weeks of paid contributions starting before 1975 or at least 52 weeks of contributions starting after 1974.

Old-age benefits are payable abroad.

**Old-age assistance:** Age 83 or older; age 60 or older if blind or disabled.

**Disability pension:** The insured must be assessed with a disability, be younger than age 60, and have at least 156 weeks of contributions.

The insured's doctor assesses the degree of disability; the Social Security Board doctor makes a second assessment.

**Disability settlement:** The insured does not meet the qualifying conditions for the disability pension but is assessed with a disability, is younger than age 60, and has at least 52 weeks of contributions.

The insured's doctor assesses the degree of disability; the Social Security Board doctor makes a second assessment.

Disability benefits are payable abroad.

**Survivor pension:** Paid if the deceased received or was eligible to receive a disability pension or an old-age pension at the time of death.

Eligible survivors are a widow, a disabled widower, and children younger than age 16 (age 18 if a student).

**Survivor settlement:** Paid if the deceased received or was eligible to receive the old-age grant or the disability grant at the time of death.

Eligible survivors are a widow aged 50 or older who was married or living with the deceased for at least three years;

a disabled widower who was married or living with the deceased for at least three years; and children younger than age 16 (age 18 if a student).

The widow(er)'s pension ceases on remarriage.

Survivor benefits are payable abroad.

**Funeral grant:** The deceased had at least 26 weeks of paid contributions in the last 12 months or received or was eligible to receive sickness benefits, maternity benefits, an old-age pension, or a disability pension at the time of death.

### Old-Age Benefits

**Old-age pension:** The full pension is 25% of the insured's average earnings plus 1% for each 50-week period of contributions exceeding 500 weeks of contributions, up to 50% of the maximum monthly earnings used to calculate contributions (EC\$4,500).

Average earnings are based on the best five years of earnings in the last 10 years of work; if the number of years worked is less than five years, the average is based on total earnings.

**Partial pension:** A percentage of the full pension is paid according to the number of weeks of contributions.

**Transitional pension:** The pension is 25% of average earnings in the best five years of the last 10 years of work.

The minimum monthly pension is EC\$350.

The maximum monthly pension is EC\$2,250.

**Old-age settlement:** A lump sum of EC\$1,200 or 75% of the combined employer and employee contributions (whichever is greater) is paid.

**Benefit adjustment:** Benefits are adjusted according to actuarial reviews, subject to economic conditions.

**Old-age assistance:** EC\$255 a month is paid.

### Permanent Disability Benefits

**Disability pension:** The pension is 25% of the insured's average earnings plus 1% for each 50-week period of contributions exceeding 500 weeks of contributions, up to 50% of the maximum monthly earnings used to calculate contributions (EC\$4,500).

Average earnings are based on the best five years of earnings in the last 10 years of work; if the insured has less than five years of work, the average is based on total earnings.

The minimum monthly pension is EC\$350.

The maximum monthly pension is EC\$2,250.

**Disability settlement:** A lump sum of EC\$1,200 or 75% of the combined employer and employee contributions (whichever is greater) is paid.

**Benefit adjustment:** Benefits are adjusted according to actuarial reviews, subject to economic conditions.

### Survivor Benefits

**Survivor pension:** 50% of the pension the deceased received or was eligible to receive is paid to an eligible widow(er). A limited pension is paid for a year if the widow is younger than age 50 and employed at the time of the insured's death.

The minimum survivor pension is EC\$350.00 a month.

**Orphan's pension:** 25% of the pension the deceased received or was eligible to receive is paid to an orphan younger than age 16 (age 18 if a student, no limit if disabled); 50% for a full orphan.

The minimum orphan's pension is EC\$87.50 a month.

**Survivor settlement:** The grant must not exceed the value of the old-age settlement or disability settlement the deceased received or was eligible to receive.

**Benefit adjustment:** Benefits are adjusted according to actuarial reviews, subject to economic conditions.

**Funeral grant:** A lump sum of EC\$2,500 is paid to the person who paid for the funeral.

### Administrative Organization

Ministry of Finance provides general supervision.

Antigua and Barbuda Social Security Board (<http://www.socialsecurity.gov.ag/board.php>) administers the program.

### Sickness and Maternity

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#### Regulatory Framework

**First and current laws:** 1972 (social insurance), 1973 (sickness), and 1973 (maternity).

**Type of program:** Social insurance system.

#### Coverage

**Cash sickness and maternity benefits:** Private-sector employees and self-employed persons aged 16 to 59.

**Exclusions:** A married woman working for her husband; certain family members working for a family business; certain casual workers; foreign diplomats; employees of international organizations; and foreign military personnel residing in Antigua and Barbuda.

**Medical benefits:** All registered residents of Antigua and Barbuda suffering from any of the specified illnesses covered under the Medical Benefits Scheme.

#### Source of Funds

**Insured person:**

**Cash sickness and maternity benefits:** See source of funds under Old Age, Disability, and Survivors.

*Medical benefits:* 3.5% of gross earnings of at least EC\$100 a week or EC\$400 a month.

**Self-employed person:**

*Cash sickness and maternity benefits:* See source of funds under Old Age, Disability, and Survivors.

*Medical benefits:* 5% of declared earnings, according to three salaried classes set by the Medical Benefits Scheme Board.

Voluntary contributions are set by the Medical Benefits Scheme Board.

**Employer:**

*Cash sickness and maternity benefits:* See source of funds under Old Age, Disability, and Survivors.

*Medical benefits:* 3.5% of gross earnings; 7% for those earning less than EC\$100 a week or EC\$400 a month.

**Government:** None.

**Qualifying Conditions**

**Cash sickness benefits:** The insured must have at least 26 weeks of contributions; have worked at least eight weeks in the three calendar months before the incapacity began; and have been employed the day before the incapacity began. The incapacity must not be the result of a work-related injury.

**Cash maternity benefits:** The insured must have at least 26 weeks of contributions in the year before the expected date of childbirth.

**Maternity grant:** The grant is paid to an insured woman or the wife of an insured man with at least 26 weeks of paid contributions in the year before the expected date of childbirth.

**Medical benefits:** There is no minimum qualifying period for benefits provided in public health facilities. Persons aged 15 and younger, persons assessed as permanently incapable of work, and insured persons who have at least 26 weeks of paid contributions in any calendar year or in any 12-month period, may claim reimbursement for benefits not provided in public health facilities if treatment is sought elsewhere.

**Sickness and Maternity Benefits**

**Cash sickness benefits:** 60% of the insured's average weekly earnings is paid after a three-day waiting period for up to 26 weeks; may be extended for 13 weeks.

Average weekly earnings are based on earnings in the three calendar months before the incapacity began.

**Cash maternity benefits:** 60% of the insured's average weekly earnings is paid for up to 13 weeks beginning not earlier than six weeks before the expected date of childbirth and not later than the week of expected childbirth.

Average weekly earnings are based on earnings in the 52 weeks before the last six weeks prior to the expected date of childbirth.

**Maternity grant:** A lump sum of EC\$560 is paid.

**Workers' Medical Benefits**

Medical services are provided under the Medical Benefits Scheme through public health facilities. Benefits include all treatment related to asthma, cancer, cardiovascular diseases, certified lunacy, diabetes, glaucoma, hypertension, leprosy, and sickle cell anemia.

Necessary medical treatment is permitted abroad.

**Dependents' Medical Benefits**

Medical benefits for dependents are the same as those for the insured.

**Administrative Organization**

Ministry of Finance provides general supervision.

Antigua and Barbuda Social Security Board (<http://www.socialsecurity.gov.ag/board.php>) administers the cash sickness and maternity schemes.

Medical Benefits Scheme (<http://mbs.gov.ag>), supervised by the Ministry of Health and a board of directors, administers medical benefits.

## Argentina

Exchange rate: US\$1.00 = 4.10 pesos.

### Old Age, Disability, and Survivors

#### Regulatory Framework

**First laws:** 1904 to 1958 (various laws on special categories).

**Current laws:** 1971 (old-age and disability pensions); 1993 (pensions); 1995 (benefit solidarity); 1998 (small contributors), implemented in 1999; 1999 (household workers), implemented in 2000; 2004 (early retirement), implemented in 2005; 2007 (retirement choice); 2008 (pensions adjustment); and 2008 (pensions), implemented in 2009.

**Type of program:** Social insurance and social assistance system.

Note: From 1994 until the end of 2008, there was a mixed system where all insured workers were in the first-pillar public PAYG system; for the second pillar, workers chose between contributing to an individual account or the PAYG defined benefit system. A 2008 law closed the second-pillar individual accounts and transferred all workers and their account balances to the new one-pillar PAYG system.

#### Coverage

**Social insurance:** Employed and self-employed persons aged 18 and older; household workers; and rural workers.

Voluntary coverage for trade union officials, clergy, persons insured under professional provincial systems, and housewives.

Exclusions: Professional workers hired abroad who work in Argentina for less than two years and are insured in another country (according to international agreements).

Special systems for military, security, and police personnel; civil servants of some provinces and municipalities; and certain other groups including university professors, teachers, foreign ministry employees, researchers, and judicial authorities.

**Social assistance:** Needy persons older than age 70 and persons with disabilities.

#### Source of Funds

##### Insured person

**Social insurance:** 11% of covered earnings.

Household workers must contribute a fixed amount set by the executive branch, according to the number of hours worked. Labor agreements determine rural workers' contribution rates.

The minimum monthly earnings used to calculate contributions are 427.06 pesos.

The maximum monthly earnings used to calculate contributions are 13,879.25 pesos.

Contributions are paid monthly. Contributions based on the annual 13th month of salary are paid in two halves in June and December.

**Social assistance:** None.

##### Self-employed person

**Social insurance:** Contributions of 153 pesos to 675 pesos, depending on the type of work and gross earnings; casual workers, 5% of declared earnings.

Note: Self-employed workers can either pay monthly contributions according to a taxable base that varies by type of work and number of employees or pay a single monthly contribution for social security, value-added tax, and profits, according to the various measures of the size of the enterprise.

**Social assistance:** None.

##### Employer

**Social insurance:** 10.17% or 12.71% of gross payroll, according to the type of enterprise; 16% for public-sector employers; additional contributions for workers in hazardous or unhealthy occupations.

The minimum monthly earnings used to calculate contributions are 427.06 pesos.

There are no maximum earnings used to calculate contributions.

Employers of household workers contribute a monthly lump sum of at least 35 pesos, according to the number of hours worked.

Contributions are paid monthly. Contributions based on the annual 13th month of salary are paid in two halves in June and December.

**Social assistance:** None.

##### Government

**Social insurance:** Contributes through general revenue, investment income, and certain taxes earmarked to fund social insurance pensions.

**Social assistance:** The total cost.

#### Qualifying Conditions

##### Old-age pension

**Basic old-age pension (social insurance):** Age 65 (men) or age 60 (women) with at least 30 years of contributions and service, up to 45 years. Women may retire at age 65 with a higher pension. (The insured may substitute two years of age over the retirement age for one year of missing contributions.)

The retirement age and contribution requirements are reduced up to 10 years for hazardous or unhealthy occupations.

*Compensatory pension (social insurance):* Age 65 (men) or age 60 (women) with at least 30 years of contributions and service. Must have credited contributions to the social insurance system before June 1994 and must not receive any disability pension.

*Additional pension (social insurance):* Age 65 (men) or age 60 (women) with at least 30 years of contributions and service. Must have credited contributions to the social insurance system since June 1994.

*Advanced-age old-age pension (social insurance):* Aged 70 or older with at least 10 years of service with contributions paid while employed, including at least five of the last eight years before leaving employment. A self-employed person must have been insured for at least five years.

*Noncontributory old-age pension (social assistance):* Needy persons aged 70 or older residing in Argentina.

### Disability pension

*Disability pension (social insurance):* Assessed with at least a 66% loss of earning capacity and younger than the normal retirement age, the insured must have paid contributions on a regular or irregular basis and not be receiving early retirement benefits.

Regular contributors must meet the minimum contribution qualifying condition for the basic old-age pension or have paid 30 months of contributions in the 36 months before the disability began.

Irregular contributors must have 18 months of contributions in the 36 months before the disability began or meet 50% of the minimum contribution qualifying condition for the basic old-age pension and have 12 months of contributions in the 60 months before the disability began.

District medical commissions assess the degree of disability. Three years after the initial assessment, the commission can certify permanent disability, extend the disability certification for two years, or determine that the person no longer has a disability.

*Advanced-age disability pension (social insurance):* Aged 65 or older and assessed with at least a 66% loss of earning capacity.

*Noncontributory disability pension (social assistance):* Paid to needy persons who lack family support for food, are assessed with a total and permanent disability of at least 76%, and are not receiving benefits.

### Survivor pension

*Survivor pension (social insurance):* The deceased was a pensioner or had paid contributions on a regular or irregular basis.

Regular contributors must have met the minimum contribution qualifying condition for the basic old-age pension or have paid at least 30 months of contributions in the last 36 months before death.

Irregular contributors must have 18 months of contributions in the last 36 months before death or meet 50% of the minimum contribution qualifying condition for the basic old-age pension and have paid at least 12 months of contributions in the 60 months before death.

Eligible survivors include a widow(er) or partner who lived with the deceased for at least five years (two years if they had children) and who is not receiving benefits; an unmarried child younger than age 18 who is not receiving benefits; a widowed daughter younger than age 18 who is not receiving benefits; and a child with a disability (no age limit) who was dependent on the deceased.

*Funeral grant (social insurance):* Paid to the person who pays for the insured's funeral or to survivors.

## Old-Age Benefits

### Old-age pension

*Basic old-age pension:* The monthly pension is 580.06 pesos.

*Compensatory pension:* The monthly pension is 1.5% of the insured's average adjusted monthly earnings in the last 10 years (weighted average adjusted amounts for all periods for self-employed persons), multiplied by the number of years of contributions paid before July 1994.

*Additional pension:* The monthly pension is 1.5% of the insured's average adjusted monthly earnings in the last 10 years (weighted average adjusted amounts for all periods for self-employed persons), multiplied by the number of years of contributions paid after July 1994.

The combined minimum monthly pension (basic old-age pension, compensatory pension, and the additional pension) is 1,227.78 pesos.

The combined maximum monthly pension (basic old-age pension, compensatory pension, and the additional pension) is 8,994.94 pesos.

*Advanced-age old-age pension:* The monthly pension is 70% of the basic old-age pension.

The minimum monthly advanced-age old-age pension is 1,227.78 pesos.

Pensions are payable abroad under bilateral or multilateral agreement.

Schedule of payments: Pensions are paid monthly, with a 13th payment equal to the regular monthly payment divided in half and paid in June and December.

Benefit adjustment: Benefits are adjusted automatically in March and September based on changes in tax revenue,

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wage indexes, and revenue of the National Social Security Administration.

*Noncontributory old-age pension (social assistance):* The monthly pension is 859.44 pesos (70% of the minimum pension of 1,227.78 pesos).

Social assistance pensions are not payable abroad.

Benefit adjustment: Benefits are adjusted when the minimum pension is adjusted.

### Permanent Disability Benefits

#### Disability pension

*Disability pension:* 70% of the insured's average salary (regular contributor) or 50% of the insured's average salary (irregular contributor) in the five years before the disability began is paid.

The minimum monthly disability pension is 1,227.78 pesos.

The maximum monthly disability pension is 8,994.95 pesos.

The pension is payable abroad under bilateral or multilateral agreement.

Schedule of payments: The disability pension is paid monthly, with a 13th payment equal to the regular monthly payment divided in half and paid in June and December.

*Advanced-age disability pension:* 70% of the basic old-age pension, plus the insured's compensatory old-age pension and the additional old-age pension, is paid.

The minimum monthly advanced-age disability pension is 1,227.78 pesos.

The maximum monthly advanced-age disability pension is 8,994.95 pesos.

The pension is payable abroad under bilateral or multilateral agreement.

Schedule of payments: The advanced-age disability pension is paid monthly, with a 13th payment equal to the regular monthly payment divided in half and paid in June and December.

Benefit adjustment: Benefits are adjusted automatically in March and September based on changes in tax revenue, wage indexes, and revenue of the National Social Security Administration.

*Noncontributory disability pension (social assistance):* The monthly pension is 854.44 pesos (70% of the minimum pension of 1,227.78 pesos). Additional benefits may be paid for dependents under Family Allowances.

The noncontributory disability pension is not payable abroad.

Benefit adjustment: Benefits are adjusted when the minimum pension is adjusted.

### Survivor Benefits

#### Survivor pension

*Survivor pension:* 70% of the reference payment or the pension the deceased received or was eligible to receive is paid to a widow(er) or partner without dependents; 50% to a widow(er) or partner with children.

The reference payment is 70% of the deceased's average monthly earnings (regular contributor) or 50% of the deceased's average monthly earnings (irregular contributor) in the five years before death.

The minimum monthly survivor pension is 1,227.78 pesos.

The amount paid may be recalculated if the number of eligible survivors changes.

*Orphan's pension:* 20% of the deceased's pension or reference payment is paid to each eligible child. If there is no eligible widow(er) or partner, the survivor pension is split equally among the surviving children.

The reference payment is 70% of the deceased's average monthly earnings (regular contributor) or 50% of the deceased's average monthly earnings (irregular contributor) in the five years before death.

The amount paid may be recalculated if the number of eligible survivors changes.

All survivor benefits combined must not exceed 100% of the reference payment or the deceased's pension.

Schedule of payments: Pensions are paid monthly, with a 13th payment equal to the regular monthly payment divided in half and paid in June and December.

Benefit adjustment: Benefits are adjusted automatically in March and September based on changes in tax revenue, wage indexes, and revenue of the National Social Security Administration.

*Funeral grant (social insurance):* A lump sum of 1,800 pesos is paid.

### Administrative Organization

Ministry of Labor, Employment, and Social Security (<http://www.trabajo.gov.ar>) is responsible for policy development.

National Social Security Administration (<http://www.anses.gov.ar>) supervises and administers the social insurance system.

National Pension Commission (<http://www.desarrollosocial.gov.ar>) administers the social assistance pension program.

### Sickness and Maternity

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#### Regulatory Framework

**First laws:** 1934 (maternity) and 1944 (sickness).

**Current laws:** 1971 (social services for retired people); 1988 (health institutions), implemented in 1989; 1988

(health insurance), implemented in 1989; 1996 (family allowances); 2000 (health institutions deregulation), implemented in 2001; 2006 (Plan NACER); and 2011 (prepaid medicine).

**Type of program:** Social insurance (medical benefits), employer-liability (cash sickness benefits), and employment-related (maternity benefits) system.

### Coverage

**Cash sickness benefits:** No statutory benefits are provided. (Under employment law, the employer is required to pay monthly cash sickness benefits to employees.)

**Cash maternity benefits:** Employed women, including temporary workers.

Exclusions: Self-employed persons.

**Medical benefits:** Employed persons, self-employed persons (small contributors), unemployed persons, pensioners, and household workers.

Small contributors include persons who sell goods, rent goods, provide services, or are members of workers' cooperatives or certain enterprises specified by law with fewer than three workers.

Voluntary coverage for other persons.

Special systems for military, police and security personnel; certain provincial and municipal public-sector employees; university professors; employees of the Ministry of Foreign Relations; researchers; and judicial authorities.

### Source of Funds

#### Insured person

*Cash sickness benefits:* None.

*Cash maternity benefits:* None.

*Medical benefits:* 3% of covered earnings plus 1.5% of covered earnings for each eligible dependent other than the spouse or children. Pensioners contribute 3% of the pension.

The minimum monthly earnings used to calculate contributions are 1,708.24 pesos.

There are no maximum monthly earnings used to calculate contributions.

#### Self-employed person

*Cash sickness benefits:* None.

*Cash maternity benefits:* Not applicable.

*Medical benefits:* Small contributors pay a monthly lump sum of 70 pesos plus 70 pesos for each additional family member covered. Household workers pay a monthly lump sum of 60 pesos plus 60 pesos for each additional family member covered.

Small contributors include persons who sell goods, rent goods, provide services, or are members of workers' cooperatives or certain enterprises specified by law with fewer than three workers.

#### Employer

*Cash sickness benefits:* The total cost.

*Cash maternity benefits:* See source of funds under Family Allowances.

*Medical benefits:* 6% of gross payroll.

The minimum monthly earnings used to calculate contributions are 1,708.24 pesos.

There are no maximum earnings used to calculate contributions.

#### Government

*Cash sickness benefits:* None.

*Cash maternity benefits:* See source of funds under Family Allowances.

*Medical benefits:* Finances public health services for all residents of Argentina.

### Qualifying Conditions

**Cash sickness benefits:** No statutory benefits are provided. (Under employment law, the employer is required to pay monthly cash sickness benefits to employees. The duration of benefits depends on the length of the employment period.)

**Cash maternity benefits:** The insured must have at least three months of continuous employment before the expected date of childbirth or be receiving a work injury or unemployment benefit.

**Medical benefits:** The insured must be currently employed, a pensioner, or receiving an unemployment benefit.

If the insured is no longer employed, coverage may be extended for three months if the insured has more than three months of continuous service.

Eligible dependents include a spouse or cohabiting partner and unmarried children younger than age 21 (age 25 if a student, no limit if disabled).

### Sickness and Maternity Benefits

**Sickness benefit:** The labor code requires employers to provide 100% of salary for up to three months to employees with less than five years of service; up to six months with at least five years of service. The maximum duration of cash benefits is doubled for workers with dependents.

**Maternity benefit:** Three months of average gross earnings before the maternity leave period is paid for 45 days before and 45 days after the expected date of childbirth;

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extended for six months if the child is diagnosed with Down syndrome.

The benefit is also paid if the pregnancy ends after at least 180 days of gestation or if the child is stillborn.

Note: See Family Allowances for additional benefits related to maternity.

### **Workers' Medical Benefits**

Benefits include medical, hospital, dental, and palliative care; rehabilitation; prostheses; and transportation. Benefits are defined by a schedule in law issued by the Ministry of Health and Environment.

There is no limit to duration, except in the event of hospitalization for psychiatric treatment.

Pharmaceutical products for chronic diseases are either free or require a 30% copayment; 60% for other diseases.

Pharmaceutical products are free during pregnancy, childbirth, and postnatal care; for children until age 1; and for hospitalization.

Cost sharing: A copayment may be required of up to 4 pesos for an outpatient visit, up to 5 pesos for medical tests, and up to 7 pesos for outpatient dental treatment.

There is no cost sharing for pregnancy, childbirth, or postnatal care; for children up to age 1; for hospitalization; or for the treatment of tumors.

### **Dependents' Medical Benefits**

Medical benefits for dependents are the same as those for the insured.

### **Administrative Organization**

Ministry of Health (<http://www.msal.gov.ar>) supervises medical benefits.

Superintendent of Health Services (<http://www.sssalud.gov.ar>) controls, coordinates, and administers the program.

Authorized health insurance institutions provide medical services. Insured persons are free to choose between health insurance institutions.

National Social Security Administration (<http://www.anses.gov.ar>) supervises and administers cash maternity benefits.

## **Work Injury**

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### **Regulatory Framework**

**First law:** 1915.

**Current law:** 1995 (work injury), implemented in 1996.

**Type of program:** Employer-liability system.

Note: The employer and public institutions (other than national institutions), may self-insure if solvency requirements are met and medical care services can be guaranteed.

If the employer does not meet both conditions, mandatory insurance must be purchased from a work injury insurer (ART).

### **Coverage**

Private- and public-sector employees (including provinces and municipalities).

Exclusions: Self-employed persons.

### **Source of Funds**

**Insured person:** None.

**Self-employed person:** Not applicable.

**Employer:** The total cost is met through a work injury insurer (ART) or through self-insurance.

**Government:** None; contributes as an employer.

### **Qualifying Conditions**

**Work injury benefits:** There is no minimum qualifying period. Accidents that occur while commuting to and from work are covered.

### **Temporary Disability Benefits**

The monthly benefit is equal to the insured's earnings when the disability began, plus any additional pay increases accorded to workers in an equivalent position while the insured is not working. If earnings were variable, the monthly benefit is average earnings in the six months before the disability began and must not be less than the insured's expected earnings had the injury or accident not occurred. The employer pays the benefit for the first 10 days, with the remaining period covered by the work injury insurer (ART). The benefit is paid until recovery or certification of permanent disability.

The minimum monthly earnings used to calculate benefits are 427.06 pesos.

The maximum monthly earnings used to calculate benefits are 13,879.25 pesos.

The disability is presumed to be permanent if it continues beyond a year.

A medical commission assesses the degree of disability.

### **Permanent Disability Benefits**

**Permanent disability benefit:** For an assessed loss of earning capacity of at least 66%, a provisional benefit of 100% of the monthly base earnings is paid for up to 36 months (extended for 24 months if there is uncertainty about the final degree of loss of earning capacity).

The daily base earnings are total covered earnings in the 12 months before the disability began or in the total period of service (whichever is lower) divided by the number of consecutive days in the period of disability. The monthly



base earnings are the daily base earnings multiplied by 30.4.

The minimum monthly earnings used to calculate benefits are 427.06 pesos.

The maximum monthly earnings used to calculate benefits are 13,879.25 pesos.

When the disability is assessed as definitive, the monthly disability benefit is 70% of average earnings for regular contributors or 50% of average earnings for irregular contributors in the five years before the disability began, plus a supplemental benefit that varies according to the scheme to which the insured was affiliated and the capital stock of the work injury insurer (ART), plus an actuarially determined lump sum of up to 180,000 pesos.

Constant-attendance allowance: If the insured has a severe, permanent, total disability and requires the constant attendance of others to perform daily functions, an additional monthly benefit equal to the minimum monthly earnings used to calculate benefits is paid.

The minimum monthly earnings used to calculate benefits are 427.06 pesos.

The maximum monthly earnings used to calculate benefits are 13,879.25 pesos.

Partial disability benefit: For an assessed loss of earning capacity of 50% to 65%, the provisional benefit is the monthly base income multiplied by the degree of loss of earning capacity and is paid until the loss of earning capacity is declared as definitive.

The daily base earnings are total covered earnings in the 12 months before the disability began or in the total period of service (whichever is lower) divided by the number of consecutive days in the period of disability. The monthly base earnings are the daily base earnings multiplied by 30.4.

When the partial disability is assessed as definitive with an assessed loss of earning capacity from 50% to 65%, the benefit is the insured's average earnings in the 12 months before the disability began multiplied by the degree of loss of earning capacity. The benefit must not exceed 180,000 pesos.

The partial disability benefit for a definitive assessed loss of earning capacity from 50% to 65% must be at least 180,000 pesos multiplied by the degree of loss of earning capacity.

When the partial disability is assessed as definitive with an assessed loss of earning capacity that is less than 50%, a lump sum of 53 times the insured's average earnings in the 12 months before the disability began multiplied by the assessed loss of earnings capacity and a coefficient (65 divided by the insured's age when the disability began) is paid. The benefit must be at least 180,000 pesos multiplied by the degree of loss of earning capacity.

A medical commission assesses the degree of loss of earning capacity.

The insured may also receive family allowances.

Benefit adjustment: Benefits are adjusted automatically in March and September based on changes in tax revenue, wage indexes, and revenue of the National Social Security Administration.

### **Workers' Medical Benefits**

Benefits include medical, pharmaceutical, and orthopedic care; prostheses; rehabilitation; and professional training.

### **Survivor Benefits**

**Survivor pension:** Survivors receive an annuity of 53 times the deceased's average earnings in the last 12 months multiplied by a coefficient (65 divided by the insured's age when the disability began or at the time of death), plus a lump sum of 120,000 pesos. The annuity may be paid as a lump sum of at least 180,000 pesos.

The lump sum is split equally among eligible survivors, including the spouse and children younger than age 21 (up to age 25 if a student).

**Other eligible survivors:** In order of priority, parents or relatives who were dependent on the deceased receive a pension.

The pension is payable abroad under bilateral or multilateral agreement.

Benefit adjustment: Benefits are adjusted automatically in March and September based on changes in tax revenue, wage indexes, and revenue of the National Social Security Administration.

### **Administrative Organization**

Ministry of Labor, Employment, and Social Security (<http://www.trabajo.gov.ar>) is responsible for policy development.

Superintendent of Work Injury provides general supervision.

Work injury insurers (ART) are responsible for work injury prevention and the management of benefits.

## **Unemployment**

### **Regulatory Framework**

**First law:** 1967.

**Current laws:** 1991 (unemployment insurance), implemented in 1992; 1999 (agricultural workers), implemented in 2004; and 2000 (construction workers), implemented in 2001.

**Type of program:** Social insurance system.

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### Coverage

Private-sector employees, including temporary and casual workers.

Exclusions: Self-employed persons, household workers, public-sector employees, and teachers in private institutions.

### Source of Funds

**Insured person:** None.

**Self-employed person:** Not applicable.

**Employer:** 0.89% or 1.11% of gross payroll, according to the type of enterprise.

The minimum monthly earnings used to calculate contributions are 427.06 pesos.

There are no maximum earnings used to calculate contributions.

**Government:** Any deficit.

### Qualifying Conditions

**Unemployment benefits:** The insured must have at least six months of contributions in the three years before unemployment; 90 days in the 12 months before unemployment for temporary workers.

Extended unemployment benefit: If the unemployed person is aged 45 or older and has children who are eligible for family allowances, the benefit may be extended for up to six months.

Single-payment benefit: Paid to an unemployed person who intends to set up a business and presents a business plan to the Ministry of Labor, Employment, and Social Security for approval.

The unemployed person must be registered and available for suitable employment and not be receiving any other social security benefit.

### Unemployment Benefits

**Unemployment benefits:** 50% of the insured's best wage in the six months before unemployment is paid for two months if the insured has six to 11 months of contributions; for four months with 12 to 23 months; for eight months with 24 to 35 months; for 12 months with 36 months or more.

The minimum monthly unemployment benefit is 250 pesos.

The maximum monthly unemployment benefit is 400 pesos.

Extended unemployment benefit: 70% of the first monthly unemployment benefit is paid.

Lump-sum benefit: The remainder of the benefit may be paid as a lump sum after the first monthly payment has been made if at least three monthly payments remain before entitlement ceases. The benefit is twice the total amount of the remaining monthly payments.

Unemployment beneficiaries may receive social assistance medical benefits and family allowances.

### Administrative Organization

Ministry of Labor, Employment, and Social Security (<http://www.trabajo.gob.ar>) provides general supervision.

National Social Security Administration (<http://www.anses.gov.ar>) administers the social insurance program.

National Registry of Agricultural Workers and Employers (<http://www.renatre.org.ar>) administers the agricultural social insurance program.

Statistics and Registry Institute for the Construction Industry (<http://www.ieric.org.ar/>) administers unemployment insurance for construction workers.

### Family Allowances

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#### Regulatory Framework

**First law:** 1957.

**Current laws:** 1989 (mothers' pensions); 1996 (family allowances), implemented in 1996; 2009 (universal child allowance); and 2011 (universal pregnancy allowance).

**Type of program:** Social insurance and social assistance system.

#### Coverage

**Social insurance:** Private-sector employees and beneficiaries of the work injury or unemployment programs with monthly income between 100 and 5,200 pesos, depending on the region. (Public-sector employees also receive family benefits paid directly by their employer.)

Exclusions: Self-employed persons and household workers.

**Social assistance:** Persons who receive social insurance benefits or social assistance disability benefits; pregnant women; children of unemployed or informal workers residing in Argentina who earn less than the legal monthly minimum wage; and household workers who earn less than the legal monthly minimum wage.

The legal monthly minimum wage is 2,300 pesos (September 2011).

#### Source of Funds

**Insured person:** None.

**Self-employed person:** Not applicable.

**Employer:** 4.44% or 5.56% of gross payroll, according to the type of enterprise.

The minimum monthly earnings used to calculate contributions are 427.06 pesos.

There are no maximum earnings used to calculate contributions.

The employer's contributions also finance maternity benefits (see Sickness and Maternity).

**Government:** The cost of benefits paid under the social assistance program.

### Qualifying Conditions

#### Family allowances:

*Child benefit (social insurance):* Paid to an employed person, a pensioner, or a work injury (ART) or unemployment beneficiary for every unmarried child younger than age 18. The benefit is paid to one of the parents or guardians.

*Disabled child benefit (social insurance and social assistance):* Paid to an employed person, a pensioner, or a work injury (ART) or unemployment beneficiary for each disabled child of any age. The benefit is paid to one of the parents or guardians regardless of income.

*Prenatal grant (social insurance):* Paid to an employed person with current, continuous employment for at least three months or to a work injury (ART) or unemployment beneficiary. The benefit is paid from the time of conception to the expected date of childbirth or end of the pregnancy.

*School allowance (social insurance and social assistance):* Paid to an employed person, a pensioner, or a work injury (ART) or unemployment beneficiary who qualifies for a child benefit or a disabled child benefit. Certification of the child's school enrollment must be provided at the beginning of the year.

*Birth grant (social insurance):* Paid to an employed person with current, continuous employment for at least six months or to a work injury (ART) or unemployment beneficiary for the birth of a child. The grant is paid to one of the parents or guardians.

*Adoption grant (social insurance):* Paid to an employed person with current, continuous employment for at least six months or to a work injury (ART) or unemployment beneficiary for the adopted child. The grant is paid to one of the adopting parents.

*Marriage grant (social insurance):* Paid to both spouses if they have current, continuous employment for at least six months or are work injury (ART) or unemployment beneficiaries.

*Spouse benefit (social assistance):* Paid to a pensioner for a legal spouse who resides in Argentina.

*Universal child allowance (social assistance):* Paid to families and informal workers with income below the legal monthly minimum wage; unemployed persons without coverage; and household workers and certain categories of self-employed. The benefit is paid for each child younger than age 18 (no limit if disabled), up to five children. The beneficiaries must not receive other benefits.

The legal monthly minimum wage is 2,300 pesos (September 2011).

*Universal pregnancy allowance (social assistance):* Paid to pregnant women who are unemployed or working in the informal sector and lack health insurance coverage. The woman must enroll in the Plan NACER program, fulfill the program's medical requirements, and carry a card that documents the monitoring of the pregnancy.

### Family Allowance Benefits

#### Family allowances

*Child benefit (social insurance):* 136 pesos to 582 pesos a month is paid, depending on the insured's income (in some cases, including cash benefits) and region.

*Disabled child benefit (social insurance and social assistance):* 540 pesos to 2,160 pesos a month is paid, depending on the insured's income (in some cases, including cash benefits) and region.

*Prenatal allowance (social insurance):* 136 pesos to 582 pesos a month is paid, depending on the insured's income (in some cases, including cash benefits) and region.

*School allowance (social insurance and social assistance):* 170 pesos to 680 pesos a month is paid, depending on the insured's income (in some cases, including cash benefits) and region.

*Birth grant (social insurance):* A lump sum of 600 pesos is paid.

*Adoption grant (social insurance):* A lump sum of 3,600 pesos is paid.

*Marriage grant (social insurance):* A lump sum of 900 pesos is paid.

*Spouse benefit (social assistance):* 41 pesos to 82 pesos a month is paid, depending on the beneficiary's income and region.

*Universal child allowance (social assistance):* 220 pesos a month is paid per child (880 for a child with a disability).

*Universal pregnancy allowance (social assistance):* 220 pesos a month is paid from the twelfth week of pregnancy until birth.

### Administrative Organization

Ministry of Labor, Employment, and Social Security (<http://www.trabajo.gob.ar>) is responsible for policy development.

National Social Security Administration (<http://www.anses.gov.ar>) supervises and administers social insurance and social assistance benefits.

## Bahamas

Exchange rate: US\$1.00 = 1.00 Bahamian dollar (B\$).

### Old Age, Disability, and Survivors

#### Regulatory Framework

**First laws:** 1956 (old-age noncontributory pensions) and 1967 (public assistance for disability).

**Current law:** 1972 (national insurance).

**Type of program:** Social insurance and social assistance system.

#### Coverage

**Social insurance:** Employed persons and self-employed persons.

Voluntary coverage is possible.

**Social assistance:** Residents of the Bahamas who do not qualify under the National Insurance Act.

#### Source of Funds

##### Insured person

**Social insurance:** 3.9% of weekly covered earnings. Voluntarily insured persons contribute 5% of weekly average wages or income, based on the insured's wages or income of the year before registration.

The maximum annual earnings used to calculate contributions are B\$26,000.

The insured person's mandatory contributions also finance cash sickness, maternity, unemployment, and work injury benefits. The contributions of the voluntarily insured finance old-age, disability, and survivor pensions and funeral and maternity grants.

**Social assistance:** None.

##### Self-employed person

**Social insurance:** 8.8% of covered earnings.

The maximum annual earnings used to calculate contributions are B\$26,000.

The self-employed person's contributions also finance cash sickness, maternity, and work injury benefits.

**Social assistance:** None.

##### Employer

**Social insurance:** 5.9% of covered payroll. (0.75% of the employer's contribution is earmarked for work injury benefits.)

The maximum annual earnings used to calculate contributions are B\$26,000.

The employer's contributions also finance cash sickness, maternity, and unemployment benefits.

**Social assistance:** None.

#### Government

**Social insurance:** None.

**Social assistance:** The total cost of all income-tested allowances.

#### Qualifying Conditions

##### Social insurance

**Retirement pension:** Age 65 with at least 150 weeks of paid contributions. Insured persons who were older than age 35 in 1974 (self-employed persons older than age 35 in 1976) receive a 25-week credit for each year that they were older than age 35, up to 600 weeks, provided that 150 weeks of contributions were paid from 1974 to 1977 (insured persons) and from 1976 to 1979 (self-employed persons).

Entitlement ceases if the insured person earns B\$250 or more a week.

**Early pension:** An early pension may be paid from age 60 to 64.

**Deferred pension:** The pension may be deferred up to age 69.

The benefit is paid locally for insured persons who live abroad.

**Disability pension:** The insured must be younger than age 65 and assessed with a permanent incapacity for any work. Insured persons who were older than age 35 in 1974 (self-employed persons older than age 35 in 1976) receive a 25-week credit for each year that they were older than age 35, up to 600 weeks, provided that 150 weeks of contributions were paid from 1974 to 1977 (insured persons) and from 1976 to 1979 (self-employed persons).

**Survivor pension:** The deceased was a pensioner or had made at least 150 contributions at the time of death.

Eligible survivors are a dependent widow(er) who was married to the deceased for at least one year and was disabled or aged 40 or older and incapable of gainful employment; a dependent widow(er) who was caring for a child younger than age 16 (age 21 if a student, no limit if disabled) at the time of death; a dependent widow who was pregnant with the child of the deceased at the time of death; dependent children younger than age 16 (age 21 if a student, no limit if disabled); and dependent parents who are disabled or aged 40 or older and incapable of gainful employment.

**Funeral grant:** Paid for the death of an insured person or the spouse of an insured person. The insured must have at least 50 weeks of paid contributions.

**Social assistance**

*Noncontributory old-age pension (income-tested):* Paid to residents of the Bahamas who are aged 65 or older, retired, and do not qualify for benefits under the National Insurance Act.

*Disability assistance (income-tested):* Paid to residents of the Bahamas who are assessed with a disability and do not qualify for benefits under the National Insurance Act.

*Survivor assistance (income-tested):* Paid to eligible survivors if the deceased did not qualify for benefits under the National Insurance Act.

**Old-Age Benefits****Social insurance**

*Retirement pension:* 30% of the insured's covered wage is paid with at least 500 weeks of paid or credited contributions; 15% to 28% of the covered wage with 150 to 499 weeks of paid or credited contributions. The pension is increased by 1% of the covered wage for each 50-week period of paid or credited contributions exceeding 500 weeks, up to 60%.

The covered wage is based on average weekly earnings in the best five of the 10 years before the contribution year in which the insured reaches age 65.

*Early pension:* The benefit is reduced by 0.58% for each month the insured is younger than age 65.

*Deferred pension:* Calculated in the same way as the retirement pension.

The minimum pension is B\$61.50 a week.

**Social assistance**

*Noncontributory old-age pension (income-tested):* B\$56.58 a week is paid.

**Permanent Disability Benefits****Social insurance**

*Disability pension:* 30% of the insured's covered wage is paid with at least 500 weeks of paid or credited contributions; 15% to 28% of covered wage with 150 to 499 weeks of paid or credited contributions. The pension is increased by 1% of the covered wage for each 50-week period of paid or credited contributions exceeding 500 weeks, up to 60%.

The covered wage is based on average weekly earnings in the best three of the 10 years before the contribution year in which the disability began.

The maximum annual wage for benefit calculation purposes is B\$26,000.

The minimum pension is B\$66.42 a week.

**Social assistance**

*Disability assistance (income-tested):* B\$56.58 a week is paid.

**Survivor Benefits****Social insurance**

*Survivor pension:* 50% of the pension the deceased received or would have been entitled to receive is paid to an eligible widow(er).

The minimum survivor pension is B\$66.42 a week.

*Orphan's pension:* 10% of the pension the deceased received or would have been entitled to receive is paid to each eligible child, up to five children (if the widow(er) receives a pension) or 10 children (if the widow(er) does not receive a pension); B\$30.75 a week is paid to each full orphan.

The minimum orphan's pension is B\$27.06 a week.

*Other eligible survivors (in the absence of the above):* 50% of the pension the deceased received or would have been entitled to receive is paid to an eligible parent.

The minimum survivor pension is B\$66.42 a week.

All survivor benefits combined must not exceed 100% of the pension the deceased received or would have been entitled to receive.

*Funeral grant:* A lump sum of up to B\$1,600 is paid to the person who pays for the funeral.

**Social assistance**

*Survivor assistance (income-tested):* B\$56.58 a week is paid to adults; B\$22.63 a week to children.

**Administrative Organization**

Ministry of Finance (<http://www.bahamas.gov.bs/finance>) provides general supervision.

National Insurance Board (<http://www.nib-bahamas.com>) administers the program.

**Sickness and Maternity****Regulatory Framework**

**First and current law:** 1972 (national insurance).

**Type of program:** Social insurance system. Cash benefits only.

**Coverage**

Employed and self-employed persons.

**Source of Funds**

**Insured person:** See source of funds under Old Age, Disability, and Survivors.

## Bahamas

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**Self-employed person:** See source of funds under Old Age, Disability, and Survivors.

**Employer:** See source of funds under Old Age, Disability, and Survivors.

**Government:** None.

### Qualifying Conditions

**Cash sickness benefits:** The insured must have at least 40 weeks of contributions, including 26 weeks of paid or credited contributions in the year immediately before the incapacity began or in the last contribution year, or 13 weeks of paid or credited contributions in the 26 weeks immediately before the incapacity began.

**Cash maternity benefits:** The insured must have at least 50 weeks of contributions, including 26 weeks of paid or credited contributions in the last contribution year or in the 40 weeks before the benefit is due.

**Maternity grant:** The insured must have at least 50 weeks of paid contributions.

**Funeral benefit:** Paid for the death of an insured person or the spouse of an insured person. The insured must have at least 50 weeks of paid contributions.

### Sickness and Maternity Benefits

**Sickness benefit:** 60% of average weekly covered earnings is paid after a three-day waiting period for up to 26 weeks; may be extended for 14 weeks in certain circumstances.

The minimum benefit is B\$66.42 a week.

**Sickness allowance (means-tested):** B\$56.58 a week is paid for an insured person who does not meet the qualifying conditions for the sickness benefit.

**Maternity benefit:** 66.6% of average weekly covered earnings is paid for 13 weeks beginning not earlier than six weeks before the expected date of childbirth; may be extended for two weeks in certain circumstances.

The minimum benefit is B\$66.42 a week.

**Maternity grant:** A lump sum of B\$430 is paid for each live birth.

**Funeral benefit:** A lump sum of B\$1,600 is paid.

### Workers' Medical Benefits

No statutory benefits are provided.

Public and private medical care is available at public hospitals and clinics. Government subsidizes the cost for public patients, children, the elderly, and needy persons.

### Dependents' Medical Benefits

No statutory benefits are provided.

Public and private medical care is available at public hospitals and clinics. Government subsidizes the cost for public patients, children, the elderly, and needy persons.

### Administrative Organization

Ministry of Finance (<http://www.bahamas.gov.bs/finance>) provides general supervision.

National Insurance Board (<http://www.nib-bahamas.com>) administers the program.

### Work Injury

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#### Regulatory Framework

**First law:** 1943 (workmen's compensation).

**Current law:** 1972 (national insurance).

**Type of program:** Social insurance system.

#### Coverage

Employed persons and self-employed persons.

Exclusions: Family labor.

#### Source of Funds

**Insured person:** None.

**Self-employed person:** 2% of the total 8.8% of total contributions made under Old Age, Disability, and Survivors.

**Employer:** The total cost (see source of funds under Old Age, Disability, and Survivors).

**Government:** None.

#### Qualifying Conditions

**Work injury benefits:** There is no minimum qualifying period.

#### Temporary Disability Benefits

66.6% of average weekly covered earnings is paid after a three-day waiting period for up to 40 weeks.

The minimum benefit is B\$66.42 a week.

The maximum benefit is B\$333.33 a week.

#### Permanent Disability Benefits

**Permanent disability pension:** If the assessed degree of permanent disability is 100%, 66.6% of average weekly covered earnings is paid. A lump sum of B\$1,000 is also paid.

The minimum weekly benefit for a total disability is B\$66.42.

The maximum benefit is B\$333.33 a week.

**Constant-attendance supplement:** If the insured has a 100% disability and requires the constant attendance of others to

perform daily functions, 20% of the permanent disability pension is paid.

**Partial disability:** If the insured has at least a 25% assessed degree of permanent disability, a proportionately reduced pension is paid. A lump sum of B\$500 is also paid.

The minimum benefit for a partial disability is B\$56.58 a week.

**Lump-sum grant:** For an assessed degree of disability of 1% to 24%, a lump sum of B\$100 to B\$2,400 is paid, according to the assessed degree of disability.

### **Workers' Medical Benefits**

Benefits include hospitalization, general and specialist care, medicine, and transportation, and are paid for up to 40 weeks (for an assessed degree of disability of 25% or less) or two years (for an assessed degree of disability of more than 25%).

### **Survivor Benefits**

**Survivor pension:** 50% of the temporary disability pension the deceased received or would have been entitled to receive is paid.

**Orphan's pension:** 10% of the temporary disability pension the deceased received or would have been entitled to receive is paid to each dependent child younger than age 16 (age 21 if a full-time student), up to five children (if the widow(er) receives a pension) or 10 children (if the widow(er) does not receive a pension).

**Industrial death benefit:** A lump sum equal to the monthly value of the survivor pension or orphan's pension is paid.

**Industrial funeral benefit:** A lump sum of B\$1,600 is paid to the person who paid for the funeral.

### **Administrative Organization**

Ministry of Finance (<http://www.bahamas.gov.bs/finance>) provides general supervision.

National Insurance Board (<http://www.nib-bahamas.com>) administers the program.

### **Unemployment**

#### **Regulatory Framework**

**First and current law:** 2009 (national insurance act amendment), partially implemented in 2009.

**Type of program:** Social insurance system.

Note: As of April 2009, an unemployment benefit is being implemented in two phases. The interim phase will last

until the original government allocation of B\$20 million is exhausted. The permanent phase will consist of the same coverage and benefits as the interim phase, but length of contribution qualifying conditions will be increased and employer and employee contributions will finance the program.

### **Coverage**

Employed persons younger than age 65.

Exclusions: Self-employed persons.

### **Source of Funds**

**Insured person:** 0.5% of salary.

**Self-employed person:** Not applicable.

**Employer:** 0.5% of payroll.

**Government:** The National Insurance Board's Medical Benefits Branch covers any deficit.

### **Qualifying Conditions**

**Unemployment benefit:** The insured must have at least 52 weeks of paid contributions, including 13 weeks of paid or credited contributions in the 26 weeks before unemployment began, and seven weeks of paid or credited contributions in the 13 weeks before unemployment began.

Once the maximum benefit duration has been reached (13 weeks in any 52-week period), the insured person must wait 52 weeks to be eligible for another claim.

To remain eligible, the insured must register with the labor exchange every four weeks, be available and looking for work, and must not refuse suitable employment.

### **Unemployment Benefits**

**Unemployment benefit:** 50% of the insured's average covered weekly earnings is paid after a two-week waiting period for up to 13 weeks (may be extended under certain circumstances) in any 52-week period.

The minimum unemployment benefit is B\$66.42 a week.

The maximum unemployment benefit is B\$250 a week.

Schedule of payments: The benefit is paid bi-weekly.

### **Administrative Organization**

Ministry of Finance (<http://www.bahamas.gov.bs/finance>) provides general supervision.

National Insurance Board (<http://www.nib-bahamas.com>) administers the program.

## Barbados

Exchange rate: US\$1.00 = 2.02 Barbadian dollars (B\$).

### Old Age, Disability, and Survivors

#### Regulatory Framework

**First law:** 1937 (social assistance).

**Current law:** 1966 (social insurance).

**Type of program:** Social insurance and social assistance system.

#### Coverage

**Social insurance:** All employed and self-employed persons aged 16 to 66 (gradually rising to 67 by 2018), including public-sector employees.

Exclusions: Unpaid family labor.

**Social assistance:** Residents aged 66 (gradually rising to age 67 by 2018) or older; aged 18 or older and incapable of work because of serious problems with eyesight, or hearing and speech.

#### Source of Funds

##### Insured person

**Social insurance:** 5.93% to 13.50% of covered earnings.

The minimum earnings used to calculate contributions are B\$21 a week for employees paid weekly or B\$91 a month for employees paid monthly.

The maximum earnings used to calculate contributions are B\$944 (rising to B\$965 in January 2012) a week for employees paid weekly or B\$4,090 (rising to B\$4,180 in January 2012) a month for employees paid monthly.

The insured's contributions also finance sickness and maternity benefits and work injury benefits.

**Social assistance:** None.

##### Self-employed person

**Social insurance:** 16.1% of quarterly earnings.

The minimum annual earnings used to calculate contributions are B\$1,092.

The self-employed person's contributions also finance sickness and maternity benefits and work injury benefits.

**Social assistance:** None.

##### Employer

**Social insurance:** 5.93% to 6.75% of covered payroll.

The minimum earnings used to calculate contributions are B\$21 a week for employees paid weekly or B\$91 a month for employees paid monthly.

The maximum earnings used to calculate contributions are B\$944 (rising to B\$965 in January 2012) a week for employees paid weekly or B\$4,090 (rising to B\$4,180 in January 2012) a month for employees paid monthly.

The employer's contributions also finance sickness and maternity benefits and work injury benefits.

**Social assistance:** None.

#### Government

**Social insurance:** None; contributes as an employer.

**Social assistance:** The total cost.

#### Qualifying Conditions

##### Social insurance

**Old-age pension:** Age 66 (gradually rising to age 67 by 2018) with at least 500 weeks of coverage, including at least 150 weeks of paid contributions.

**Early pension:** Age 60 and no longer employed or self-employed.

**Deferred pension:** The pension may be deferred until age 70.

**Old-age grant:** Age 66 (gradually rising to age 67 by 2018) with at least 50 but not more than 499 weeks of contributions.

Old-age benefits are payable abroad.

**Disability pension:** Younger than pensionable age with at least 150 weeks of contributions and incapable of any work.

**Disability grant:** Younger than pensionable age with at least 50 but not more than 149 weeks of contributions and incapable of any work.

Disability benefits are not payable abroad.

**Survivor pension:** The deceased received or was eligible to receive the old-age or disability pension.

Eligible survivors are a widow(er) and children.

**Funeral grant:** The deceased had at least 50 weeks of paid contributions.

Survivor benefits are payable abroad.

##### Social assistance

**Noncontributory old-age pension:** Aged 66 (gradually rising to age 67 by 2018) or older, meets the residency conditions, and does not qualify for a social insurance pension.

**Noncontributory disability pension (income-tested):** Aged 18 or older; meets the residency conditions; is assessed with an incapacity for work as the result of a serious problem with eyesight, or hearing and speech; and earns less than B\$30 a week.



## Old-Age Benefits

### Social insurance

*Old-age pension:* For insured persons aged 56 or older on December 31, 2002, the pension is 40% of average covered earnings plus 1% of total earnings used to calculate contributions for contributions exceeding 500 weeks.

For insured persons aged 47 or younger on December 31, 2002, the pension is 2% of average annual earnings for the first 20 years of contributions plus 1.25% average annual earnings for each year exceeding 20.

For all insured persons older than age 47 but younger than age 56 on December 31, 2002, 50% of the pension is based on the first method of calculation and 50% on the second.

Average earnings are based on earnings in the best five years divided by five; if the number of years worked is less than 15 years, the average is based on total earnings.

The maximum earnings used to calculate benefits are B\$944 (rising to B\$965 in January 2012) a week for employees paid weekly or B\$4,090 (rising to B\$4,180 in January 2012) a month for employees paid monthly.

The minimum weekly pension is B\$163 (rising to B\$170 in January 2012).

The maximum pension is 60% of average covered earnings.

Benefit adjustment: Benefits are adjusted annually according to changes in the cost of living.

*Old-age grant:* A lump sum of six weeks of average covered earnings is paid for each 50-week period of contributions.

### Social assistance

*Noncontributory old-age pension:* The minimum weekly pension is B\$133 (rising to B\$138 in January 2012).

Benefit adjustment: Benefits are adjusted annually according to changes in the cost of living.

## Permanent Disability Benefits

### Social insurance

*Disability pension:* The pension is 40% of the average annual insurable earnings plus 1% of total earnings used to calculate contributions for contributions exceeding 500 weeks, up to 60% of average annual insurable earnings.

Average earnings are based on earnings in the best three years of contributions; if the number of years worked is less than 15 years, the average is based on total earnings.

The maximum earnings used to calculate benefits are B\$944 (rising to B\$965 in January 2012) a week for employees paid weekly or B\$4,090 (rising to B\$4,180 in January 2012) a month for employees paid monthly.

The minimum weekly pension is B\$163 (rising to B\$170 in January 2012).

Benefit adjustment: Benefits are adjusted annually according to changes in the cost of living.

*Disability grant:* A lump sum of six weeks of average covered earnings for each 50-week period of paid or credited contributions is paid.

Average earnings are based on earnings in the best three years of contributions; if the number of years worked is less than 15 years, the average is based on total earnings.

### Social assistance

*Noncontributory disability pension (income-tested):* The minimum weekly pension is B\$133 (rising to B\$138 in January 2012).

Benefit adjustment: Benefits are adjusted annually according to changes in the cost of living.

## Survivor Benefits

**Survivor pension:** 50% of the pension the deceased received or was eligible to receive is paid to a widow(er) aged 50 or older who was married to the deceased for at least three years. A limited pension is paid for 12 months (without limit of age or length of payment if disabled) to a widow(er) younger than age 50.

**Orphan's pension:** 16.6% of the pension the deceased received or was eligible to receive is paid to each child younger than age 16 (age 25 if a student, no limit if disabled before age 16); 33.3% if a full orphan or disabled.

**Funeral grant:** A lump sum of B\$1,815 is paid to the person who pays for the funeral of the insured or of the insured's spouse.

Benefit adjustment: Benefits are adjusted annually according to changes in the cost of living.

## Administrative Organization

Ministry of Finance is responsible for policy.

National Insurance Office (<http://www.nis.gov.bb>), directed by a tripartite board, administers the program.

## Sickness and Maternity

### Regulatory Framework

**First and current law:** 1966 (social insurance).

**Type of program:** Social insurance system. Cash benefits only.

### Coverage

All employed and self-employed persons aged 16 to 66 (gradually rising to 67 by 2018), including public-sector employees.

Exclusions: Unpaid family labor. Permanent government employees are not covered for cash sickness benefits.

### **Source of Funds**

**Insured person:** See source of funds under Old Age, Disability, and Survivors.

**Self-employed person:** See source of funds under Old Age, Disability, and Survivors.

**Employer:** See source of funds under Old Age, Disability, and Survivors.

**Government:** See source of funds under Old Age, Disability, and Survivors.

### **Qualifying Conditions**

**Cash sickness benefits:** The insured must have been employed immediately before the incapacity began; must have at least seven weeks of paid contributions in the second to last quarter before the incapacity began; and must have at least 39 weeks of paid or credited contributions in the four consecutive quarters ending in the second to last quarter before the incapacity began.

**Cash maternity benefits:** Employed women must have at least 26 weeks of coverage, including 16 weeks of paid contributions in the two consecutive quarters ending in the second to last quarter before the benefit is paid.

Self-employed women must have at least 39 weeks of contributions in the four consecutive quarters ending in the second to last quarter before the benefit is paid; and 16 weeks of paid contributions in the two consecutive quarters ending in the second to last quarter before the benefit is paid.

**Maternity grant:** Paid for a woman who is not insured or who does not meet the qualifying conditions for cash maternity benefits but whose spouse does.

**Funeral grant:** Paid for the death of an insured person who received or was eligible to receive contributory sickness, maternity, disability, or old age benefits.

### **Sickness and Maternity Benefits**

**Sickness benefit:** 66.6% of average covered weekly earnings is paid after a three-day waiting period for up to 26 weeks; may be extended for an additional 26 weeks if the insured has paid at least 150 weeks of contributions, including 75 weeks of contributions in the three years before the year the incapacity began. The waiting period is waived if the incapacity lasts at least 14 days or more.

**Maternity benefit:** 100% of average covered weekly earnings is paid for up to six weeks before and six weeks after the expected date of childbirth.

**Funeral grant:** A lump sum of B\$1,815 is paid to the person who pays for the funeral.

**Maternity grant:** A lump sum of B\$1,045 is paid.

### **Workers' Medical Benefits**

No statutory benefits are provided.

Free medical care is available in public hospitals and health centers.

### **Dependents' Medical Benefits**

No statutory benefits are provided.

Free medical care is available in public hospitals and health centers.

### **Administrative Organization**

Ministry of Finance is responsible for policy.

National Insurance Office (<http://www.nis.gov.bb>), directed by a tripartite board, administers the program.

### **Work Injury**

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#### **Regulatory Framework**

**First law:** 1916 (workmen's compensation).

**Current law:** 1966 (social insurance).

**Type of program:** Social insurance system.

#### **Coverage**

All employed persons aged 16 to 66 (gradually rising to 67 by 2018), including public-sector employees and some categories of fishermen.

Exclusions: Self-employed persons and unpaid family labor.

#### **Source of Funds**

**Insured person:** See source of funds under Old Age, Disability, and Survivors.

**Self-employed person:** Not applicable.

**Employer:** See source of funds under Old Age, Disability, and Survivors.

**Government:** None; contributes as an employer.

#### **Qualifying Conditions**

**Work injury benefits:** There is no minimum qualifying period.

#### **Temporary Disability Benefits**

90% of average covered earnings is paid after a three-day waiting period for up to 52 weeks. The waiting period is waived if the disability lasts 14 days or more.

#### **Permanent Disability Benefits**

**Permanent disability pension:** For a total permanent disability (100%), 90% of the insured's average earnings is paid.

The insured's doctor assesses the degree of disability, which may be reviewed by National Insurance Office doctors.

Constant-attendance supplement: 50% of the pension is paid if the insured requires the constant attendance of others to perform daily functions.

Partial disability: A percentage of the full pension is paid according to the assessed degree of disability.

A lump sum is paid if the assessed degree of disability is less than 30%.

### **Workers' Medical Benefits**

Benefits include reimbursement of expenses for medical, surgical, dental, and hospital treatment; nursing care; medicine; appliances; and transportation.

### **Survivor Benefits**

**Survivor pension:** 50% of the temporary disability benefit the deceased received or was eligible to receive is paid to a dependent spouse.

Remarriage settlement: The pension ceases on remarriage or cohabitation, and a lump sum of one year of pension is paid.

**Orphan's pension:** 16.6% of the temporary disability benefit the deceased received or was eligible to receive is paid to each child younger than age 16; 33.3% if a full orphan or disabled. (There is no age limit for a disabled orphan.)

All survivor benefits combined must not exceed 100% of the deceased's temporary disability benefit.

**Funeral grant:** A lump sum of B\$1,815 is paid to the person who pays for the insured's funeral.

### **Administrative Organization**

Ministry of Finance is responsible for policy.

National Insurance Office (<http://www.nis.gov.bb>), directed by a tripartite board, administers the program.

### **Unemployment**

#### **Regulatory Framework**

**First and current law:** 1981 (social insurance).

**Type of program:** Social insurance system.

#### **Coverage**

Employees aged 16 to 66 (gradually rising to age 67 by 2018).

Exclusions: Self-employed persons, family labor, and permanent government employees.

### **Source of Funds**

**Insured person:** 0.75% of covered earnings.

The minimum earnings used to calculate contributions are B\$21 a week for employees paid weekly or B\$91 a month for employees paid monthly.

The maximum earnings used to calculate contributions are B\$944 (rising to B\$965 in January 2012) a week for employees paid weekly or B\$4,090 (rising to B\$4,180 in January 2012) a month for employees paid monthly.

**Self-employed person:** Not applicable.

**Employer:** 0.75% of covered payroll.

The minimum earnings used to calculate contributions are B\$21 a week for employees paid weekly or B\$91 a month for employees paid monthly.

The maximum earnings used to calculate contributions are B\$944 (rising to B\$965 in January 2012) a week for employees paid weekly or B\$4,090 (rising to B\$4,180 in January 2012) a month for employees paid monthly.

**Government:** None; contributes as an employer.

### **Qualifying Conditions**

**Unemployment benefit:** The insured must be younger than age 66 (gradually rising to age 67 in 2018) with at least 52 weeks of coverage; must have at least seven weeks of paid or credited contributions in the second to last quarter before the unemployment began; and must have at least 20 weeks of paid or credited contributions in the three consecutive quarters ending in the second to last quarter before the unemployment began.

### **Unemployment Benefits**

60% of the insured's average covered weekly earnings is paid after a three-day waiting period for up to 40 weeks in any 52-week period. The waiting period is waived if the insured is unemployed for at least 14 days.

### **Administrative Organization**

Ministry of Finance is responsible for policy.

National Insurance Office (<http://www.nis.gov.bb>), directed by a tripartite board, administers the program.

## Belize

Exchange rate: US\$1.00 = 2.00 Belize dollars (B\$).

### Old Age, Disability, and Survivors

#### Regulatory Framework

**First and current law:** 1979 (social security).

**Type of program:** Social insurance and social assistance system.

#### Coverage

**Social insurance:** Employed persons aged 14 to 64, including public servants and self-employed persons. Persons aged 60 to 64 who have previously received an old-age benefit and who return to work are covered for work injury benefits only.

Exclusions: Casual labor, persons employed for less than eight hours a week, and military personnel.

Voluntary coverage for old-age benefits, survivor benefits, and the funeral grant for workers younger than age 65 who become self-employed and who have paid at least 150 contributions as an employee.

**Social assistance (noncontributory old-age pension):** Age 67 or older (men) or age 65 or older (women) and citizens or permanent residents of Belize.

#### Source of Funds

##### Social insurance

*Insured person:* Weekly contributions vary according to eight wage classes:

B\$0.83 if weekly earnings are less than B\$70;

B\$1.35 if B\$70 to B\$109.99;

B\$1.95 if B\$110 to B\$139.99;

B\$3.15 if B\$140 to B\$179.99;

B\$4.75 if B\$180 to B\$219.99;

B\$6.35 if B\$220 to B\$259.99;

B\$7.95 if B\$260 to B\$299.99; and

B\$9.55 if B\$300 or greater.

The insured's contributions also finance sickness and maternity benefits and work injury benefits.

Voluntary contributors pay weekly contributions based on the best three years of contributions paid. Voluntary weekly contributions range from B\$1.76 to B\$10.24.

*Self-employed person:* 7% of weekly income between B\$55 and B\$320.

The self-employed person's contributions also finance sickness and maternity benefits and work injury benefits.

*Employer:* Weekly contributions vary according to eight wage classes:

B\$3.57 if weekly earnings are less than B\$70;

B\$5.85 if B\$70 to B\$109.99;

B\$8.45 if B\$110 to B\$139.99;

B\$9.65 if B\$140 to B\$179.99;

B\$11.25 if B\$180 to B\$219.99;

B\$12.85 if B\$220 to B\$259.99;

B\$14.45 if B\$260 to B\$299.99; and

B\$16.05 if B\$300 or greater.

The employer's contributions also finance sickness and maternity benefits and work injury benefits.

B\$2.60 of employer contributions covers work injury benefits only for employees aged 60 to 64 who have previously received an old-age benefit and for all employees aged 65 or older.

*Government:* Contributes as an employer.

#### Social assistance (noncontributory old-age pension)

*Insured person:* None.

*Self-employed person:* None.

*Employer:* None.

*Government:* The total cost is met by the Social Security Board.

#### Qualifying Conditions

**Old-age pension:** Age 65 with at least 500 weeks of paid or credited contributions including at least 150 paid contributions. Retirement from covered employment is not necessary if aged 65 or older.

Early pension: Age 60 with at least 500 weeks of paid or credited contributions including at least 150 paid contributions. Employment must cease.

**Retirement grant:** Age 60 with at least 26 weeks of paid contributions but does not meet the qualifying conditions for an old-age pension.

**Noncontributory old-age pension:** Age 67 or older (men) and age 65 or older (women) and needy.

**Disability pension:** Age 59 or younger and incapable of work with at least 150 weeks of paid contributions since 1981, including at least 110 paid contributions in the five consecutive contribution years before the year in which the disability began and five paid or credited contributions in the 13 weeks immediately before the week in which the incapacity leading to the onset of disability began.

A medical board assesses the degree of disability.

**Disability grant:** Age 59 or younger with at least 26 weeks of paid contributions but does not meet the qualifying conditions for a disability pension. The insured person must be assessed with a permanent incapacity for work by a medical board.

**Survivor pension:** The deceased was eligible for or was receiving an old-age or disability pension at the time of death.

Eligible survivors are a widow who is pregnant or caring for the deceased's children or is aged 50 or older (or disabled) and was married to the insured for at least three years; a widower who was dependent on the deceased for at least three years; a partner who lived with the deceased for at least five consecutive years; children younger than age 16 (age 21 if a full-time student); and, if there are no other survivors, parents aged 55 or older.

**Survivor grant:** The deceased was not eligible for an old-age or disability pension but had at least 26 paid contributions.

Eligible survivors are a widow who is pregnant or caring for the deceased's children or is aged 50 or older (or disabled) and was married to the insured for at least three years; a widower who was dependent on the deceased for at least three years; a partner who lived with the deceased for at least five consecutive years; children younger than age 16 (age 21 if a full-time student); and, if there are no other survivors, parents aged 55 or older.

**Funeral grant:** The deceased had 50 weeks of paid contributions; 150 weeks of paid contributions for the funeral of a spouse or dependent child younger than age 16 (age 21 if a full-time student).

### Old-Age Benefits

**Old-age pension:** The pension is 30% of the insured's average weekly covered earnings plus 2% of earnings for each 50-week period of contributions exceeding 500 weeks up to 750 weeks plus 1% of earnings for every 50-week period of contributions exceeding 750 weeks.

Average weekly covered earnings are based on the best three years of earnings.

Early pension: Calculated in the same way as the old-age pension. The pension is suspended if the insured returns to work before age 65.

The minimum weekly pension is B\$47. The pension is paid every four weeks.

The maximum pension is 60% of average weekly covered earnings, up to a weekly maximum of B\$192.

**Retirement grant:** The grant is a lump sum of six times the sum of average covered earnings in the best three years of contributions divided by 150 and multiplied by the number of 50-week contribution periods; or twice the sum of weekly covered earnings divided by the number

of contributions and multiplied by the number of 50-week contribution periods (whichever is greater).

The minimum grant is B\$800.

**Noncontributory old-age pension:** B\$100 a month is paid.

### Permanent Disability Benefits

**Disability pension:** 30% of the insured's average weekly covered earnings is paid with at least 500 weeks of contributions; 25% of average weekly covered earnings with less than 500 weeks of contributions.

Average weekly covered earnings are based on the best three years of earnings.

The minimum weekly pension is B\$47. The pension is paid monthly.

The maximum pension is 60% of average weekly covered earnings.

**Disability grant:** The grant is a lump sum of six times the sum of average covered earnings in the best three years of contributions divided by 150 and multiplied by the number of 50-week contribution periods; or twice the sum of weekly covered earnings divided by the number of contributions and multiplied by the number of 50-week contribution periods (whichever amount is greater).

The minimum grant is B\$800.

### Survivor Benefits

**Survivor pension:** 66.6% of the old-age or disability pension the deceased received or would have been entitled to receive is paid to a widow(er).

**Orphan's pension:** 25% of the old-age or disability pension the deceased received or would have been entitled to receive is paid to each child younger than age 16 (age 21 if a full-time student); 40% if disabled (no age limit).

**Dependent parent's pension (in the absence of other eligible survivors):** 40% of the old-age or disability pension the deceased received or would have been entitled to receive is paid to a parent aged 55 or older.

The minimum weekly survivor pension is B\$47 and is split among eligible survivors. Survivor pensions are paid every four weeks.

All survivor benefits combined must not exceed 100% of the pension the deceased received or would have been entitled to receive; otherwise, the pensions are reduced proportionately.

**Survivor grant:** The grant is a lump sum of six times the sum of average covered earnings in the best three years of contributions divided by 150 and multiplied by the number of 50-week contribution periods; or twice the sum of weekly covered earnings divided by the number of contributions and multiplied by the number of 50-week contribution periods (whichever is greater).

## Belize

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The minimum grant is B\$800.

**Funeral grant:** B\$1,500 is paid for the insured's death; B\$1,000 to the insured on the death of a spouse; and B\$500 to the insured on the death of a dependent child.

### **Administrative Organization**

Ministry of Finance provides general supervision.

Social Security Board (<http://www.socialsecurity.org.bz>) administers the program.

### **Sickness and Maternity**

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#### **Regulatory Framework**

**First and current law:** 1979 (social security).

**Type of program:** Social insurance system. Cash benefits only.

#### **Coverage**

Employed persons aged 14 to 64, including public servants and self-employed persons.

Exclusions: Casual labor, persons employed for less than eight hours a week, and military personnel.

#### **Source of Funds**

**Insured person:** See source of funds under Old Age, Disability, and Survivors.

**Self-employed person:** See source of funds under Old Age, Disability, and Survivors.

**Employer:** See source of funds under Old Age, Disability, and Survivors.

**Government:** Contributes as an employer.

#### **Qualifying Conditions**

**Cash sickness benefits:** The insured must be currently employed with at least 50 weeks of contributions, including at least five of the 13 weeks before the incapacity began.

**Cash maternity benefits:** The insured must have at least 50 weeks of contributions, including at least 25 of the 39 weeks ending six weeks before the expected date of childbirth or the day on which the benefit was claimed.

**Maternity grant:** The insured must have at least 50 weeks of contributions, including at least 25 of the 50 weeks before the expected date of childbirth. The grant is paid to an insured woman or to an insured man whose wife or common-law spouse has given birth and is not entitled to the benefit.

#### **Sickness and Maternity Benefits**

**Sickness benefit:** 80% of average weekly covered earnings is paid for up to 234 days; thereafter, the full benefit

may be extended for 156 days and for a further 78 days at 60% of average weekly covered earnings. After 234 days, a disability pension may be paid at the discretion of a medical board. The benefit is paid weekly.

The minimum weekly benefit is B\$44.00.

The maximum weekly benefit is B\$256.00.

**Maternity benefit:** 80% of average weekly covered earnings is paid for up to 14 weeks, beginning seven weeks before the expected date of childbirth or the day on which the benefit was claimed. The benefit is paid in two installments: one for the period before childbirth, one for the period after childbirth. The benefit is paid weekly.

The minimum weekly benefit is B\$44.00.

The maximum weekly benefit is B\$256.00.

**Maternity grant:** B\$300 is paid for each child.

#### **Workers' Medical Benefits**

No statutory benefits are provided.

#### **Dependents' Medical Benefits**

No statutory benefits are provided.

#### **Administrative Organization**

Ministry of Finance provides general supervision.

Social Security Board (<http://www.socialsecurity.org.bz>) administers the program.

### **Work Injury**

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#### **Regulatory Framework**

**First and current law:** 1979 (social security).

**Type of program:** Social insurance system.

#### **Coverage**

Employed persons aged 14 to 64, including public servants, self-employed persons, and persons aged 60 or older who have previously received an old-age benefit and who return to work.

Exclusions: Casual labor, persons employed for less than eight hours a week, and military personnel.

#### **Source of Funds**

**Insured person:** See source of funds under Old Age, Disability, and Survivors.

**Self-employed person:** See source of funds under Old Age, Disability, and Survivors.

**Employer:** See source of funds under Old Age, Disability, and Survivors.

**Government:** Contributes as an employer.

## Qualifying Conditions

**Work injury benefits:** There is no minimum qualifying period and no contribution requirement. Accidents that occur while commuting to and from work are covered under certain circumstances.

### Temporary Disability Benefits

80% of average weekly covered earnings in the four weeks before the disability began and is paid from the first day of incapacity for up to 156 days; thereafter, the benefit may be extended and paid at 60% of average weekly covered earnings for up to 91 days. The benefit is paid weekly.

The minimum weekly benefit for the first 156 days is B\$44.00.

The maximum weekly benefit for the first 156 days is B\$256.00.

### Permanent Disability Benefits

**Permanent disability pension:** 60% of average weekly covered earnings in the four weeks before the disability began multiplied by the assessed degree of disability is paid.

The minimum weekly pension is B\$47. The pension is paid monthly.

Constant-attendance allowance: 25% of the disability pension is paid if the assessed degree of disability is 100% and the insured requires the constant attendance of others to perform daily functions.

A medical board periodically assesses and reviews the degree of disability.

**Disablement grant:** If the assessed degree of disability is less than 25%, a lump sum of average covered earnings in the four weeks before the disability began multiplied by the assessed degree of disability multiplied by 260 is paid.

A medical board assesses the degree of disability.

### Workers' Medical Benefits

Benefits include full medical care, including rehabilitation and treatment abroad if recommended by a medical doctor.

## Survivor Benefits

**Survivor pension:** 66.6% of the permanent disability pension the deceased received or would have been entitled to receive is paid to a widow(er).

Eligible widows are a dependent widow who is pregnant or caring for the deceased's children or is aged 50 or older and was married to the deceased for at least three years. A limited pension may be paid to a widow for up to 52 weeks if the qualifying conditions are not met. A pension is also paid to a widower with a disability who was fully dependent on the deceased for at least three years.

The widow(er) pension ceases on remarriage.

**Orphan's pension:** 25% of the permanent disability pension the deceased received or would have been entitled to receive is paid to each child up to age 16 (age 21 if a full-time student); 40% if disabled.

**Dependent parent's pension (in the absence of other eligible survivors):** 40% of the pension the deceased received or would have been entitled to receive is paid to parents aged 55 or older.

The minimum weekly pension is B\$47 and is split among the eligible survivors. Survivor pensions are paid monthly.

All survivor benefits combined must not exceed 60% of the deceased's average covered earnings in the four weeks before the date of the employment injury resulting in the insured's death.

**Funeral grant:** B\$1,500 is paid for the death of the insured.

### Administrative Organization

Ministry of Finance provides general supervision.

Social Security Board (<http://www.socialsecurity.org.bz>) administers the program.

## Bermuda

Exchange rate: US\$1.00 =  
1.00 Bermuda dollar (B\$).

### Old Age, Disability, and Survivors

#### Regulatory Framework

**First law:** 1967 (old-age and survivors).

**Current laws:** 1970 (old-age and survivors); 1980 (disability); and 1998 (occupational pensions), implemented in 2000.

**Type of program:** Social insurance, mandatory occupational pension, and social assistance system.

#### Coverage

##### Social insurance

Employed and self-employed persons older than age 18.

Voluntary coverage for persons who were previously covered.

Exclusions: Those who are not ordinarily residents, unless gainfully employed for more than 26 consecutive weeks; full-time students up to age 26 who work weekends or during school vacations.

##### Mandatory occupational pension

Employed persons aged 23 or older who are citizens or the spouse of a citizen and who have worked 720 hours or more for their current employer in any calendar year; self-employed persons aged 23 or older with annual earnings over B\$2,000 who are citizens or the spouse of a citizen.

##### Social assistance

All residents of Bermuda.

#### Source of Funds

##### Social insurance

**Insured person:** B\$30.40 a week; none if older than age 65.

**Self-employed person:** B\$60.80 a week; B\$30.40 if older than age 65.

**Employer:** B\$30.40 a week for employees.

**Government:** None; contributes as an employer.

##### Mandatory occupational pension

**Insured person:** 5% of covered earnings.

The maximum annual earnings used to calculate contributions are B\$200,000.

**Self-employed person:** 10% of declared earnings. Additional voluntary contributions are possible.

The maximum mandatory contribution on declared earnings is B\$5,000 a year.

**Employer:** 5% of covered earnings.

The maximum annual earnings used to calculate contributions are B\$200,000.

**Government:** None.

##### Social assistance

**Insured person:** None.

**Self-employed person:** None.

**Employer:** None.

**Government:** The total cost.

#### Qualifying Conditions

##### Social insurance

**Old-age pension:** Age 65 with at least 484 weeks of contributions, including at least 50 weeks of contributions for each year of coverage. Retirement is not necessary.

**Partial pension:** A reduced pension is paid for each year of coverage for individuals with 25 to 49 weeks of contributions a year.

The old-age pension is payable abroad.

**Old-age settlement:** Age 65 and does not meet the qualifying conditions for the old-age pension.

**Disability pension:** Aged 18 to 64, employed immediately before the disability began, and unable to work for a full year. The insured must have at least 150 weeks of contributions, including at least 50 weeks of contributions for each year of coverage.

**Partial pension:** A reduced pension is paid for each year of coverage for individuals with 25 to 49 weeks of contributions.

The disability pension is payable abroad.

**Survivor pension:** The deceased received or was eligible to receive a pension. The widow(er) was married to the deceased for at least three years.

**Partial pension:** A reduced pension is paid for each year of coverage for individuals with 25 to 49 weeks of contributions a year.

Eligible survivors are the widow(er) and orphans.

The survivor pension ceases on remarriage or cohabitation.

The survivor pension is payable abroad.

**Survivor settlement:** The deceased did not meet the qualifying conditions for a survivor pension.

Eligible survivors are the widow(er) and orphans.

##### Mandatory occupational pension

**Old-age pension:** Age 65.



*Disability pension:* The insured must be assessed with an incapacity for work due to a physical or mental condition.

*Survivor pension:* The beneficiary is named by the deceased.

#### **Social assistance**

*Noncontributory old-age pension:* Age 65, is not eligible for contributory old-age benefits, and is a citizen with at least 10 years of continuous residency in Bermuda in the 20 years immediately before the application.

*Noncontributory disability pension:* Aged 18 to 64, is not eligible for contributory disability benefits, is assessed with a permanent incapacity for work, and has at least 10 years of residency in Bermuda immediately before the application.

Appointed medical doctors assess the degree of disability.

### **Old-Age Benefits**

#### **Social insurance**

*Old-age pension:* B\$219.53 a week (B\$951.73 a month) plus B\$1.29 for each 26-week period of contributions exceeding 484 weeks is paid.

Partial pension: The minimum monthly partial pension is B\$475.87 if the annual average number of weeks of contributions is 25 to 29; B\$571.04 for 30 to 34 weeks; B\$666.21 for 35 to 39 weeks; B\$761.38 for 40 to 44 weeks; or B\$856.56 for 45 to 49 weeks.

*Old-age settlement:* The total employer and employee contributions are refunded as a lump sum.

#### **Mandatory occupational pension**

*Old-age pension:* Pensions calculations are based on average earnings or the amount of the insured's accumulated capital.

#### **Social assistance**

*Noncontributory old-age pension:* B\$436.76 a month is paid. If annual income is less than B\$4,000, the minimum monthly pension is B\$449.22.

### **Permanent Disability Benefits**

#### **Social insurance**

*Disability pension:* B\$634.41 a month is paid.

Partial pension: A percentage of the full pension is paid according to the number of average annual weeks of contributions from 25 to 49.

#### **Mandatory occupational pension**

*Disability pension:* The value of the benefit depends on the rules for the specific occupational pension scheme.

#### **Social assistance**

*Noncontributory disability pension:* B\$436.76 a month is paid.

### **Survivor Benefits**

#### **Social insurance**

*Survivor pension:* B\$951.73 a month is paid.

Partial pension: B\$475.87 a month is paid if the deceased's annual average number of weeks of contributions was 25 to 29; B\$571.04 for 30 to 34 weeks; B\$666.21 for 35 to 39 weeks; B\$761.38 for 40 to 44 weeks; or B\$856.56 for 45 to 49 weeks.

The survivor pension is paid for 26 weeks or until dependent children reach age 16; for life if the surviving spouse is older than age 50 or disabled.

For her own pension calculation, a widow who receives a survivor pension is credited for every week she receives the pension and may substitute up to a year of her deceased husband's contribution record for her own.

*Orphan's pension:* Each orphan receives B\$94.96 a month until old enough to leave school.

*Survivor settlement:* The total employer and employee contributions are refunded as a lump sum.

#### **Mandatory occupational pension**

*Survivor benefit:* The benefit is paid as a lump sum based on the value of the deceased's contributions, accumulated capital, or accrued benefits.

A lump-sum benefit is also paid to the survivor if the deceased had less than two years of membership in an occupational pension scheme at the time of death.

### **Administrative Organization**

#### **Social insurance and social assistance**

Ministry of Finance provides general supervision.

Department of Social Insurance (<http://www.socialinsurance.gov.bm>) administers the program.

#### **Mandatory occupational pension**

Pension Commission (<http://www.pensioncommission.bm>) supervises and regulates the program.

### **Sickness and Maternity**

#### **Regulatory Framework**

**First and current laws:** 1970 (hospital insurance); and 2004 (health council), implemented in 2006.

**Type of program:** Compulsory insurance with a public or private carrier or an approved employer-operated plan (employed persons). Individual or voluntary insurance (non-employed persons). Medical benefits only.

Note: Under the 2000 Employment Act, employers are required to provide paid sick leave and paid and unpaid maternity leave.

## Coverage

**Government Health Insurance Plan:** Residents of Bermuda who are older than the minimum age to leave school.

**Commercial Insurance:** Employed persons and their non-employed spouses; and self-employed persons.

**Future Care:** Residents of Bermuda aged 65 or older.

## Source of Funds

### Insured person

**Health Insurance Plan:** B\$192.50 a month. Voluntarily insured persons pay B\$285 a month.

**Commercial Insurance:** Employed persons and their nonemployed spouses pay 50% of a premium set based on medical underwriting.

**Future Care:** B\$187.50 a month; B\$504.50 a month for persons who do not meet residency requirements.

### Self-employed person

**Health Insurance Plan:** B\$285 a month.

**Commercial Insurance:** 100% of premiums set based on medical underwriting.

**Future Care:** B\$375 a month; B\$1,009 a month for persons who do not meet residency requirements.

### Employer

**Health Insurance Plan:** B\$192.50 a month.

**Commercial Insurance:** For employed persons and their nonemployed spouses, 50% of a premium set based on medical underwriting.

**Future Care:** B\$187.50 a month; B\$504.50 a month for persons who do not meet residency requirements.

### Government:

The total cost of health insurance for resident children younger than age 16 (age 21 if a student) and needy persons; 80% of the total cost of hospital care for residents aged 65 to 74; 90% of the total cost of hospital care for residents aged 75 or older.

## Qualifying Conditions

**Cash sickness and maternity benefits:** No statutory benefits are provided.

Under the 2000 Employment Act, employers are required to provide paid sick leave and paid and unpaid maternity leave.

**Medical benefits:** There is no minimum qualifying period for employees with compulsory coverage, except for a 10-month waiting period for maternity care benefits.

## Sickness and Maternity Benefits

**Sickness benefit:** No statutory benefits are provided.

The 2000 Employment Act provides for eight days of paid sick leave a year to employees who have worked for the same employer for at least a year.

**Maternity benefit:** No statutory benefits are provided.

The 2000 Employment Act provides for eight weeks of paid maternity leave and four weeks of unpaid maternity leave to employees who have worked for the same employer for at least a year; eight weeks unpaid maternity leave for employees with less than a year.

## Workers' Medical Benefits

### Medical benefits:

**Health Insurance Plan:** Benefits include inpatient and outpatient services; nursing, diagnostic, laboratory, ambulance, specialist, and doctor services; surgery; appliances; medicine; and basic dental care.

**Commercial Insurance:** Benefits include inpatient and outpatient services; nursing, preventative, diagnostic, laboratory, ambulance, air ambulance, air travel, accommodation, specialist, and doctor services; surgery; appliances; prescription drugs; dental and vision care; and nursing services at home.

**Future Care:** Benefits include inpatient and outpatient services; nursing, preventative, diagnostic, laboratory, ambulance, specialist, and doctor services; surgery; appliances; medicine; dental and vision care; and nursing services at home.

## Dependents' Medical Benefits

**Commercial Insurance:** Benefits may include inpatient and outpatient services; nursing, preventative, diagnostic, laboratory, ambulance, air ambulance, air travel, accommodation, specialist, and doctor services; surgery; appliances; prescription drugs; dental and vision care; and nursing services at home.

## Administrative Organization

Ministry of Health provides general supervision.

Health Insurance Department (<http://www.hip.gov.bm>) administers the Health Insurance Plan and the Future Care programs.

Private carriers administer the commercial insurance.

## Work Injury

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## Regulatory Framework

**First and current law:** 1965 (workmen's compensation).

**Type of program:** Employer-liability system. (The government may require employers to carry insurance.)

## Coverage

Employed persons and apprentices aged 18 or older.

Exclusions: Self-employed persons, casual labor, part-time workers, temporary employees, students, and voluntary workers.

## Source of Funds

**Insured person:** None.

**Self-employed person:** Not applicable.

**Employer:** The total cost is met through direct provision of benefits or the purchase of insurance premiums.

**Government:** None.

## Qualifying Conditions

**Work injury benefits:** There is no minimum qualifying period, but the work injury must last more than three days.

## Temporary Disability Benefits

50% of lost earnings (up to B\$170 a week) or a lump sum is paid. The total benefit paid must not exceed the permanent disability benefit for which the insured would be eligible.

## Permanent Disability Benefits

**Permanent disability benefit:** For a total disability, the full benefit is four years of earnings.

The minimum benefit is B\$5,000.

The maximum benefit is B\$53,000.

Constant-attendance supplement: 25% of the permanent disability benefit is paid if the insured requires the constant attendance of others to perform daily functions.

Partial disability: A percentage of the full disability benefit is paid according to the assessed loss of earning capacity.

Appointed medical doctors assess the degree of disability.

## Workers' Medical Benefits

Benefits include the cost of necessary medical care, including hospitalization (up to a maximum based on the prevailing public ward charge for 56 days); emergency outpatient treatment; surgery, according to a fee schedule; medical expenses, including the cost of nursing, ambulances, and medicine, up to B\$1,000; the cost of prostheses up to B\$2,000; and the cost of transportation up to B\$250.

## Survivor Benefits

**Survivor benefit:** A lump sum of three years of earnings or B\$42,000 (whichever is less) is paid minus the value of any permanent disability benefits paid to the deceased.

Eligible survivors are dependents who were totally dependent on the deceased's earnings.

**Partial survivor grant:** A grant is paid to those who were partially dependent on the deceased's earnings.

**Funeral grant and medical expenses:** Up to B\$2,000 is paid if there are no dependents.

## Administrative Organization

Ministry of Labor, Home Affairs, and Public Safety provides general supervision.

Supreme Court administers lump sums.

Courts supervise the agreement between an employer and the insured on the amounts payable.

## Bolivia

Exchange rate: US\$1.00 = 6.96 bolivianos.

### Old Age, Disability, and Survivors

#### Regulatory Framework

**First laws:** 1949 (social insurance); and 1956 (social security), implemented in 1959.

**Current laws:** 1996 (mandatory individual account), implemented in 1997; 2007 (universal pension), implemented in 2008; and 2010 (integrated pensions system).

**Type of program:** Mandatory individual account and universal pension system.

Note: In 1997, all active members of the social insurance system transferred to a system of privately managed mandatory individual accounts.

In 2008, a new universal pension (*Renta Dignidad*) replaced the Bonosol (available to all resident citizens of Bolivia older than age 65 from 1996 to 2008).

#### Coverage

**Mandatory individual account:** Salaried workers, including military personnel and apprentices.

Voluntary coverage for self-employed persons.

**Universal pension (*Renta Dignidad*):** All resident citizens aged 60 or older.

#### Source of Funds

##### Insured person

**Mandatory individual account:** 10% of covered earnings for old-age benefits plus 1.71% of covered earnings for disability and survivor benefits and 0.5% of covered earnings for administrative fees.

The minimum earnings used to calculate contributions are the legal monthly minimum wage.

The maximum earnings used to calculate contributions are 60 times the legal monthly minimum wage.

The legal monthly minimum wage is 815.40 bolivianos. (The legal monthly minimum wage is adjusted according to changes in the cost of living, depending on the financial resources of the government budget. The last adjustment was made in April 2011.)

**Solidarity pension:** 0.5% of covered earnings of 815.40 bolivianos to 13,000 bolivianos; 1% of earnings above 13,000 bolivianos up to 25,000 bolivianos; 5% of earnings above 25,000 bolivianos up to 35,000 bolivianos; and 10% of earnings above 35,000 bolivianos.

20% of the insured's contributions for survivors and disability insurance also finances the semicontributory pension.

**Universal pension (*Renta Dignidad*):** None.

##### Self-employed person

**Mandatory individual account:** Voluntarily insured persons contribute 10% of declared earnings plus 1.71% of declared earnings for disability and survivor benefits and 0.5% of declared earnings for administrative fees.

The minimum declared earnings used to calculate contributions are the legal monthly minimum wage.

The maximum declared earnings used to calculate contributions are 60 times the legal monthly minimum wage.

The legal monthly minimum wage is 815.40 bolivianos.

**Solidarity pension:** 0.5% of declared earnings of 815.40 bolivianos to 13,000 bolivianos; 1% of earnings above 13,000 bolivianos up to 25,000 bolivianos; 5% of earnings above 25,000 bolivianos up to 35,000 bolivianos; and 10% of earnings above 35,000 bolivianos.

Mining cooperatives contribute 2% of declared income from sales.

20% of the self-employed's contributions for survivors and disability insurance also finances the solidarity pension. See also source of funds under Work Injury.

**Universal pension (*Renta Dignidad*):** None.

##### Employer

**Mandatory individual account:** None; premiums finance disability and survivor benefits.

**Solidarity pension:** 3% of covered payroll; 2% of covered payroll (mining sector). See also source of funds under Work Injury.

**Universal pension (*Renta Dignidad*):** None.

##### Government

**Mandatory individual account:** Finances the value of accrued rights under the social insurance system and the funeral grant.

**Solidarity pension:** None.

**Universal pension (*Renta Dignidad*):** The total cost is financed through taxes on hydro-carbons and dividends from public enterprises.

#### Qualifying Conditions

**Old-age pension:** At any age if the accumulated capital in the individual account plus accrued interest is sufficient to finance a monthly pension of 60% of the insured's average earnings in the last two years (or over the whole contribution period if the insured has less than two years of contributions), funeral expenses, and survivor benefit for the insured's dependents.

Age 55 (men) or age 50 (women) with accrued rights accrued rights for contributions to the social insurance system, if the accumulated capital in the individual account plus accrued interest is sufficient to finance a monthly pension of 60% of the insured's average covered earnings in the last two years (or over the whole contribution period if the insured has less than two years of contributions), funeral expenses, and survivor benefit for the insured's dependents.

Age 58 (age 56 for miners) with at least 10 years of contributions if the accumulated capital in the individual account plus accrued interest is sufficient to finance a monthly pension that is greater than the solidarity pension.

The retirement age for women is reduced by one year for each live birth, up to three. The retirement age for miners is reduced by up to five years for work in unhealthy conditions (one year for every two years of work in unhealthy conditions).

The old-age pension is payable abroad temporarily in specific cases.

**Solidarity pension:** Age 58 (age 56 for miners) with at least 10 years of contributions, and the accumulated capital in the individual account plus accrued interest is insufficient to finance a monthly pension below a legally defined threshold.

The retirement age for women is reduced by one year for each child born alive, up to three. The retirement age for miners is reduced by up to five years for work in unhealthy conditions (one year for every two years of work in unhealthy conditions).

**Universal pension (Renta Dignidad):** Paid to resident citizens aged 60 or older.

The universal pension is payable abroad temporarily in specific cases.

**Disability pension:** The insured must be younger than age 65 with an assessed degree of disability of at least 60%. A partial disability pension may be paid for an assessed degree of disability of at least 50% but less than 60%.

The insured must have made at least five years of contributions to the social insurance or individual account schemes or have made contributions during half the period between the date of the first contribution to the individual account and the date the disability began; must be currently contributing or have ceased contributing no longer than 12 months before the disability began. If the disability is due to an illness, the insured must also have at least 18 months of contributions in the last 36 months before the disability began.

**Severe disability supplement:** The insured is assessed with a degree of disability of at least 80%.

Certified medical doctors assess the degree of disability.

The disability pension is payable abroad temporarily in specific cases.

**Survivor pension:** The deceased was a pensioner, had made at least 60 months of contributions to the social insurance or individual account schemes, had made contributions during half the period between the date of the first contribution to the individual account and the date of death, was still contributing, or had ceased contributing no longer than 12 months before the date of death. If the death was the result of an illness, the deceased must also have had at least 18 months of contributions in the last 36 months before the date of death.

Eligible survivors include the spouse or cohabiting partner and children younger than age 18 (age 25 if a student, no limit if disabled).

If there is no eligible surviving spouse, partner, or child, other eligible survivors include the insured's father and mother, the insured's brothers and sisters younger than age 18, or other survivors named by the insured.

The survivor pension is payable abroad temporarily in specific cases.

**Funeral grant:** Paid for the death of an insured worker younger than age 60 or a citizen aged 60 or older.

### Old-Age Benefits

**Old-age pension:** The insured's accumulated capital (contributions plus accrued interest) is used to purchase a fixed or variable life annuity, depending on the total amount of the accumulated capital. (The value of accrued rights under the social insurance system based on contributions made before 1997 is combined with the individual account balance at retirement.)

The legal monthly minimum wage is 815.40 bolivianos. (The legal monthly minimum wage is adjusted according to changes in the cost of living, based on available funds. The last adjustment was made in April 2011.)

The first monthly amount paid under a variable life annuity must not be less than 60% of the insured's average covered earnings in the last two years (or over the whole contribution period if the insured has less than two years of contributions).

The benefit is paid 13 times a year.

**Benefit adjustment:** Pensions are adjusted annually according to the UFV (Unidad de Fomento de Vivienda), calculated by the Central Bank according to changes in the cost of living.

**Solidarity pension:** The monthly pension is the difference between the benefit based on the accumulated capital in the insured's individual account (contributions plus accrued interest) and a legally defined threshold corresponding to the insured's number of years of contributions. The benefit increases incrementally with 10 years to 35 years of contributions, up to a maximum.

**Universal pension (Renta Dignidad):** 2,400 bolivianos a year is paid for life. The benefit is reduced by 25% if the person receives another pension.

The benefit is paid monthly, bimonthly, quarterly, or annually.

Benefit adjustment: The benefit is adjusted every three years by the Executive Branch based on available funds.

### **Permanent Disability Benefits**

**Disability pension:** For an assessed degree of disability of at least 60%, the monthly pension is 70% of the insured's average earnings in the last five years (or over the whole contribution period if the insured has less than five years of contributions). For an assessed degree of disability of at least 50% but less than 60%, the pension is the degree of disability multiplied by the insured's average earnings in the last five years (or over the whole contribution period if the insured has less than five years of contributions).

Severe disability supplement: A monthly benefit equal to the legal monthly minimum wage is paid.

The legal monthly minimum wage is 815.40 bolivianos. (The legal monthly minimum wage is adjusted according to changes in the cost of living, depending on the financial resources of the government budget. The last adjustment was made in April 2011.)

The insurance company also pays a monthly contribution of 10% of the insured's average earnings in the last five years (or over the whole contribution period if the insured has less than five years of contributions) to the insured person's individual account until retirement or death.

The minimum earnings used to calculate the disability pension are the legal monthly minimum wage.

The maximum earnings used to calculate the disability pension are 60 times the legal monthly minimum wage.

The legal monthly minimum wage is 815.40 bolivianos. (The legal monthly minimum wage is adjusted according to changes in the cost of living, based on available funds. The last adjustment was made in April 2011.)

The benefit is paid 13 times a year.

The disability pension ceases at age 65 and is replaced by the old-age pension.

If an insured person with a disability is not eligible for a pension, the insured may use the accumulated capital plus accrued rights under the social insurance system (if applicable) in his or her individual account to purchase a temporary annuity. The monthly amount of the annuity must not be less than 60% of the legal monthly minimum wage.

Benefit adjustment: Pensions are adjusted annually according to the UFV (Unidad de Fomento de Vivienda), calculated by the Central Bank according to changes in the cost of living.

### **Survivor Benefits**

**Survivor pension:** 90% of the monthly base survivor pension is paid to a widow(er) or cohabiting partner with no eligible children; 70% if there is one eligible child; and 50% if there are two or more eligible children. (Life insurance tops up the accumulated capital in the deceased's individual account if the balance plus accrued rights under the social insurance system (if applicable) is less than the required minimum survivor pension.)

The monthly base survivor pension is the old-age (mandatory individual account or solidarity) or disability pension the deceased received or was eligible to receive, whichever is greater, depending on the deceased's age at death.

The minimum earnings used to calculate the monthly base pension are the legal monthly minimum wage.

The maximum earnings used to calculate the monthly base pension are 60 times the legal monthly minimum wage.

The legal monthly minimum wage is 815.40 bolivianos. (The legal monthly minimum wage is adjusted according to changes in the cost of living, based on available funds. The last adjustment was made in April 2011.)

The benefit is paid 13 times a year.

The widow(er)'s or partner's pension ceases on remarriage or cohabitation.

**Orphan's pension:** 20% of the monthly base survivor pension is paid for one orphan; 50% is split equally if there are two or more orphans; and 100% is split equally between full orphans. (Life insurance tops up the accumulated capital in the deceased's individual account if the balance plus accrued rights under the social insurance system (if applicable) is less than the required minimum survivor pension.)

The monthly base survivor pension is the old-age (mandatory individual account or solidarity) or disability pension the deceased received or was eligible to receive, whichever is greater, depending on the deceased's age at death.

The benefit is paid 13 times a year.

When an orphan ceases to be eligible, the widow(er)'s or partner's pension is recalculated.

All survivor benefits combined must not exceed 100% of the base survivor pension.

**Other eligible survivors:** If there is no eligible surviving spouse, partner, or child, 60% of the monthly base survivor pension is divided equally among other eligible survivors.

The monthly base survivor pension is the old-age (mandatory individual account or solidarity) or disability pension the deceased received or was eligible to receive, whichever is greater, depending on the deceased's age at death.

The benefit is paid 13 times a year.

All benefits combined for other eligible survivors must not exceed 60% of the base survivor pension.

If the deceased was not entitled to receive a pension, the accumulated capital plus accrued rights under the social insurance system (if applicable) in the deceased's individual account may be used to finance temporary payments to the eligible survivors according to pension allocation rules. The monthly payments are based on a hypothetical base survivor pension of at least 60% of the legal monthly minimum wage.

The legal monthly minimum wage is 815.40 bolivianos. (The legal monthly minimum wage is adjusted according to changes in the cost of living, based on available funds. The last adjustment was made in April 2011.)

Benefit adjustment: Pensions are adjusted annually according to the UFV (Unidad de Fomento de Vivienda), calculated by the Central Bank according to changes in the cost of living.

**Funeral grant:** A lump sum of 1,800 bolivianos is paid.

### **Administrative Organization**

Note: The Public Management Body for Long-Term Social Security, once established, will take over administration of old-age, disability, and survivors benefits, under the supervision of the Ministry of the Economy and Public Finances. The Public Management Body for Long-Term Social Security will transfer administration of disability benefits to the Public Insurance Entity, once established.

Ministry of the Economy and Public Finances (<http://www.economiayfinanzas.gob.bo/>) provides general supervision.

Pension Fund Administrators (AFPs) administer the old-age benefits and contract with insurance companies for disability and survivor insurance.

Insurance companies administer the disability pension and survivor pension program.

Assessment Body, established by the AFPs and the insurance companies, carries out assessments for the calculation of disability and survivor benefits.

### **Sickness and Maternity**

#### **Regulatory Framework**

**First law:** 1949.

**Current laws:** 1987 (social security), 1988, 1998 (health), and 2002 (maternity).

**Type of program:** Social insurance system.

#### **Coverage**

**Cash and medical benefits:** All workers.

Voluntary coverage for self-employed persons.

**Medical benefits only:** Persons older than age 60.

### **Source of Funds**

**Insured person:** None; pensioners contribute 5% of the pension.

**Self-employed person:** Voluntarily insured persons make contributions. (Self-employed miners contribute 10% of 1.3 times the legal monthly minimum wage.)

The legal monthly minimum wage is 815.40 bolivianos. (The legal monthly minimum wage is adjusted according to changes in the cost of living, depending on the financial resources of the government budget. The last adjustment was made in April 2011.)

The self-employed person's contributions also finance temporary disability benefits and medical benefits under Work Injury.

**Employer:** 10% of payroll.

The employer's contributions also finance temporary disability benefits and medical benefits under Work Injury.

**Government:** None.

### **Qualifying Conditions**

**Cash sickness benefits:** The insured must have made at least two contributions before the incapacity began.

**Cash maternity and medical benefits:** The insured must have at least four months of contributions before the start of the pregnancy. The benefit is paid to an insured woman or to the wife of an insured man.

**Medical benefits:** The insured must have made at least one month of contributions in the previous two months.

### **Sickness and Maternity Benefits**

**Sickness benefit:** 75% of the insured's last earnings is paid after a three-day waiting period for up to 26 weeks; may be extended to 52 weeks if continuing medical care will prevent permanent disability.

**Maternity benefit:** 95% of the insured's earnings is paid for up to 45 days before and 45 days after the expected date of childbirth.

**Nursing and prenatal allowances:** See Family Allowances.

### **Workers' Medical Benefits**

**Medical benefits:** Medical benefits include general, specialist, and preventive care; diagnostic services; surgery; hospitalization; and medicine.

### **Dependents' Medical Benefits**

Medical benefits for dependents are the same as those for the insured.

### **Administrative Organization**

Ministry of Health and Sports (<http://www.sns.gob.bo>) provides supervision.

National Health Fund (<http://www.cns.gob.bo>) administers the program.

### **Work Injury**

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#### **Regulatory Framework**

**First law:** 1924.

**Current laws:** 1987 (social security); 1996 (mandatory individual account), implemented in 1997; and 2010 (integrated pensions system).

**Type of program:** Social insurance and mandatory individual account system.

#### **Coverage**

Salaried workers and apprentices.

Voluntary coverage for self-employed persons.

#### **Source of Funds**

**Insured person:** For temporary disability benefits and medical benefits, see source of funds under Sickness and Maternity.

**Self-employed person:** For temporary disability benefits and medical benefits, see source of funds under Sickness and Maternity. For permanent survivors and disability insurance (work injury), 1.71% of covered earnings.

20% of the self-employed's contributions for survivors and disability insurance (work injury) also finances the solidarity pension. See also source of funds under Old Age, Disability, and Survivors.

**Employer:** For temporary disability benefits and medical benefits, see source of funds under Sickness and Maternity. For permanent survivors and disability insurance (work injury), the total cost is met through employer's contributions calculated based on the gross earnings of all employees.

20% of the employer's contributions for survivors and disability insurance (work injury) also finances the solidarity pension. See also source of funds under Old Age, Disability, and Survivors.

**Government:** Contributes as an employer.

#### **Qualifying Conditions**

**Work injury benefits:** There is no minimum qualifying period. Accidents that occur while commuting to and from work are covered if the employer provides the transportation.

Insured persons must be younger than age 65 and assessed with a degree of disability of at least 10%. If the disability is the result of an accident at work, the insured must have been employed when the accident occurred. If the disability is the result of an illness, the disability must begin while the insured is employed or up to 12 months (18 months for miners) after employment ceases.

Voluntarily insured self-employed persons must be younger than age 65, be assessed with a degree of disability of at least 10%, and have made at least three contributions in the last 12 months before the disability began. If the disability is the result of an accident at work, the disability must be assessed while the insured is making contributions. If the disability is the result of an illness, the disability must begin while the insured is making contributions or up to nine months (18 months for members of mining cooperatives) after contributions cease.

#### **Temporary Disability Benefits**

75% of the insured's last earnings is paid after a three-day waiting period for up to 26 weeks; may be extended for an additional 26 weeks if continuing medical care will prevent permanent disability.

#### **Permanent Disability Benefits**

**Permanent disability pension:** For an assessed degree of disability of at least 60%, the monthly pension is 100% of the insured's average earnings in the last five years (or over the whole contribution period if the insured has less than five years of contributions).

The insurance company also pays a monthly contribution of 10% of the insured's average earnings in the last five years (or over the whole contribution period if the insured has less than five years of contributions) to the insured person's individual account until retirement or death.

The minimum earnings used to calculate benefits are the legal monthly minimum wage.

The maximum earnings used to calculate benefits are 60 times the legal monthly minimum wage.

The legal monthly minimum wage is 815.40 bolivianos. (The legal monthly minimum wage is adjusted according to changes in the cost of living, based on available funds. The last adjustment was made in April 2011.)

**Partial disability:** For an assessed degree of disability of at least 25% but less than 60%, the pension is the degree of disability multiplied by the insured's average earnings in the last five years (or over the whole contribution period if the insured has less than five years of contributions).

The disability pension ceases at age 65 and is replaced by the old-age pension.

**Disability grant:** For an assessed degree of disability of at least 10% but less than 25%, a lump sum of 48 times the insured's average earnings in the last five years (or over the



whole contribution period if the insured has less than five years of contributions) is paid.

Certified medical doctors assess the degree of disability.

Benefit adjustment: Pensions are adjusted annually according to the UFV (Unidad de Fomento de Vivienda), calculated by the Central Bank according to changes in the cost of living.

### **Workers' Medical Benefits**

Benefits include necessary medical and surgical care, hospitalization, and medicine.

### **Survivor Benefits**

**Survivor pension:** 80% of the monthly base survivor pension is paid to a widow(er) or cohabiting partner with no eligible children; 60% if there is one eligible child; and 50% if there are two or more eligible children.

The monthly base survivor pension is 100% of the deceased's average earnings in the last five years (or over the whole contribution period if the deceased had less than five years of contributions).

The minimum earnings used to calculate benefits are the legal monthly minimum wage.

The maximum earnings used to calculate benefits are 60 times the legal monthly minimum wage.

The legal monthly minimum wage is 815.40 bolivianos. (The legal monthly minimum wage is adjusted according to changes in the cost of living, based on available funds. The last adjustment was made in April 2011.)

The benefit is paid 13 times a year.

The widow(er)'s or partner's pension ceases on remarriage or cohabitation.

**Orphan's pension:** 20% of the monthly base survivor pension is paid for one orphan; 50% is split equally if there are two or more orphans; and 100% is split equally among full orphans.

The monthly base survivor pension is 100% of the deceased's average earnings in the last five years (or over the whole contribution period if the deceased had less than five years of contributions).

The benefit is paid 13 times a year.

When an orphan ceases to be eligible, the widow(er)'s or partner's pension is recalculated.

All survivor benefits combined must not exceed 100% of the base survivor pension.

**Other eligible survivors:** If there is no surviving spouse, partner, or child, 60% of the monthly base survivor pension is split equally among other eligible survivors.

The monthly base survivor pension is 100% of the deceased's average earnings in the last five years (or over

the whole contribution period if the deceased had less than five years of contributions).

The benefit is paid 13 times a year.

All benefits combined for other eligible survivors must not exceed 60% of the base survivor pension.

If the deceased was not eligible for a pension, the accumulated capital plus interest of the deceased's mandatory individual account may be used to finance temporary payments to the eligible survivors according to pension allocation rules. The monthly payments must be based on a hypothetical base survivor pension of at least 60% of the legal monthly minimum wage.

The legal monthly minimum wage is 815.40 bolivianos. (The legal monthly minimum wage is adjusted according to changes in the cost of living, based on available funds. The last adjustment was made in April 2011.)

Benefit adjustment: Pensions are adjusted annually according to the UFV (Unidad de Fomento de Vivienda), calculated by the Central Bank according to changes in the cost of living.

**Funeral grant:** A lump sum of 1,800 bolivianos is paid.

### **Administrative Organization**

Note: Once established, the Public Management Body for Long-term Social Security, under the supervision of the Ministry of the Economy and Public Finances, will administer permanent survivors and disability insurance (work injury) until a Public Insurance Entity is established.

Ministry of the Economy and Public Finances (<http://www.economiayfinanzas.gob.bo/>) provides general supervision.

Pension Fund Administrators collect contributions and contract insurance companies for work injury disability and survivor insurance.

Insurance companies administer work injury disability and survivor programs.

Assessment Body, established by the AFPs and the insurance companies, carries out assessments for the calculation of disability and survivor benefits.

National Health Fund (<http://www.cns.gob.bo>) administers temporary disability benefits and medical benefits.

### **Unemployment**

#### **Regulatory Framework**

No statutory unemployment benefits are provided.

Labor law requires employers to grant severance pay to dismissed employees. Dismissed workers are covered for medical and maternity benefits for up to two months after employment ceases.

## Family Allowances

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### Regulatory Framework

**First law:** 1953.

**Current laws:** 1956 (social security), implemented in 1959; 1987 (social security); and 2009 (conditional cash transfers).

**Type of program:** Employment-related system and social assistance.

### Coverage

All workers and unemployed pregnant women.

Exclusions: Self-employed persons.

Special systems for bank employees, military personnel, and other groups of workers.

### Source of Funds

**Insured person:** None.

**Self-employed person:** Not applicable.

**Employer:** The total cost.

**Government:** The total cost of the conditional cash transfers.

### Qualifying Conditions

**Family allowances:** The child must be aged 1 (when the nursing allowance ceases) to 19; no limit if disabled. The family head must be currently working more than 15 days a month.

**Mother and baby bonus:** Paid to unemployed women during pregnancy and up until her child is age 2. The payment is conditional on regular attendance at medical appointments during pregnancy and during the child's first two years. Beneficiaries may not receive any other family allowances.

**Housing allowance:** Paid to single and married workers.

**Prenatal grant:** Paid from the fifth month of pregnancy.

**Birth grant:** Paid for the birth of a child.

**Nursing allowance:** Paid (in kind) for each child for the 12-month period following birth.

**Burial allowance:** Paid for the funeral of a child younger than age 19.

## Family Allowance Benefits

**Family allowances:** A monthly allowance is paid for each child.

**Mother and baby bonus:** 50 bolivianos is paid to the mother for each medical appointment attended during pregnancy, up to four; 120 bolivianos at child birth, provided she uses public health services; and 125 bolivianos for each bimonthly medical appointment attended by the child until age 2.

**Housing allowance:** An allowance is paid to single and married workers.

**Prenatal grant:** A benefit equal to the legal monthly minimum wage is paid. In-kind benefits, including milk, are also provided from the fifth month of pregnancy.

The legal monthly minimum wage is 815.40 bolivianos. (The legal monthly minimum wage is adjusted according to changes in the cost of living, based on available funds. The last adjustment was made in April 2011.)

**Birth grant:** A grant equal to the legal monthly minimum wage is paid for each birth.

The legal monthly minimum wage is 815.40 bolivianos. (The legal monthly minimum wage is adjusted according to changes in the cost of living, depending on the financial resources of the government budget. The last adjustment was made in April 2011.)

**Nursing allowance:** A monthly milk allowance is provided for each child for the 12-month period following birth (paid in kind).

**Burial allowance:** A lump sum equal to the legal monthly minimum wage is paid.

The legal monthly minimum wage is 815.40 bolivianos. (The legal monthly minimum wage is adjusted according to changes in the cost of living, based on available funds. The last adjustment was made in April 2011.)

### Administrative Organization

Ministry of Housing and Economic Development provides general supervision.

National Secretariat of Pensions, through the National Institute of Pensions, administers the program.

Employers pay allowances for single and married adults to employees.

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Exchange rate: US\$1.00 = 1.57 reais

### Old Age, Disability, and Survivors

#### Regulatory Framework

**First laws:** 1923 (railroads), 1934 (commerce), and 1936 (industry).

**Current laws:** 1991 (social security), 1991 (social insurance), 1993 (social assistance), and 1999 (social insurance regulations).

**Type of program:** Social insurance and social assistance system.

#### Coverage

**Social insurance:** Employed persons in industry, commerce, and agriculture; rural workers; household workers; some categories of casual workers; elected civil servants; and self-employed persons.

Voluntary coverage for students, housewives, unemployed persons, and other categories.

Special systems for public-sector employees and military personnel.

**Social assistance:** Needy elderly persons or persons with disabilities.

#### Source of Funds

##### Social insurance

**Insured person:** 8% of covered earnings with total monthly earnings up to 1,107.52 reais; 9% with earnings from 1,107.53 reais to 1,845.87 reais; or 11% with earnings from 1,845.88 reais to 3,691.74 reais. Voluntarily insured contribute 20% of declared earnings or 11% of the legal monthly minimum wage (5% for small businesses with annual income up to 60,000 reais) for the age pension only.

The minimum monthly earnings used to calculate contributions are the legal monthly minimum wage (545 reais).

The maximum monthly earnings used to calculate contributions are 3,691.74 reais.

The insured's contributions also finance sickness and maternity benefits and family allowances.

**Self-employed person:** 20% of declared covered earnings; 11% of the legal monthly minimum wage for the age pension only.

The minimum monthly earnings used to calculate contributions are the legal monthly minimum wage (545 reais).

The maximum monthly earnings used to calculate contributions are 3,691.74 reais.

The self-employed person's contributions also finance sickness and maternity benefits.

**Employer:** 20% of covered payroll.

The minimum monthly earnings used to calculate contributions are the legal monthly minimum wage (545 reais).

The maximum monthly earnings used to calculate contributions are 3,691.74 reais.

Small businesses with annual earnings greater than 60,000 reais but less than 3,600,000 reais contribute 2.75% to 7.83% of monthly declared earnings, depending on annual earnings declared in the last 12 months and the industry sector.

The employer's contributions also finance sickness and maternity benefits and family allowances.

**Government:** Earmarked taxes finance administrative costs and any deficit.

#### Social assistance

**Insured person:** None.

**Self-employed person:** None.

**Employer:** None.

**Government:** The total cost.

#### Qualifying Conditions

##### Old-age pension

**Age pension (social insurance):** Age 65 (men) or age 60 (women); age 60 (men) or age 55 (women) for rural workers. Retirement is not necessary.

Persons who were first insured before July 25, 1991, must have 60 to 174 months of contributions, according to a schedule in law; persons first insured since July 25, 1991, must have at least 180 months of contributions. Rural workers who were first insured before July 25, 1991, must show proof of 60 to 174 months of work in the rural sector, according to a schedule in law; rural workers first insured since July 25, 1991, must show proof of 180 months of work in the rural sector.

**Contributory pension (social insurance):** The insured must have at least 35 years of contributions (men) or 30 years of contributions (women); for arduous employment, 15 years to 25 years. Retirement is not necessary.

**Early contributory pension:** Age 53 with at least 30 years of contributions (men) or age 48 with at least 25 years of contributions (women); for persons first insured before December 16, 1998, the insured must also contribute 40% of the difference between the required contribution years at age 53 (men) or age 48 (women) and the number of years actually paid as of December 16, 1998.

## Brazil

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The contributory pension is payable abroad under bilateral or multilateral agreement.

*Old-age assistance (social assistance):* Age 65, without remunerated work, and with family monthly earnings less than 25% of the legal monthly minimum wage for each person (136.25 reais). Eligibility is reviewed every two years.

### Disability pension

*Disability pension (social insurance):* The insured must be assessed with a permanent incapacity to work and have at least 12 months of contributions. The contribution period is waived if the disability is the result of an accident. Employment must cease.

The National Social Security Institute assesses the degree of disability.

The disability pension is payable abroad under bilateral or multilateral agreement.

*Disability benefit (social assistance):* The insured must be assessed with a disability and have family monthly earnings less than 25% of the legal monthly minimum wage for each person (136.25 reais). Eligibility is reviewed every two years.

**Survivor pension (social insurance):** The deceased was a pensioner or insured at the time of death.

Eligible survivors include the widow(er) or partner and children younger than age 21 (no limit if disabled); in the absence of the above (in order of priority), parents and siblings younger than age 21 (no limit if disabled). The pension is split equally among eligible survivors. If one survivor ceases to be eligible, the pensions for the remaining survivors are recalculated.

**Prisoner's survivor pension (social insurance):** The insured is imprisoned and had monthly income up to 862.60 reais immediately prior to imprisonment.

Eligible survivors include the spouse or partner and children younger than age 21 (no limit if disabled); in the absence of the above (in order of priority), parents and siblings younger than age 21 (no limit if disabled). The pension is split equally among eligible family members. If one family member ceases to be eligible, the pensions for the remaining members are recalculated.

The survivor pensions are payable abroad under bilateral or multilateral agreement.

### Old-Age Benefits

#### Old-age pension

*Age pension (social insurance):* The monthly benefit is 70% of the insured's average earnings plus 1% of average earnings for each year of contributions, up to 100%.

For persons first insured before November 29, 1999, average earnings used to calculate benefits are based on the best 80% of monthly earnings since July 1994.

For persons first insured after November 28, 1999, average earnings used to calculate benefits are based on the best 80% of total monthly earnings.

Insured persons may opt for the pension to be calculated using the Factor Previdenciario method. The Factor Previdenciario is an actuarial coefficient based on the insured's contribution rate, contribution period, age, and life expectancy.

The minimum monthly earnings used to calculate benefits are the legal monthly minimum wage (545 reais).

The maximum monthly earnings used to calculate benefits are 3,691.74 reais.

The minimum monthly age pension is the legal monthly minimum wage (545 reais).

The maximum monthly age pension is 3,691.74 reais.

Schedule of payments: Thirteen payments a year.

Benefit adjustment: Benefits are adjusted annually according to changes in the consumer price index.

*Contributory pension (social insurance):* 100% of the insured's average earnings is paid.

For persons first insured on or before November 28, 1999, average earnings used to calculate benefits are based on the best 80% of monthly earnings since July 1994, multiplied by the Factor Previdenciario.

For persons first insured after November 28, 1999, average earnings used to calculate benefits are based on the best 80% of total monthly earnings, multiplied by the Factor Previdenciario.

The Factor Previdenciario is not applied to arduous work with 15, 20, or 25 years of contributions.

The Factor Previdenciario is an actuarial coefficient based on the insured's contribution rate, contribution period, age, and life expectancy.

The minimum monthly earnings used to calculate benefits are the legal monthly minimum wage (545 reais).

The maximum monthly earnings used to calculate benefits are 3,691.74 reais.

The minimum contributory pension is the legal monthly minimum wage (545 reais).

Schedule of payments: Thirteen payments a year.

Benefit adjustment: Benefits are adjusted annually according to changes in the consumer price index.

*Old-age assistance (social assistance):* The monthly benefit is the legal monthly minimum wage (545 reais).

Benefit adjustment: Benefits are adjusted annually according to changes in the minimum wage.

## Permanent Disability Benefits

### Disability pension

*Disability pension (social insurance):* 100% of the insured's average earnings is paid; 100% of the minimum wage for rural workers.

For persons first insured on or before November 28, 1999, average earnings used to calculate benefits are based on the best 80% of monthly earnings since July 1994.

For persons first insured after November 28, 1999, average earnings used to calculate benefits are based on the best 80% of total monthly earnings.

The minimum monthly earnings used to calculate benefits are the legal monthly minimum wage (545 reais).

The maximum monthly earnings used to calculate benefits are 3,691.74 reais.

The minimum monthly pension is the legal monthly minimum wage (545 reais).

The maximum monthly pension is 3,691.74 reais.

Schedule of payments: Thirteen payments a year.

Benefit adjustment: Benefits are adjusted annually according to changes in the consumer price index.

*Disability assistance (social assistance):* The monthly benefit is the legal monthly minimum wage (545 reais).

Benefit adjustment: Benefits are adjusted annually according to changes in the minimum wage.

### Survivor Benefits

**Survivor pension (social insurance):** 100% of the pension the deceased received or was eligible to receive is paid; 100% of the minimum wage for rural workers.

The minimum monthly pension is the legal monthly minimum wage (545 reais).

The maximum monthly pension is 3,691.74 reais.

Schedule of payments: Thirteen payments a year.

Benefit adjustment: Benefits are adjusted annually according to changes in the consumer price index or the minimum wage.

**Prisoner's survivor pension (social insurance):** 100% of the disability pension the insured was eligible to receive is paid; 100% of the minimum wage for rural workers.

The minimum monthly pension is legal monthly minimum wage (545 reais).

The maximum monthly pension is 862.60 reais.

Schedule of payments: Thirteen payments a year.

Benefit adjustment: Benefits are adjusted annually according to changes in the consumer price index or the minimum wage.

## Administrative Organization

Ministry of Social Insurance (<http://www.previdencia.gov.br>) provides general supervision.

National Social Security Institute (<http://www.inss.gov.br>) administers benefits.

## Sickness and Maternity

### Regulatory Framework

**First laws:** 1923 (railroads), 1934 (commerce), and 1936 (industry).

**Current laws:** 1990 (health), 1991 (social security), and 1991 (social insurance).

**Type of program:** Social insurance system.

### Coverage

**Cash sickness and maternity benefits:** Employed persons in industry, commerce, and agriculture; rural workers; household workers; some categories of casual workers; elected civil servants; and self-employed persons.

Voluntary coverage for students, housewives, unemployed persons, and other categories.

Special systems for public-sector employees and military personnel.

**Medical benefits:** Citizens of Brazil.

### Source of Funds

**Insured person:** See source of funds under Old Age, Disability, and Survivors.

**Self-employed person:** See source of funds under Old Age, Disability, and Survivors.

**Employer:** See source of funds under Old Age, Disability, and Survivors.

**Government:** The cost of medical benefits.

### Qualifying Conditions

**Cash sickness benefits:** The insured must have contributed in the last 12 months. There is no qualifying period in the event of an accident or serious illness.

**Cash maternity benefits:** There is no minimum qualifying period for salaried workers, household workers, and casual workers; 10 months of contributions for self-employed persons. Rural workers must show proof of 10 months of work in the rural sector.

**Medical benefits:** There is no minimum qualified period.

### Sickness and Maternity Benefits

**Sickness benefit:** 91% of average earnings is paid; 100% of the minimum wage for rural workers. The benefit is paid

## Brazil

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after a 15-day waiting period (during which the employer is required to pay 100% of earnings); there is no waiting period for self-employed persons and voluntarily covered persons.

There is no limit to duration.

Average earnings used to calculate benefits are based on the best 80% of total monthly earnings.

The minimum monthly earnings used to calculate benefits are the legal monthly minimum wage (545 reais).

The maximum monthly earnings used to calculate benefits are 3,691.74 reais.

Schedule of payments: Thirteen payments a year.

Benefit adjustment: Benefits are adjusted annually according to changes in the consumer price index or the minimum wage.

**Maternity benefit:** 100% of the last wage is paid; 100% of average earnings in the last 12 months for self-employed and voluntarily covered women; 100% of the minimum wage for rural workers. The benefit is paid for 120 days, from 28 days before until 91 days after the expected date of childbirth.

The benefit is paid for two weeks in the case of a miscarriage.

The benefit is also paid for 120 days to a woman who adopts a child younger than age 1; 60 days if the child is aged 1 to 4; or 30 days if the child is aged 4 to 8.

The minimum monthly earnings used to calculate benefits are the legal monthly minimum wage (545 reais).

The maximum monthly earnings used to calculate benefits vary according to the category of worker.

### **Workers' Medical Benefits**

Medical services are provided directly to patients in rural and urban areas through the Unified Health System. Benefits include general, specialist, maternity, and dental care; hospitalization; medicine (some cost sharing is required); and necessary transportation. There is no limit to duration.

### **Dependents' Medical Benefits**

Medical services are provided directly to patients in rural and urban areas through the Unified Health System. Benefits include general, specialist, maternity, and dental care; hospitalization; medicine (some cost sharing is required); and necessary transportation. There is no limit to duration.

### **Administrative Organization**

Ministry of Health (<http://www.saude.gov.br>) provides general supervision of the Unified Health System.

Ministry of Social Insurance (<http://www.previdencia.gov.br>) provides general supervision.

National Social Security Institute (<http://www.inss.gov.br>) administers cash benefits.

Federal, state, and municipal institutions are part of the Unified Health System and administer medical benefits.

## **Work Injury**

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### **Regulatory Framework**

**First laws:** 1919, 1944, and 1967.

**Current laws:** 1991 (social security) and 1991 (social insurance).

**Type of program:** Social insurance system.

### **Coverage**

Employed persons, casual workers, and rural workers.

Exclusions: Self-employed persons and household workers.

### **Source of Funds**

**Insured person:** None.

**Self-employed person:** Not applicable.

**Employer:** 1% to 3% of gross payroll according to the assessed degree of risk; 0.1% of gross payroll for employers of rural workers.

There are no minimum or maximum earnings used to calculate contributions.

**Government:** None.

### **Qualifying Conditions**

**Work injury benefits:** There is no minimum qualifying period. Accidents that occur while commuting to and from work are covered.

### **Temporary Disability Benefits**

91% of average earnings is paid after a 15-day waiting period (during which the employer is required to pay 100% of earnings). No waiting period is required for casual and rural workers.

There is no limit to duration.

Average earnings used to calculate benefits are based on the best 80% of total monthly earnings. For rural workers, average earnings are 100% of the legal monthly minimum wage.

The minimum monthly earnings used to calculate benefits are the legal monthly minimum wage (545 reais).

The maximum monthly earnings used to calculate benefits are 3,691.74 reais.

Schedule of payments: Thirteen payments a year.

Benefit adjustment: Benefits are adjusted annually according to changes in the consumer price index.

## Permanent Disability Benefits

**Permanent disability pension:** 100% of average earnings is paid if the insured is incapable of any work.

Average earnings used to calculate benefits are based the best 80% of total monthly earnings.

The minimum monthly earnings used to calculate benefits are the legal monthly minimum wage (545 reais).

The maximum monthly earnings used to calculate benefits are 3,691.74 reais.

Constant-attendance supplement: If the insured requires the constant attendance of others to perform daily functions, 25% of the pension is paid.

Schedule of payments: Thirteen payments a year.

National Social Security Institute doctors assess the degree of disability every two years.

**Accident benefit (partial disability):** 50% of average earnings is paid to workers with disabilities who are capable of some kind of work.

Average earnings used to calculate benefits are based on the best 80% of total monthly earnings.

Schedule of payments: Thirteen payments a year.

Benefit adjustment: Benefits are adjusted annually according to changes in the consumer price index.

## Workers' Medical Benefits

Medical treatments are directly provided to patients in urban and rural areas by the Unified Health System. Medical and dental treatment, hospital treatment, medicine (some cost sharing is required), and transportation. There is no limit to duration.

## Survivor Benefits

**Survivor pension:** 100% of the pension the deceased received or was eligible to receive is paid; 100% of the minimum wage for rural workers. The pension is split equally among eligible survivors. If one survivor ceases to be eligible, the pensions for the remaining survivors are recalculated.

Eligible survivors include the widow(er) or partner and children younger than age 21 (no limit if disabled); if there is no widow(er), partner, or child, other eligible survivors include (in order of priority) parents and brothers and sisters younger than age 21 (no limit if disabled).

The minimum monthly pension is the legal monthly minimum wage (545 reais).

The maximum monthly pension is 3,691.74 reais.

Schedule of payments: Thirteen payments a year.

Benefit adjustment: Benefits are adjusted annually according to changes in the consumer price index or the minimum wage.

## Administrative Organization

Ministry of Health (<http://www.saude.gov.br>) provides general supervision of the Unified Health System.

Ministry of Social Insurance (<http://www.previdencia.gov.br>) provides general supervision.

National Social Security Institute (<http://www.inss.gov.br>) administers cash benefits.

Federal, state, and municipal institutions are part of the Unified Health System and administer medical benefits.

## Unemployment

### Regulatory Framework

**First laws:** 1965 (severance pay fund) and 1986 (unemployment insurance).

**Current law:** 1990 (unemployment insurance) and 1991 (traditional fishermen).

**Type of program:** Social assistance system.

Note: Employers contribute 8% of earnings to the Guarantee Fund for Severance Pay (FGTS), which has individual savings accounts to which the insured has access in the event of unemployment, marriage, retirement, and other contingencies.

### Coverage

Persons employed in the formal private sector and other categories of workers, such as household workers and fishermen (during closed season periods).

Exclusions: Self-employed persons.

### Source of Funds

**Insured person:** None.

**Self-employed person:** Not applicable.

**Employer:** None.

**Government:** The total cost is financed by earmarked taxes.

### Qualifying Conditions

**Unemployment benefits:** The insured must have worked at least six of the last 36 months. If the insured had six months to 11 months of coverage, the benefit is paid for three months; if the insured had 12 months to 23 months of coverage, for four months; 24 months or more of coverage in the last 36 months, five months. Unemployment must not be due to misconduct or resignation. The insured must lack other resources to support self or family and must not receive other social insurance benefits. Unemployment Benefits

**Unemployment benefit (means-tested):** The monthly benefit varies according to average earnings in the last

## Brazil

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three months of employment: 80% of average earnings is paid with average earnings up to 899.67 reais; 50% of average earning plus a lump sum of 719.12 reais with average earnings of 899.68 reais to 1,499.58 reais; a lump sum of 1,019.70 with average earnings greater than 1,499.58 reais.

The minimum monthly benefit is the legal monthly minimum wage (545 reais).

The maximum monthly benefit is 1,019.70 reais.

The benefit is paid for three to five months, depending on the insured's duration of coverage. Under special conditions, the benefit may be extended for an additional two months.

Benefit adjustment: Benefits are adjusted annually according to changes in the minimum wage.

### **Administrative Organization**

Ministry of Labor and Employment (<http://www.mte.gov.br>) provides general supervision.

Worker Assistance Fund Advisory Council administers the program.

### **Family Allowances**

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#### **Regulatory Framework**

**First law:** 1941 (large families).

**Current laws:** 1991 (social insurance) and 1998 (family allowances).

**Type of program:** Employment-related system.

#### **Coverage**

Low-income employees with one or more children.

Exclusions: Household, casual, and rural workers; elected civil servants; and self-employed persons.

#### **Source of Funds**

**Insured person:** See source of funds under Old Age, Disability, and Survivors.

**Self-employed person:** Not applicable.

**Employer:** See source of funds under Old Age, Disability, and Survivors.

**Government:** See source of funds under Old Age, Disability, and Survivors.

#### **Qualifying Conditions**

**Family allowances (income-tested):** Employees with monthly income up to 862.60 reais. The child must be younger than age 14. The parents are required to present annual proof of vaccinations for children up to age 6 and proof of school attendance each semester from age 7. The parent must be currently in insured employment or receiving a sickness benefit. The allowance is paid to both parents if both are insured.

#### **Family Allowance Benefits**

**Family allowances (income-tested):** 29.43 reais is paid monthly for each child if the insured's earnings do not exceed 573.91 reais; 20.74 reais a month if earnings are between 573.92 reais and 862.60 reais.

Employers pay allowances and the total cost is reimbursed by the National Social Security Institute.

Benefit adjustment: Benefits are adjusted annually according to changes in the consumer price index.

#### **Administrative Organization**

Ministry of Social Insurance (<http://www.previdencia.gov.br>) provides general supervision.

National Social Security Institute (<http://www.inss.gov.br>) administers benefits.

Employers pay benefits to employees.



## British Virgin Islands

Exchange rate: Currency is the US dollar (US\$).

### Old Age, Disability, and Survivors

#### Regulatory Framework

**First law:** 1979 (social security).

**Current law:** 1980 (social security).

**Type of program:** Social insurance system.

#### Coverage

Employed and self-employed persons aged 15 to 65.

Voluntary coverage is available.

#### Source of Funds

**Insured person:** 3.25% of covered monthly earnings; 7% of monthly earnings for voluntary contributors.

The maximum annual earnings used to calculate contributions are \$36,199.80.

**Self-employed person:** 8.5% of declared monthly earnings.

The maximum annual earnings used to calculate contributions are \$36,199.80.

**Employer:** 3.25% of covered monthly payroll.

The maximum annual earnings used to calculate contributions are \$36,199.80.

**Government:** None; contributes as an employer.

#### Qualifying Conditions

**Old-age pension:** Age 65 with at least 500 weeks of contributions.

**Old-age grant:** Age 65 with at least 50 weeks of contributions and ineligible for any periodic benefit.

Old-age benefits are payable abroad.

**Disability pension:** Younger than age 65 with at least 250 weeks of contributions and assessed with a permanent incapacity for any work.

A medical doctor assesses the degree of disability every six months.

**Disability grant:** Younger than age 65 with at least 50 weeks of contributions, assessed with a permanent incapacity for any work, and ineligible for any periodic benefit.

Disability benefits are payable abroad.

**Survivor pension:** The deceased was a pensioner or was entitled to a pension at the time of death.

Eligible survivors are widow(er)s aged 40 or older or caring for a dependent child younger than age 15 (age 21 if a student) and orphans younger than age 15 (age 21 if a student).

Survivor benefits are payable abroad.

**Survivor grant:** Paid if the deceased was not eligible for a pension but had at least 50 weeks of contributions.

**Funeral grant:** Paid for the death of insured persons or their dependents. The insured must have at least 26 weeks of paid contributions.

#### Old-Age Benefits

**Old-age pension:** 30% of average covered earnings plus 1% of average covered earnings for every 50-week period of contributions exceeding 500 weeks is paid.

Average covered earnings are the sum of earnings in the best nine years of contributions (10 years of contributions in 2012) in the last 15 years or less before retirement divided by seven.

The maximum annual earnings used to calculate benefits are \$36,199.80.

The minimum old-age pension is \$260.

The maximum old-age pension is 60% of the insured's average annual covered earnings.

Retirement from gainful employment is not necessary.

**Old-age grant:** A lump sum of six times average weekly earnings is paid for every 50-week period of contributions from 51 to 499 weeks.

Retirement from gainful employment is not necessary.

#### Permanent Disability Benefits

**Disability pension:** 30% of average covered earnings plus 1% of average covered earnings for every 50-week period of contributions exceeding 500 weeks is paid.

Average covered earnings are the sum of earnings in the best nine years of contributions (10 years of contributions in 2012) in the last 15 years or less before the disability began divided by seven.

The maximum annual earnings used to calculate benefits are \$36,199.80.

The minimum disability pension is \$260.

The maximum disability pension is 60% of the insured's average annual covered earnings.

The disability pension is replaced by the old-age pension at age 65.

The insured may receive the disability pension and the survivor pension. The total amount received is 100% of the disability pension plus 50% of the survivor pension, up to 100% of the insured's insurable earnings.

**Disability grant:** A lump sum of six times average weekly earnings is paid for every 50-week period of contributions from 51 to 499 weeks.

### Survivor Benefits

**Survivor pension:** 66.7% of the old-age pension the deceased received or was entitled to receive is paid to the widow(er).

**Orphan's pension:** 33.3% of the widow(er)'s pension is paid; 66.7% for full orphans.

**Survivor grant:** 66.7% of the old-age grant the deceased received or was entitled to receive is paid to the widow(er).

**Orphan's grant:** 33.3% of the widow(er)'s grant is paid; 66.7% for full orphans.

**Funeral grant:** The grant depends on the age of the person at death. For a child younger than age 1, \$450 is paid; for a child aged 1 to 15, \$1,950; for persons aged 16 or older, \$3,000. The grant is paid to the person who pays for the funeral.

### Administrative Organization

Social Security Board (<http://www.bvissb.vg>), managed by a tripartite board of directors appointed by the Minister Responsible for Social Security, administers the program.

### Sickness and Maternity

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#### Regulatory Framework

**First law:** 1979 (social security).

**Current law:** 1980 (social security).

**Type of program:** Social insurance system. Cash benefits only.

#### Coverage

Employed and self-employed persons aged 15 to 65.

#### Source of Funds

**Insured person:** 0.75% of covered monthly earnings.

The maximum weekly and monthly earnings used to calculate contributions are \$696.15 and \$3,016.65, respectively.

**Self-employed person:** 1.5% of declared monthly earnings.

The maximum weekly and monthly earnings used to calculate contributions are \$696.15 and \$3,016.65, respectively.

**Employer:** 0.75% of covered monthly payroll.

The maximum weekly and monthly earnings used to calculate contributions are \$696.15 and \$3,016.65, respectively.

**Government:** None; contributes as an employer.

### Qualifying Conditions

**Cash sickness benefits:** The insured must have at least 26 weeks of contributions, including eight weeks of contributions in the 13 weeks before the incapacity began.

**Cash maternity benefits:** The insured must have at least 26 weeks of contributions, including 20 weeks of contributions in the 39 weeks before the expected date of childbirth.

**Maternity grant:** The insured must have at least 26 weeks of contributions. The grant is paid to the mother, her husband, or her cohabiting partner. A cohabiting partner must have lived with the mother for at least two years. Each eligible parent receives a full maternity grant.

### Sickness and Maternity Benefits

**Sickness benefit:** 66.7% of average weekly covered earnings is paid after a three-day waiting period for up to 26 weeks.

Average weekly covered earnings are based on covered earnings in the 13 weeks before the incapacity began.

There is no minimum weekly sickness benefit.

The maximum weekly sickness benefit is \$464.12.

**Maternity benefit:** 66.7% of average weekly covered earnings in the 39 weeks before the expected date of childbirth is paid for up to 13 weeks, beginning no earlier than six weeks before the expected date of childbirth.

Average weekly covered earnings are based on covered earnings in the 39 weeks before the expected date of childbirth.

There is no minimum weekly maternity benefit.

The maximum weekly maternity benefit is \$464.12.

**Maternity grant:** A lump sum of \$300 is paid for each eligible insured parent per child.

### Workers' Medical Benefits

No statutory benefits are provided.

### Dependents' Medical Benefits

**Medical benefits for dependents:** No statutory benefits are provided.

### Administrative Organization

Social Security Board (<http://www.bvissb.vg>), managed by a tripartite board of directors appointed by the Minister Responsible for Social Security, administers the program.

### Work Injury

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#### Regulatory Framework

**First and current law:** 1994 (employment injury).

**Type of program:** Social insurance system.

### **Coverage**

Employed and self-employed persons.

### **Source of Funds**

**Insured person:** None.

**Self-employed person:** 0.5% of declared monthly earnings.

The maximum annual earnings used to calculate contributions are \$36,199.80.

**Employer:** 0.5% of covered monthly payroll.

The maximum annual earnings used to calculate contributions are \$36,199.80.

**Government:** None; contributes as an employer.

### **Qualifying Conditions**

**Work injury benefits:** There is no minimum qualifying period for a work injury or an occupational disease.

### **Temporary Disability Benefits**

75% of average weekly covered earnings is paid for up to 26 weeks.

The maximum weekly temporary disability benefit is \$522.

### **Permanent Disability Benefits**

**Permanent disability benefit:** For a total disability (100%), 75% of average weekly covered earnings is paid for up to 26 weeks.

The maximum weekly permanent disability benefit is \$522.

**Partial disability:** For an assessed degree of disability of 30% to 99%, a percentage of the full pension is paid according to the assessed degree of disability.

A medical doctor assesses the degree of disability every six months.

A lump sum is paid for an assessed degree of disability of less than 30%.

### **Workers' Medical Benefits**

Benefits include medical, surgical, dental, and hospital treatment; skilled nursing services; medicine; prostheses (including maintenance and repair); and the cost of transportation to and from medical services.

### **Survivor Benefits**

**Survivor pension:** The maximum survivor pension is 75% of the pension the deceased received or would have been entitled to receive. The surviving spouse receives 50% of this amount.

Eligible survivors are married or unmarried partners who lived with the deceased for at least three years.

The survivor pension ceases on remarriage or cohabitation.

**Orphan's pension:** 16.7% of the maximum survivor pension is paid to each orphan younger than age 15 (age 21 if a student, no limit if disabled).

**Other eligible survivors:** Up to 50% of the maximum survivor pension is split equally among other dependent survivors.

**Funeral grant:** A lump sum of \$3,000 is paid to the person who paid for the funeral.

### **Administrative Organization**

Social Security Board (<http://www.bvissb.vg>), managed by a tripartite board of directors appointed by the Minister Responsible for Social Security, administers the program.

## Canada

Exchange rate: US\$1.00 = 0.97  
Canadian dollars (C\$).

### Old Age, Disability, and Survivors

#### Regulatory Framework

**First laws:** 1927 (old-age assistance), 1937 (blind assistance), and 1955 (disability assistance).

**Current laws:** 1952 (universal pension), 1965 (earnings-related pension), and 1967 (income-tested supplement).

**Type of program:** Universal pension and social insurance system.

#### Coverage

**Universal pension (Old-Age Security):** All persons meeting residence requirements.

**Earnings-related pension (Canada Pension Plan/Quebec Pension Plan):** Employees and self-employed persons working in Canada.

Exclusions: Casual workers (annual earnings less than C\$3,500) and seasonal agricultural workers.

A province may opt out of the federal earnings-related Canada Pension Plan if it establishes a comparable program, as with the Quebec Pension Plan; benefits are portable between the two plans.

#### Source of Funds

##### Universal pension

*Insured person:* None.

*Self-employed person:* None.

*Employer:* None.

*Government:* The total cost, including the cost of income-tested benefits.

##### Earnings-related pension

*Insured person:* 4.95% of covered earnings.

The minimum annual earnings used to calculate contributions are C\$3,500.

The maximum annual earnings used to calculate contributions are C\$48,300.

Earnings limit adjustment: Adjusted annually according to increases in the average industrial wage.

*Self-employed person:* 9.9% of covered earnings.

The minimum annual earnings used to calculate contributions are C\$3,500.

The maximum annual earnings used to calculate contributions are C\$48,300.

Earnings limit adjustment: Adjusted annually according to increases in the average industrial wage.

*Employer:* 4.95% of covered payroll.

The minimum annual earnings used to calculate contributions are C\$3,500.

The maximum annual earnings used to calculate contributions are C\$48,300.

Earnings limit adjustment: Adjusted annually according to increases in the average industrial wage.

*Government:* None; contributes as an employer.

#### Qualifying Conditions

##### Old-age pension

*Universal pension (Old-Age Security):* Age 65 or older with at least 10 years of residence in Canada after age 18. Retirement from employment is not necessary.

The pension is payable abroad if the beneficiary resided in Canada for at least 20 years after age 18.

Low-income supplement (income-tested): Age 65 or older, receiving the universal pension, and with low annual income. Income is based on individual income or family income if the pensioner has a spouse or common-law (same sex or opposite sex) partner. The supplement is payable abroad for up to six months.

*Low-income allowance (income-tested):* Age 60 to 64, with at least 10 years of residence in Canada after age 18, and the claimant's spouse or common-law partner (same sex or opposite sex) is entitled to the universal pension and the low-income supplement. At age 65, the allowance is replaced by the universal old-age pension and, depending on income, the low-income supplement.

*Earnings-related retirement pension (Canada Pension Plan/Quebec Pension Plan):* Age 65 (full pension) or aged 60 to 64 (reduced pension) with at least one valid contribution.

Before 2012: If the pension is awarded before age 65, the insured must have fully or substantially ceased employment. If the pension is awarded at age 65 or older, retirement from employment is not necessary. Pensioners who return to work can no longer contribute toward their retirement pension.

Beginning in 2012: Retirement pensioners who continue to work will contribute to the Canada Pension Plan Post-Retirement Benefit. Contributions on pensionable employment income will be mandatory for those aged 60 to 64 and voluntary for those aged 65 to 70.

Deferred pension: The pension may be deferred.

The pension is payable abroad.

**Earnings-related disability pension (Canada Pension Plan/Quebec Pension Plan):** The insured must be assessed with a severe and prolonged disability that impedes any substantial gainful occupation and have contributions in four of the last six years, or three of the last six years for those with 25 or more years of contributions who are assessed with a disability no earlier than December 31, 2006. (The Quebec Pension Plan normally requires contributions in half the years in which contributions could have been made; the minimum contribution period is two of the last three years.)

The pension is payable abroad.

### Survivor pension

*Universal pension (survivor allowance, income-tested):* Paid to widows and widowers aged 60 to 64. The survivor must be a resident of Canada and have resided in Canada for at least 10 years after age 18.

The survivor allowance ceases on remarriage or entering into a common-law relationship lasting at least a year.

The survivor allowance is replaced by the universal old-age pension at age 65.

*Earnings-related pension (Canada Pension Plan/Quebec Pension Plan):* The deceased must have made contributions during the lesser of 10 years or one-third of the years in which contributions could have been made; the minimum contribution period is three years.

The pension is payable abroad.

The spouse and widow(er) include legally married persons and common-law partners (same sex or opposite sex).

### Old-Age Benefits

#### Old-age pension

*Universal pension:* The pension is 1/40th of the maximum pension for each year of residence in Canada after age 18, up to 40 years. The maximum monthly pension is C\$533.70. The pension of high-income earners is subject to recovery (the pension is reduced by 15% of annual income, minus allowable income tax deductions and expenses, over C\$67,668).

*Low-income supplement (income-tested):* The supplement increases the maximum monthly universal pension to C\$1,207.35 for a single person or C\$1,957.08 for a couple.

*Benefit adjustment:* Automatic quarterly adjustments of benefits are made according to changes in the consumer price index.

*Low-income allowance (income-tested):* Up to C\$978.54 a month is paid to the spouse or common-law partner of a pensioner aged 60 to 64.

*Benefit adjustment:* Automatic quarterly adjustments of benefits are made according to changes in the consumer price index.

*Earnings-related retirement pension (Canada Pension Plan/Quebec Pension Plan):* The full pension is paid at age 65 and represents about 25% of the insured's average monthly pensionable earnings during the contributory period. (The contributory period starts at age 18 or January 1, 1966, whichever is earlier, and ends when claiming a pension, at age 70, or upon death.) 15% of the years with the lowest income (rising to 16% in 2012 and 17% by 2014), years in which the insured was caring for a child younger than age 7, and months when the insured received a disability benefit may be disregarded. The pension is reduced by 0.5% a month (rising gradually to 0.6% from 2012 to 2016) for each month under age 65 that the pension is taken.

*Deferred pension:* The pension is increased by 0.57% a month (rising gradually to 0.7% by 2013) for each month between age 65 and the start of the pension. No adjustment is made after age 70.

The maximum monthly pension taken at age 65 is C\$960.

Pension credits accumulated by spouses or common-law partners (same sex or opposite sex) during marriage or cohabitation may be divided equally in case of divorce or separation.

Recorded earnings are adjusted according to changes in national average wages.

*Benefit adjustment:* Automatic annual adjustments of earnings-related pensions are made according to changes in the consumer price index.

### Permanent Disability Benefits

**Earnings-related disability pension (Canada Pension Plan/Quebec Pension Plan):** A basic monthly pension of C\$433.37 plus 75% of the earnings-related retirement pension is paid.

The maximum monthly pension is C\$1,153.37.

The disability pension is replaced by a retirement pension at age 65.

Recorded earnings are adjusted according to changes in national average wages.

*Child's supplement:* C\$218.50 a month is paid for each child younger than age 18; age 25 if a student. (Quebec Pension Plan: C\$69.38 is paid for each child younger than age 18 only.)

*Benefit adjustment:* Automatic annual adjustment of all benefits according to changes in the consumer price index.

### Survivor Benefits

#### Survivor pension

*Universal pension (survivor allowance, income-tested):* Up to C\$1,050.68 a month is paid to a widow(er) aged 60 to 64.

*Earnings-related survivor pension (Canada Pension Plan/Quebec Pension Plan):* 60% of the deceased's earnings-

related retirement pension, up to C\$576 a month, is paid to a surviving spouse aged 65 or older.

37.5% of the deceased's earnings-related retirement pension plus C\$169.09, up to C\$529.09 a month, is paid to a surviving spouse younger than age 65. (Quebec Pension Plan: Up to C\$793.34 a month is paid to a surviving spouse aged 45 to 64; up to C\$793.34 a month for a surviving spouse younger than age 45 with a disability; up to C\$762.35 if without a disability but caring for a dependent child; up to C\$470.98 if without a disability and with no dependent children.)

A surviving spouse under age 35 who does not have dependent children or a disability is not eligible for benefits under the Canada Pension Plan.

*Orphan's pension (Canada Pension Plan/Quebec Pension Plan):* C\$218.50 a month is paid for each child younger than age 18; age 25 if a student. (Quebec Pension Plan: C\$67.95 is paid for each child younger than age 18.)

*Death benefit:* Six months of the earnings-related retirement pension are paid, up to C\$2,500.

*Benefit adjustment:* Automatic annual adjustment of earnings-related pensions according to changes in the consumer price index.

### Administrative Organization

Human Resources and Skills Development Canada (<http://www.hrsdc.gc.ca>), through district and local offices, administers the universal and earnings-related pensions and income-tested supplements.

Canada Revenue Agency (<http://www.cra-arc.gc.ca>) collects contributions for the earnings-related pensions.

Quebec Department of Revenue (<http://www.revenu.gouv.qc.ca>) and Quebec Pension Board (<http://www.rrq.gouv.qc.ca>) administer the earnings-related Quebec Pension Plan.

### Sickness and Maternity

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#### Regulatory Framework

##### Cash benefits

*First and current laws:* 1996 (employment insurance) and 2006 (Quebec maternity benefits).

##### Physician and hospital services

*First laws:* 1957 (hospital services) and 1968 (physician services).

*Current law:* 1984 (health).

**Type of program:** Social insurance (cash benefits) and universal system (physician and hospital services).

#### Coverage

**Cash benefits:** All salaried workers, including federal government employees; self-employed fishermen. Self-employed persons in Quebec covered by the Quebec Parental Insurance Plan are eligible for maternity and parental benefits.

Voluntary coverage for self-employed persons.

Provincial government employees may be covered with the consent of provincial government.

**Physician and hospital services:** All persons residing in Canada who meet federal and provincial criteria for eligibility and insured status. (Virtually the total population is covered.) Coverage is portable from province to province and for emergency care anywhere in the world. In the latter case, payment is limited to the rate paid in the person's home province.

Special provisions for certain groups, including military personnel.

#### Source of Funds

##### Insured person

*Cash benefits:* See source of funds under Unemployment. In Quebec, 0.537% of earnings up to C\$64,000.

*Physician and hospital benefits:* Premiums are paid in Alberta and British Columbia. Ontario has a health premium based on taxable income above a certain threshold. No premiums are paid in the other provinces.

##### Self-employed person

*Cash benefits:* See source of funds under Unemployment. In Quebec, 0.955% of taxable income.

*Physician and hospital benefits:* Premiums are paid in Alberta and British Columbia. Ontario has a health premium based on taxable income above a certain threshold. No premiums are paid in the other provinces.

##### Employer

*Cash benefits:* See source of funds under Unemployment. In Quebec, 0.752% of payroll.

*Physician and hospital benefits:* Contributions vary by province from 1% to 4.5% of payroll.

##### Government

*Cash Benefits:* None.

*Physician and hospital benefits:* The total cost is met through federal, provincial, and territorial general revenues, except in provinces in which premiums are paid. Federal government makes contributions to provinces and territories through block transfers, part of which are conditional on provinces and territories meeting federal program requirements as set out in the Canada Health Act.

## Qualifying Conditions

**Cash sickness, maternity and parental benefits:** The insured must have at least 600 hours of covered employment in the previous 52 weeks or since the last claim; for maternity benefits in Quebec, at least C\$2,000 of insured income in the previous 52 weeks and have ceased work or reduced work by at least 40%.

A family supplement for low-income and modest-income earners with dependent children is paid if annual net family income is less than C\$25,921.

**Compassionate care benefits:** The benefit is paid to insured persons with at least 600 hours of covered employment in the previous 52 weeks (or since the start of the last claim) who leave work temporarily to provide care or support to a family member with a grave illness.

**Medical and hospital benefits:** Generally, three months of residence in the province is required to be insured. When the insured moves from one province to another, the former province continues to provide coverage during the waiting period.

In Alberta, British Columbia, and Ontario, the payment of premiums is an additional condition, but such payment is not linked to entitlement to services.

## Sickness and Maternity Benefits

**Sickness benefit:** 55% of average weekly covered earnings in the last 26 weeks plus a family supplement for low-income and modest-income earners with dependent children is paid after a two-week waiting period for up to 15 weeks.

**Maternity and parental benefits:** 55% of average weekly covered earnings in the last 26 weeks plus a family supplement for low-income and modest-income earners with dependent children is paid after a two week waiting period for up to 15 weeks; up to 35 additional weeks for parental care (provided by the mother, father, or both) on the birth or adoption of a child.

In Quebec, there is a choice of benefits. Maternity benefits are 70% of covered earnings paid for 18 weeks; 75% of covered earnings for 15 weeks. Paternity benefits are 70% of covered earnings paid for five weeks; 75% of covered earnings for three weeks. Parental benefits (mother, father, or both) are 70% of covered earnings for seven weeks plus 55% of covered earnings for 25 weeks; 75% of covered earnings for 25 weeks. Adoption benefits are 70% of covered earnings for 12 weeks plus 55% of covered earnings for 25 weeks; 75% of covered earnings for 28 weeks. If the net family income is less than C\$25,921, benefits may be increased.

**Compassionate care benefit:** 55% of average weekly covered earnings in the last 26 weeks plus a family supplement for low-income and modest-income earners with depen-

dent children is paid for up to six weeks after a two-week waiting period.

The maximum weekly benefit is C\$468. In Quebec, the maximum weekly benefit is based on a maximum annual income of C\$64,000.

## Workers' Medical Benefits

**Medical benefits:** Medical benefits include general medical and maternity care and surgical, specialist, and laboratory services. Provincial authorities pay benefits directly according to predetermined formulas and agreed-upon fee schedules.

**Hospital benefits:** Benefits include standard ward care, necessary nursing, pharmaceuticals provided in the hospital, and diagnostic and therapeutic services. Provincial authorities pay benefits directly according to predetermined formulas and agreed-upon fee schedules.

Other benefits include oral surgery if required and performed in an approved hospital and, in some provinces, osteopathic, chiropractic, and optometrist services; dental care for children; prosthetics; and prescribed medicine. Some cost sharing may be required in such cases.

In some provinces, welfare recipients and persons older than age 65 are eligible for free medicine, eyeglasses, and subsidized nursing home care.

## Dependents' Medical Benefits

Medical benefits for dependents are the same as those for the insured.

## Administrative Organization

Health Canada (<http://www.hc-sc.gc.ca>) administers programs for groups not covered under provincial plans; monitors provincial compliance with conditions of national legislation; and provides provinces with technical, consultative, and coordinating services.

Provincial authorities administer their health insurance plans, establish resident eligibility status, assess hospital and medical claims, pay providers, and monitor all aspects of programs.

Providers are usually public, not-for-profit hospitals and other specialized institutions; doctors and allied practitioners in entrepreneurial practice.

Human Resources and Skills Development Canada, through Service Canada (<http://www.canadabenefits.gc.ca>), is responsible for cash sickness, maternity, parental, and compassionate care benefits provided under the Employment Insurance program.

Quebec Parental Insurance Plan administers Quebec parental benefits.

## Work Injury

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### Regulatory Framework

**First and current laws:** 1908 and 1996 (Newfoundland), 1915 and 1996 (Nova Scotia), 1915 and 1998 (Ontario), 1916 and 1996 (British Columbia), 1916 and 2006 (Manitoba), 1918 and 2004 (New Brunswick), 1918 and 2002 (Alberta), 1928 and 1998 (Quebec), 1930 and 2003 (Saskatchewan), 1949 and 1994 (Prince Edward Island), 1974 and 1998 (Northwest Territories/Nunavut), and 2002 (Yukon).

**Type of program:** Social insurance system.

### Coverage

Employees in industry and commerce (some differences exist among provinces).

Exclusions: Self-employed persons, household workers, professional athletes, and members of sports clubs (some differences exist among provinces).

Special systems for merchant seamen and federal civil servants.

### Source of Funds

**Insured person:** None.

**Self-employed person:** Not applicable.

**Employer:** The total cost, met through contributions that vary by industry and according to the assessed degree of risk (large firms in some provinces may self-insure).

**Government:** None.

### Qualifying Conditions

**Work injury benefits:** There is no minimum qualifying period.

### Temporary Disability Benefits

From 75% to 90% of gross earnings is paid, according to province.

The minimum benefit varies according to province.

### Permanent Disability Benefits

**Permanent disability pension:** In most provinces, 75% or 90% of the insured's earnings is paid for a full disability.

The maximum benefit varies according to province.

Partial disability: The pension is a percentage of the full benefit according to the assessed degree of loss of earning capacity; in some provinces, the pension is converted to a lump sum if the assessed degree of loss is 10% or less.

### Workers' Medical Benefits

Benefits in all provinces include medical, surgical, nursing, and hospital services; medicine; and appliances.

## Survivor Benefits

**Survivor pension:** The pension varies according to province. The pension is paid to a widow(er).

**Orphan's pension:** Either a monthly flat-rate pension slightly greater than that of children residing with a parent or a percentage of the deceased's wages is paid, according to province.

**Other dependents (if there is no spouse or orphan):** A reasonable sum is paid in proportion to the loss of income.

**Funeral grant:** The grant paid varies according to province.

## Administrative Organization

Workers' Compensation Board, or a Work Safety Commission, in each province and territory administers the program.

## Unemployment

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### Regulatory Framework

**First law:** 1940.

**Current law:** 1996 (employment insurance).

**Type of program:** Social insurance system.

### Coverage

All salaried workers, including federal government employees; self-employed fishermen.

Exclusions: Self-employed persons other than fishermen.

### Source of Funds

**Insured person:** 1.78% of covered earnings. In Quebec, 1.41% of covered earnings.

The maximum annual earnings used to calculate contributions are C\$44,200.

The insured person's contributions also finance benefits under Sickness and Maternity, except in Quebec.

**Self-employed person:** Not applicable.

**Employer:** 2.49% of covered payroll. In Quebec, 1.97% of covered payroll.

The maximum annual earnings used to calculate contributions are C\$44,200.

The employer's contributions also finance benefits under Sickness and Maternity, except in Quebec.

**Government:** None.

### Qualifying Conditions

**Unemployment benefit:** The qualifying conditions vary from 420 hours to 700 hours of covered employment in the



last year, depending on the regional unemployment rate, or 910 hours for a new entrant or reentrant to the labor force.

The insured must be registered, able, willing, and available to work and unable to obtain suitable employment; unable to work because of sickness, maternity, or providing parental care or compassionate care to a gravely ill family member with a potentially fatal condition.

If unemployment is due either to voluntary leaving without just cause or to misconduct, the disqualification is indefinite and applies until the insured requalifies for the benefit.

### **Unemployment Benefits**

55% of average covered earnings in the last 26 weeks, plus a family supplement for low-income and modest-income earners with dependent children, is paid after a two-week waiting period for 14 to 45 weeks, depending on the claimant's employment history and regional unemployment rates. The supplement is awarded if annual net family income is less than C\$25,921.

A pilot project provides up to five additional weeks of benefits (up to a maximum of 45 weeks) to claimants in 21 regions of high unemployment until September 15, 2012.

Another pilot project in 25 regions, running from October 30, 2005, until June 25, 2012, calculates benefits based on the highest 14 weeks of covered earnings.

The maximum weekly benefit is C\$468.

### **Administrative Organization**

Human Resources and Skills Development Canada, through Service Canada (<http://www.canadabenefits.gc.ca>) regional and local offices, administers the program.

Canada Revenue Agency (<http://www.cra-arc.gc.ca>) collects contributions.

### **Family Allowances**

#### **Regulatory Framework**

**First law:** 1944.

**Current laws:** 1998 and 2006.

**Type of program:** Refundable tax credit and universal system.

#### **Coverage**

All persons residing in Canada.

#### **Source of Funds**

**Insured person:** None.

**Self-employed person:** None.

**Employer:** None.

**Government:** The total cost.

### **Qualifying Conditions**

**Canada child tax benefit (income-tested):** A child must be younger than age 18 and live with a primary caregiver who is a Canadian citizen, permanent resident, or refugee, and files an annual income tax return.

**Universal child care benefit:** A child must be younger than age 6 and live with a primary caregiver who is a Canadian citizen, permanent resident, or refugee.

### **Family Allowance Benefits**

**Canada child tax benefit (income-tested):** The benefit is delivered through the income tax system.

The maximum annual benefit is C\$3,436 for the first child, C\$3,196 for the second child, and C\$3,106 for the third and subsequent children.

The benefit has two components: the base tax benefit, paid to low- and middle-income families with children, and the national child benefit supplement, paid to low-income families with children. From July 2010 to June 2011, families with net income of up to C\$108,370 receive some of the base tax benefit (for one- and two-child families). Families with net income of up to C\$40,970 also receive some of the national child benefit supplement. The child disability benefit for families caring for children with severe disabilities is also delivered through the Canada child tax benefit.

Benefits are paid monthly and are based on total family income during the previous year.

**Universal child care benefit:** The benefit provides families with direct financial support to help offset the cost of child care. C\$100 a month (up to C\$1,200 a year) is paid for each child younger than age 6. The benefit is taxable at the rate of the spouse with the lowest income. Single parents can report all universal child care benefit amounts in their own income or include the amounts in the income of a child beneficiary. Parents with joint custody of child beneficiaries can split the benefit.

### **Administrative Organization**

Canada Revenue Agency (<http://www.cra-arc.gc.ca>) administers the Canada child tax benefit.

Human Resources and Skills Development Canada (<http://www.hrsdc.gc.ca>), through district and local offices, administers the universal child care benefit.

## Chile

Exchange rate: US\$1.00 = 469.50 pesos.

### Old Age, Disability, and Survivors

#### Regulatory Framework

**First law:** 1924.

**Current laws:** 1952 (social insurance and health insurance); 1952 (wage earners and salaried employees); 1975 (social assistance); 1980 (individual account); 1980 (contributory scheme); 1980 (institute of normalization); 2008 (social security reform).

**Type of program:** Mandatory individual account, social insurance, and social assistance system.

#### Coverage

##### Mandatory individual account

Employees who entered the labor force after December 31, 1982; mandatory coverage is gradually being extended to some self-employed persons from 2012 to 2015 (currently voluntary for self-employed persons).

Voluntary coverage for workers covered by social insurance before January 1, 1983.

##### Social insurance

Wage earners, salaried employees, and self-employed persons with earnings lower than three times the legal monthly minimum wage.

The legal monthly minimum wage is 182,000 pesos.

Special systems for particular groups of salaried employees, including railroad employees, seamen and port workers, public-sector employees, and military and police personnel.

##### Social assistance

Residents of Chile.

#### Source of Funds

##### Mandatory individual account

**Insured person:** 10% of covered earnings for the old-age pension plus an average of 1.55% of covered earnings for administrative fees. Persons working under arduous conditions contribute an additional 1% or 2% of covered earnings depending on occupation.

The minimum monthly earnings used to calculate contributions for insured persons aged 18 to 65 are the legal monthly minimum wage of 182,000 pesos; 135,867 pesos for insured persons younger than age 18 or older than age 65.

The maximum monthly earnings used to calculate contributions are 66 UFs (unidad de fomento). The UF is 21,947.23 pesos and is adjusted daily according to changes in the consumer price index.

**Self-employed person:** 10% of declared earnings for the old-age pension plus an average of 1.49% of declared earnings for disability and survivor insurance and 1.55% for administrative fees.

The minimum monthly declared earnings used to calculate contributions are 182,000 pesos.

The maximum monthly declared earnings used to calculate contributions are 66 UFs. The UF is 21,947.23 pesos and is adjusted daily according to changes in the consumer price index.

**Employer:** 1% or 2% of covered earnings for employees working under arduous conditions plus an average of 1.49% of payroll for employees' disability and survivor insurance.

The maximum monthly earnings used to calculate contributions are 66 UFs. The UF is 21,947.23 pesos and is adjusted daily according to changes in the consumer price index.

**Government:** Finances the minimum benefit, old-age and disability social security solidarity benefits, and the value of accrued rights under the social insurance system.

##### Social insurance

**Insured person:** Wage earners contribute 18.84% of covered wages; salaried employees contribute 20% to 30% of covered earnings depending on the occupation.

The minimum monthly earnings used to calculate contributions for insured persons aged 18 to 65 are the legal monthly minimum wage of 182,000 pesos; 135,867 pesos for insured persons younger than age 18 or older than age 65.

The maximum monthly earnings used to calculate contributions are 66 UFs. The UF is 21,947.23 pesos and is adjusted daily according to changes in the consumer price index.

**Self-employed person:** 18.84% of declared earnings.

The minimum monthly declared earnings used to calculate contributions are 106,435 pesos.

The maximum monthly declared earnings used to calculate contributions are 66 UFs. The UF is 21,947.23 pesos and is adjusted daily according to changes in the consumer price index.

**Employer:** None.

**Government:** Special subsidies as needed to finance the program.

##### Social assistance

**Insured person:** None.

**Self-employed person:** None.

*Employer:* None.

*Government:* The total cost.

## Qualifying Conditions

### Mandatory individual account

*Old-age pension:* Age 65 (men) or age 60 (women). The normal retirement age for insured persons with at least 20 years of contributions is reduced by one or two years for each five-year period of work under arduous conditions, depending on the occupation, up to 10 years (see below for the guaranteed minimum pension).

*Early pension:* If aged 55 or older (men) or aged 50 or older (women) on August 19, 2004, retirement before the normal retirement age is possible for insured persons with a pension of 50% or more of the insured's average wage in the last 10 years and at least 110% of the minimum old-age pension.

If younger than age 55 (men) or age 50 (women) on August 19, 2004, retirement before the normal retirement age is possible for insured persons with a pension of 70% or more of the insured's average wage in the last 10 years and at least 150% of the minimum old-age pension.

*Child benefit:* Women aged 65 or older who gave birth to or adopted at least one child in their lifetime, have been residents of Chile for at least 20 years, and retired on or after July 1, 2009.

*Guaranteed minimum pension:* The benefit is being phased out and replaced by the old-age social security solidarity top-up benefit by 2023. Until then, there is a choice between the two benefits for persons who received the guaranteed minimum pension prior to July 1, 2008 and those aged 50 and older on July 1, 2008 who qualify for the guaranteed minimum pension at retirement. Age 65 (men) or age 60 (women) with at least 20 years of contributions whose sum of pensions, income, and taxable earnings is less than the minimum pension (111,855.55 pesos for a pensioner younger than age 70; 122,305.43 pesos from age 70 to age 75; or 130,495.77 pesos if older than age 75).

*Old-age social security solidarity top-up benefit (means-tested):* Age 65 and a resident of Chile for four of the last five years. The insured must have a base pension (old-age pension from individual account plus any survivor benefits received) of less than 255,000 pesos a month and the pensioner's family must be among the poorest 60% of the population as assessed by the census.

*Disability pension:* The insured must be assessed with at least a 66% loss in earning capacity (not caused by a work-related accident). Coverage is extended for up to 12 months after employment ceases if the insured has six months of contributions in the last year of employment. Coverage is extended up to age 65 for women who are employed after age 60.

*Partial disability:* The insured must be assessed with a loss of between 50% and 65% of earning capacity (not caused by a work-related accident). Coverage is extended for up to 12 months after employment ceases if the insured has six months of contributions in the last year of employment. Coverage is extended up to age 65 for women who are employed after age 60.

Regional medical commissions assess the degree of disability.

*Guaranteed minimum pension:* Persons who received the guaranteed minimum pension prior to July 1, 2008, and who do not opt for the new disability solidarity top-up benefit. The guarantee is paid if the insured's disability pension is less than the minimum pension (111,855.55 pesos for a pensioner younger than age 70; 122,305.43 pesos from age 70 to age 75; or 130,495.77 pesos if older than age 75).

*Disability social security solidarity top-up benefit (means-tested):* Age 18 to 64, a resident of Chile for five of the last six years, and assessed with a disability. The insured must have a base pension (disability pension from individual account plus any survivor benefits received) of less than the basic disability solidarity pension (78,449 pesos a month) and the pensioner's family must be among the poorest 60% of the population as assessed by the census.

*Survivor pension:* The insured was in covered employment or was a pensioner at the time of death. Coverage is extended for up to 12 months after employment ceases if the insured had at least six months of contributions in the last year of employment. Coverage is extended up to age 65 for women who are employed after age 60.

Eligible survivors are a widow(er) who was married to the insured for at least six months (at least three years if the insured was a pensioner); the mother of the deceased's extramarital children; children younger than age 18 (age 24 if a student, no age limit if disabled); and the deceased's parents if there are no other eligible survivors.

*Child benefit:* Women aged 65 or older who receive a survivor pension from the mandatory individual account system and gave birth to or adopted at least one child in their lifetime, have been residents of Chile for at least 20 years, retired on or after July 1, 2009, and are not eligible for the benefit through any other program.

### Social insurance

*Old-age pension:* Wage earners must be age 65 or older with at least 1,040 weeks of work or 800 weeks of work with at least 50% of the weeks since coverage began in covered employment (men), or age 60 or older with at least 520 weeks of work (women).

Salaried employees must be age 65 or older (men) or age 60 or older (women) with at least 10 years of contributions.

Salaried employees must cease all gainful activity.

The normal retirement age for insured persons with at least 1,020 weeks of contributions is reduced by one year (two

years for workers in mining or smelting) for each five-year period of work under arduous conditions. The maximum reduction of the normal retirement age is five years (10 years for workers in mining or smelting).

**Winter grant (means-tested):** Paid to low-income pensioners.

**Disability pension:** Wage earners must be assessed with a total or partial disability and be younger than age 65 (men) or younger than age 60 (women) when the disability began. Additionally, they must have at least 50 weeks of contributions, including at least 40% of the weeks in the last five years and 50% of the weeks since coverage began (women are exempt from this last condition, as are men with at least 400 weeks of coverage).

Wage earners are assessed with a total disability when there is a loss in earning capacity of at least 70%; a partial disability is assessed when there is a loss in earning capacity from 30% to 69%.

Salaried employees younger than age 65 (men) or age 60 (women) must be assessed with a degree of disability of at least 66.7% with at least three years of contributions.

Preventive and disability medical commissions assess the degree of disability for wage earners and salaried employees.

**Survivor pension:** If the deceased was previously a wage earner, he or she must have had at least 400 weeks of paid coverage; or at least 50 weeks of paid coverage, including at least 40% of the weeks in the last five years and 50% of the weeks since coverage began (women are exempt from this last condition).

If the deceased was previously a salaried employee, he or she must have at least three years of contributions.

Eligible survivors are a widow or a widower with a disability; the mother of the deceased's extramarital children; children younger than age 18 (age 24 if a student, no limit if disabled); and the deceased's parents in the absence of other eligible survivors.

**Child benefit:** Women aged 65 or older who receive a survivor pension from the social insurance system and gave birth to or adopted at least one child in their lifetime, have been residents of Chile for at least 20 years, retired on or after July 1, 2009, and are not eligible for the benefit through any other program.

**Funeral grant:** The grant is paid to the widow(er), children, or parents.

### Social assistance

**Basic old-age solidarity pension:** Age 65, a resident of Chile for 20 years, including at least four of the last five years, and ineligible for any other pension. The pensioner's family must be among the poorest 60% of the population as assessed by the census.

**Child benefit:** Women aged 65 or older who gave birth to or adopted at least one child in their lifetime, have been residents of Chile for at least 20 years, retired on or after July 1, 2009, and not eligible for any other pension.

**Basic disability solidarity pension:** Age 18 to 64, a resident of Chile for five of the last six years, assessed with a disability, and ineligible for a pension. The pensioner's family must be among the poorest 60% of the population as assessed by the census.

### Old-Age Benefits

#### Mandatory individual account

**Old-age pension:** The value of the pension depends on the insured's contributions plus accrued interest. At retirement, the accumulated capital can be used to provide an immediate life annuity, temporary income with a deferred life annuity, programmed withdrawals, or an immediate life annuity with programmed withdrawals. (The value of accrued rights plus interest under the social insurance system is combined with the individual account balance at retirement.)

**Benefit adjustment:** Benefits are adjusted automatically each year according to variations in the value of the UF. The UF is 21,947.23 pesos and is adjusted daily according to changes in the consumer price index.

**Child benefit:** A bond is paid for each live birth or adopted child. For women younger than age 65 on July 1, 2009, a bond of 10% of 18 minimum wages (approximately 300,000 pesos per child in July 2009) is deposited into the individual account during the month after the mother reaches age 65. The bond's interest rate is the average annual rate for Fund C less administrative fees for that period.

**Guaranteed minimum pension:** The monthly pension is 111,855.55 pesos for a pensioner younger than age 70; 122,305.43 pesos from age 70 to age 75; or 130,495.77 pesos if older than age 75.

**Old-age social security solidarity top-up benefit (means-tested):** The amount of the benefit depends on the base pension (old-age pension from individual account plus any survivor benefits received) and decreases with the size of the base pension.

The maximum combined old-age pension and old-age solidarity benefit is 255,000 pesos a month.

#### Social insurance

**Old-age pension:** Wage earners receive a monthly pension of 50% of the base wage plus 1% of wages for each 50-week period of contributions exceeding 500 weeks.

The base wage is the average monthly wage in the last five years, with the first two years adjusted for wage changes.

Salaried employees receive a monthly pension of 0.029% of the base salary multiplied by the number of years of contributions.

The base salary is the average monthly salary in the last five years with the first two years adjusted for salary changes.

Salaried woman's child supplement: A supplement of 0.029% of the base salary is paid for each dependent child to a woman with more than 20 years of contributions; 0.057% of the base salary if a widow.

The minimum monthly pension is 111,855.55 pesos for a pensioner younger than age 70; 122,305.43 pesos from age 70 to age 75; or 130,495.77 pesos if older than age 75.

Winter grant (means-tested): 44,265 pesos is paid annually to low-income pensioners.

Benefit adjustment: Benefits are adjusted automatically each year according to variations in the consumer price index; may be earlier if the variation of the consumer price index within the year is at least 15%.

### Social assistance

*Basic old-age solidarity pension:* 78,449 pesos a month is paid.

Child benefit: A benefit is paid for each live birth or adopted child.

Benefit adjustment: Benefits are adjusted automatically each year according to variations in the consumer price index; earlier if the variation of the consumer price index within the year is at least 10%.

### Permanent Disability Benefits

#### Mandatory individual account

*Disability pension:* For a total disability, the pension is financed through the individual account. (Disability insurance tops up the accumulated capital in the individual account if the balance is less than the required minimum to finance the permanent disability pension.)

For a partial disability, the individual pension fund management company finances a benefit for up to three years following an initial level of assessment and certification by the medical commission. The monthly benefit is 50% of the base salary.

The base salary is equal to the insured's average monthly wage in the last 10 years.

Long-term partial disability pension: Following a second level of assessment and certification, the pension is financed through the individual account. (Disability insurance tops up the accumulated capital in the individual account if the balance is less than the required minimum to finance the permanent disability pension.)

Benefit adjustment: Benefits are adjusted automatically each year according to variations in the UF. The UF is

21,947.23 pesos and is adjusted daily according to changes in the consumer price index.

Guaranteed minimum pension: The minimum monthly pension is 111,855.55 pesos for a pensioner younger than age 70; 122,305.43 pesos from age 70 to age 75; or 130,495.77 pesos if older than age 75.

Disability social security solidarity top-up benefit (means-tested): Decreases with the size of the base pension (disability pension from individual account plus any survivor benefits received).

The maximum combined disability pension and disability solidarity benefit is the 78,449 pesos a month.

### Social insurance

*Disability pension:* For a total disability, wage earners receive a monthly pension of 50% of the base wage plus 1% of wages for every 50-week period of contributions exceeding 500 weeks. For a partial disability, 50% of the total disability pension is paid.

The base wage is equal to the average monthly wage in the last five years, with the first two years adjusted for wage changes.

The minimum monthly pension is 111,855.55 pesos for a pensioner younger than age 70; 122,305.43 pesos from age 70 to age 75; or 130,495.77 pesos if older than age 75.

Salaried employees receive a monthly pension of 70% of the base salary plus 2% of the salary for every year of contributions exceeding 20 years.

The base salary is equal to the average monthly salary in the last five years, with the first two years adjusted for salary changes.

Salaried woman's child supplement: A supplement of 0.029% of the base salary is paid for each dependent child to a woman with more than 20 years of contributions; 0.057% of the base salary if a widow.

Civil servant supplement: A supplement of 0.033% of the base salary is paid for each dependent child to a woman with more than 20 years of contributions; 0.067% of the base salary if a widow.

The minimum monthly pension is 111,855.55 pesos for a pensioner younger than age 70; 122,305.43 pesos from age 70 to age 75; or 130,495.77 pesos if older than age 75.

Benefit adjustment: Benefits are adjusted automatically each year according to variations in the consumer price index; may be earlier if the variation of the consumer price index within the year is at least 15%.

### Social assistance

*Basic disability solidarity pension:* The pension is 78,449 pesos a month.

Benefit adjustment: Benefits are adjusted automatically each year according to variations in the consumer price

index; earlier if the variation of the consumer price index within the year is at least 10%.

### Survivor Benefits

#### Mandatory individual account

*Survivor pension:* A widow without eligible children receives a monthly pension of 60% of the deceased's pension (43% for a widower); 50% if a pension is also paid to children (36% for a widower). The mother of the insured's extramarital children receives 36% of the deceased's pension; 30% if the children are younger than age 18 (age 24 if a student, no limit if disabled). Each orphan younger than age 18 (age 24 if a student, no limit if disabled) receives 15% of the deceased's pension; 11% for each partially disabled orphan older than age 24.

*Other eligible survivors (in the absence of the above):* A parent receives 50% of the deceased's monthly pension.

If the deceased was actively contributing to an individual account, survivor pensions are calculated according to a reference pension of 70% of the average monthly wage in the last 10 years.

The pension paid as the result of the death of an insured person or a temporary disability beneficiary is financed with the deceased's individual account balance; if the deceased was a pensioner, the type of benefit depends on the type of retirement pension that the deceased chose. (Life insurance tops up the accumulated capital in the deceased's individual account if the balance is less than the required minimum to finance the survivor pension.)

There is no maximum survivor pension.

*Child benefit:* A bond is paid for each live birth or adopted child. For women younger than age 65 on July 1, 2009, a bond of 10% of 18 minimum wages (approximately 300,000 pesos per child in July 2009) is deposited into the individual account during the month after the mother reaches age 65. The bond's interest rate is the average annual rate for Fund C less administrative fees for that period.

*Benefit adjustment:* Benefits are adjusted automatically each year according to variations in the UF. The UF is 21,947.23 pesos and is adjusted daily according to changes in the consumer price index.

*Funeral grant:* A withdrawal of 15 UFs from the deceased's individual account is granted to the relative who paid for the funeral expenses. The UF is 21,947.23 pesos and is adjusted daily according to changes in the consumer price index.

#### Social insurance

*Survivor pension (wage earner):* The monthly pension paid to a wage earner's widow of any age or a widower with a disability is 50% of the base wage (50% of the disability

pension the deceased was entitled to) and the pension increases to 60% if there are no children. Each orphan receives 20% of the base wage or average monthly pension in the preceding year. The mother of the deceased's extramarital children receives 60% of the widow's pension.

The pension ceases on remarriage.

A widow younger than age 55 receives a lump sum of two years of pension.

*Child benefit:* A benefit is paid for each live birth or adopted child by the female recipient of a social insurance survivor pension.

The minimum monthly widow(er)'s pension is 68,112.12 pesos for a survivor younger than age 70 without children; 84,986.92 pesos from age 70. The minimum monthly widow(er)'s pension is 56,974.09 pesos for a survivor younger than age 70 with children; 73,388.32 pesos from age 70.

The minimum monthly orphan's pension is 15,743.98 pesos.

*Benefit adjustment:* Benefits are adjusted automatically each year according to variations in the consumer price index; may be earlier if the variation of the consumer price index within the year is at least 15%.

*Funeral grant (wage earner):* The grant is up to three times the monthly minimum wage (352,203 pesos).

*Survivor pension (salaried employee):* For a salaried employee's widow or dependent widower, the monthly pension is 50% of the deceased's base salary (the average monthly wage in the last five years) or the deceased's pension. If there are no children, the pension is increased to 60% of the deceased's base salary. Each orphan and dependent parent receives 15% of the base salary or deceased's pension. The mother of the deceased's extramarital children receives 60% of the widow's pension.

The pension ceases on remarriage.

A widow younger than age 55 receives a lump sum of two years of pension.

The minimum monthly widow(er)'s pension is 68,112.12 pesos for a survivor younger than age 70 without children; 84,986.92 pesos from age 70. The minimum monthly widow(er)'s pension is 56,974.09 pesos for a survivor younger than age 70 with children; 73,388.32 pesos from age 70.

The minimum monthly orphan's pension is 15,743.98 pesos.

*Benefit adjustment:* Benefits are adjusted automatically each year according to variations in the consumer price index; may be earlier if the variation of the consumer price index within the year is at least 15%.

*Funeral grant (salaried employee):* The grant is up to three times the monthly minimum wage (352,203 pesos).

## Administrative Organization

### Mandatory individual account

Ministry of Labor and Social Security through the Superintendent of Pensions (<http://www.safp.cl>) provides general supervision.

Individual pension fund management companies administer individual capitalization accounts.

### Social insurance and social assistance

Social Security Institute (<http://www.ips.gob.cl>) administers the social insurance and assistance programs.

## Sickness and Maternity

### Regulatory Framework

**First law:** 1924.

**Current laws:** 1979 (national health system); 1985 (public health system), implemented in 1986; 1990 (private health system); and 2004 (health guarantees), implemented in 2005.

**Type of program:** Social insurance and private insurance system.

Note: Insured persons may opt out of the public national health system and contract with a private health institute.

### Coverage

**Public and private systems:** All public- and private-sector workers; self-employed persons; contract workers; pensioners; persons receiving work injury, unemployment, or social assistance benefits; persons entitled to family allowances; and pregnant women. (Persons without earnings, beneficiaries of social assistance pensions, and pregnant women and mothers up to six months after childbirth are covered by the public system.)

Those who opt out of the public system must sign a contract with a private health institution.

### Source of Funds

#### Public system

**Insured person:** Insured person: 7% of covered earnings, pensioners, 7% of the pension (Solidarity beneficiaries are exempt); the voluntarily insured, 7% of declared earnings.

The minimum monthly earnings used to calculate contributions for insured persons aged 18 to 65 are the legal monthly minimum wage of 182,000 pesos; 135,867 pesos for insured persons younger than age 18 or older than age 65.

The minimum monthly declared earnings used to calculate contributions are 106,435 pesos.

The maximum monthly earnings used to calculate contributions are 66 UFs (unidad de fomento). The UF is

21,947.23 pesos and is adjusted daily according to changes in the consumer price index.

**Self-employed person:** 7% of declared earnings.

The minimum monthly declared earnings used to calculate contributions are 106,435 pesos.

**Employer:** None.

**Government:** Finances the cost of maternity benefits and meets any deficit.

#### Private system

**Insured person:** At least 7% of gross earnings, depending on the health plan.

The minimum monthly earnings used to calculate contributions for insured persons aged 18 to 65 are the legal monthly minimum wage of 182,000 pesos; 135,867 pesos for insured persons younger than age 18 or older than age 65.

**Self-employed person:** At least 7% of declared earnings, depending on the health plan.

The minimum monthly declared earnings for contribution calculation purposes are 106,435 pesos.

**Employer:** None.

**Government:** Finances part of the cost of sickness benefits.

### Qualifying Conditions

**Cash sickness and maternity benefits (public and private systems):** Employees must have at least six months of contributions including at least three months of contributions in the last six months; contract workers must have at least six months of contributions including at least 30 days of contributions in the last 12 months; and self-employed persons must have at least 12 months of coverage with at least six months of paid contributions in the last 12 months.

There are no qualifying conditions for an incapacity that is the result of an accident.

**Medical benefits (public and private systems):** Must be currently covered.

### Sickness and Maternity Benefits

**Sickness benefit (public and private systems):** For public-sector employees, the benefit is 100% of net earnings before the incapacity began. For private-sector employees, the benefit is the average monthly net earnings in the last three months. For self-employed persons, the benefit is the average monthly declared earnings in the last six months.

Sickness benefits are paid retroactively from the first day if the sick-leave period is longer than 10 days; from the fourth day if the sick-leave period is shorter than 10 days. The employer is not required to pay benefits for the first three days, unless established under a collective agreement.

The duration of the benefit is the same as the period of sick leave.

The minimum daily sickness benefit is 1,773.92 pesos.

**Maternity benefit (public and private systems):** For public-sector employees the monthly benefit is 100% of earnings. For private-sector employees, the monthly benefit is the average monthly net earnings in the three months before the expected date of childbirth. For self-employed persons, the monthly benefit is the average monthly declared earnings in the last six months. The benefit is paid for six weeks before and 12 weeks after the expected date of childbirth.

The minimum daily maternity benefit is 1,773.92 pesos.

The maternity benefit is also paid for the adoption of a child younger than six months. The benefit is paid for 12 months.

### **Workers' Medical Benefits**

#### **Public system**

*Medical benefits:* Benefits are provided to patients through public or private health institutions and professionals registered with the National Health Fund. Benefits include general and specialist care, periodic medical examinations, hospitalization, medicine, dental care, and maternity care.

There is no limit to duration.

General Scheme of Health Guarantees establishes the minimum benefits to be provided by the public system.

There is no cost sharing for primary assistance and for low-income persons, beneficiaries of assistance pensions or family allowances, and persons older than age 60.

#### **Private system**

*Medical benefits:* The insured signs a minimum 12-month contract with a private health institute. The insured may choose among open or closed plans or preferred doctor plans. Benefits, as well as cost sharing, vary by contract but must be at least equal to those provided by the public system.

### **Dependents' Medical Benefits**

#### **Public system**

*Medical benefits:* Benefits include general and specialist care, periodic medical examinations, hospitalization, medicine, dental care, and maternity care.

There is no limit to duration.

General Scheme of Health Guarantees establishes the minimum benefits to be provided by the public system.

There is no cost sharing for primary assistance and for low-income persons, beneficiaries of assistance pensions or family allowances, and persons older than age 60.

#### **Private system**

*Medical benefits:* Benefits, as well as cost sharing, vary by contract but must be at least equal to those provided by the public system.

The widow(er) and children are covered for a year after the insured's death.

### **Administrative Organization**

Ministry of Health (<http://www.minsal.cl>) provides general supervision of the system.

Superintendent of Health (<http://www.supersalud.cl>) oversees the public and private schemes and public and private health providers.

National Health Fund (<http://www.fonasa.gov.cl>) administers cash benefits and the public system.

Health Institutions (<http://www.isapre.cl>) administer the private system.

### **Work Injury**

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#### **Regulatory Framework**

**First law:** 1916.

**Current law:** 1968 (work injury and professional diseases) and 2008 (social security reform).

**Type of program:** Social insurance system.

#### **Coverage**

All public- and private-sector workers, self-employed persons who contribute to old-age and sickness schemes, household workers, contract and temporary workers, students, apprentices, and trade union representatives.

#### **Source of Funds**

**Insured person:** None.

**Self-employed person:** 0.95% of declared income plus up to 3.4% of declared earnings, depending on the occupation.

The minimum monthly declared earnings used to calculate contributions are 106,435 pesos.

The maximum monthly earnings used to calculate contributions are 66 UFs (unidad de fomento). The UF is 21,947.23 pesos and is adjusted daily according to changes in the consumer price index.

**Employer:** 0.95% of covered payroll plus up to 3.4% of covered payroll according to the industry and the assessed degree of risk.

The minimum monthly earnings used to calculate contributions are 106,435 pesos.

The maximum monthly earnings used to calculate contributions are 60 UFs. The UF is 21,947.23 pesos and is adjusted daily according to changes in the consumer price index.



**Government:** None; contributes as an employer.

### Qualifying Conditions

**Work injury benefits:** There is no minimum qualifying period. Accidents that occur while commuting to and from work are covered.

Self-employed persons must have paid all due contributions.

### Temporary Disability Benefits

For public-sector employees, the monthly benefit is 100% of net earnings. For private-sector employees, the monthly benefit is the average monthly net earnings in the three months before the disability began. The benefit is paid from the day of injury for up to 12 months (may be extended up to an additional 12 months).

Benefit adjustment: Benefits are adjusted according to wage increases.

### Permanent Disability Benefits

**Permanent disability pension:** With an assessed degree of disability of at least 70% (total disability), the monthly pension is 70% of the base salary.

The base salary is equal to average monthly net earnings in the six months before the disability began.

In most cases, Preventive and Disability Medical Commissions assess the degree of disability. The degree of disability is reassessed once every two years in the eight years after the pension is awarded.

**Constant-attendance allowance:** If the insured requires the constant attendance of others to perform daily functions, the pension is increased by 30% of the base salary.

**Child's supplement:** The pension is increased by 5% for the third and each subsequent child entitled to family allowances.

**Partial disability:** With an assessed degree of disability from 40% to 69%, the monthly pension is 35% of the base salary. A lump sum of up to 15 months of base salary is paid for an assessed degree of disability from 15% to 39%.

Benefit adjustment: Benefits are adjusted automatically each year according to variations in the price index; may be earlier if the variation of the price index within the year is at least 15%.

### Workers' Medical Benefits

Benefits include necessary medical, surgical, dental, and pharmaceutical services; hospitalization; prostheses; rehabilitation; transfer costs, and occupational retraining. Benefits are provided from the first day after the disability began or the diagnosis of the occupational disease.

There is no limit to duration.

There is no cost sharing.

### Survivor Benefits

**Survivor pension:** A monthly benefit of 50% of the deceased's pension is paid to a widow older than age 44 (at any age if disabled or caring for a child) or a widower with a disability. If there are no eligible children, the pension is increased to 60% of the deceased's pension.

A widow younger than age 45 receives a limited pension for a year. If a widow caring for a child reaches age 45 during the eligible period, the benefit is paid for life.

The minimum monthly widow(er)'s pension is 68,112.12 pesos for a survivor younger than age 70 without children; 84,986.92 pesos from age 70. The minimum monthly widow(er)'s pension is 56,974.09 pesos for a survivor younger than age 70 with children; 73,388.32 pesos from age 70.

The pension ceases on remarriage and a lump sum of two years of pension is paid.

**Orphan's pension:** A monthly pension of 20% of the deceased's pension is paid for each orphan younger than age 18 (age 24 if a student, no limit if disabled); 50% for each full orphan.

The minimum monthly orphan's pension is 15,743.98 pesos.

All survivor benefits combined must not exceed 100% of the deceased's pension.

Benefit adjustment: Benefits are adjusted automatically each year according to variations in the consumer price index; earlier if the variation of the price index within the year is at least 15%.

**Education grant:** Eligible orphans who are students with an assessed degree of disability from 15% to 70% and with earnings lower than the legal monthly minimum wage receive a monthly benefit of 22.3% of the legal monthly minimum wage.

The legal monthly minimum wage is 182,000 pesos.

### Administrative Organization

Ministry of Labor and Social Security, through the Superintendent of Pensions (<http://www.safp.cl>), provides general supervision.

Occupational Safety Institute (<http://www.isl.gob.cl>) administers the program.

### Unemployment

#### Regulatory Framework

**First law:** 1937.

**Current laws:** 1981 (unemployment), implemented in 1982; 2001 (severance account system), implemented in 2002; and 2009 (mandatory severance pay).

**Type of program:** Employment-related and mandatory individual severance account system.

## Coverage

**Employment-related system:** Employed persons.

**Individual severance account:** Mandatory coverage for employed persons hired on or after October 2, 2002; voluntary coverage for employed persons hired prior to October 2, 2002.

Exclusions: Persons younger than age 18, household workers, apprentices, pensioners (unless partially disabled), self-employed persons, civil servants, and military personnel

## Source of Funds

### Employment-related system

*Insured person:* None.

*Self-employed person:* None.

*Employer:* None.

*Government:* The total cost is met through the Unified Family Allowances and Unemployment Fund.

### Individual severance account

*Insured person:* 0.6% of covered monthly earnings plus an administrative fee of about 0.05%. Workers employed under a fixed-term contract do not contribute.

The maximum monthly earnings used to calculate contributions are 99 UFs (unidad de fomento). The UF is 21,947.23 pesos and is adjusted daily according to changes in the consumer price index.

*Self-employed person:* Not applicable.

*Employer:* 2.4% of covered payroll a month for up to 11 years (1.6% to the insured's individual account and 0.8% to the Solidarity Severance Fund); 3% if an employee has a fixed-term contract (2.8% to the insured's individual account and 0.2% to the Solidarity Severance Fund).

The maximum monthly earnings used to calculate contributions are 99 UFs (unidad de fomento). The UF is 21,947.23 pesos and is adjusted daily according to changes in the consumer price index.

*Government:* An annual contribution to the Solidarity Severance Fund of 225,792 UTM (unidad tributaria mensual). The UTM, a monthly tax indexed unit set by law, is 38,441 pesos.

## Qualifying Conditions

### Unemployment benefits

*Employment-related system:* The insured must be involuntarily unemployed with at least 12 months or 52 weeks of contributions in the previous two years, registered for employment, and able and willing to work. The insured may not receive an employment-related benefit and an individual severance account benefit at the same time.

*Individual severance account:* The insured must be involuntarily unemployed with at least 12 months of contributions; insured persons with fixed-term contracts must have at least six months of contributions since they first joined the system or since the individual account was last fully drawn down. The benefit is suspended if the insured starts a new job.

If the balance in the individual account is insufficient to pay a benefit, the insured is eligible for a benefit under the Solidarity Severance Fund provided that unemployment was involuntary and the insured has made at least one year of continuous contributions in the last two years before unemployment began, was not employed on a fixed-term contract, and had not refused a suitable job offer. Solidarity Severance Fund benefits are payable only twice in any five-year period.

## Unemployment Benefits

### Unemployment benefit

*Employment-related system:* For the first 90 days, the benefit is 17,338 pesos a month; from 91 days to 180 days, 11,500 pesos a month; from 181 days to 360 days, 8,669 pesos a month.

Persons who are eligible for unemployment benefits may also continue to receive family allowances, maternity benefits, and medical benefits.

If the benefit ceases because the insured has started a new job before 360 days of benefits have been paid, but the insured subsequently becomes unemployed again, the insured may continue receiving the benefit for the remaining period, up to 360 days.

*Individual severance account:* The number of monthly benefits paid depends on the individual account balance plus accrued interest. The benefit has a decreasing replacement rate of 50%, 45%, 40%, 35%, 30%, 25% and 20%. This payment is independent of the type of contract.

If the insured is entitled to receive a benefit from the Solidarity Severance Fund, the fund may top up the individual account benefit. The first monthly benefit is 50% of average earnings in the last 12 months; 45% for the second; 40% for the third; 35% for the fourth; and 30% for the fifth month.

For every month that the national unemployment rate is one percentage point greater than the national four-year average, all beneficiaries who are due to collect their final payment are entitled to receive two additional months of benefits of 25% of average earnings in the last 12 months.

If the insured dies before retirement, the accumulated capital is transferred to a named survivor.

The insured can opt to stop receiving benefits to safeguard the accumulated capital for a future period of unemployment. Persons who are eligible for benefits may also continue to receive family allowances, maternity benefits, and medical benefits.

The minimum monthly benefit for insured workers entitled to a Solidarity Severance Fund benefit is 96,348 pesos for the first payment, decreasing gradually to 52,554 pesos for the fifth payment.

The maximum monthly benefit for insured workers entitled to a Solidarity Severance Fund benefit is 208,024 pesos for the first payment, decreasing gradually to 124,815 pesos for the fifth payment.

Benefits are paid 10 days after the claim is accepted.

Benefit adjustment: The minimum and maximum benefits provided under the Solidarity Severance Fund are adjusted annually in February according to the consumer price index.

### Administrative Organization

**Employment-related system:** Ministry of Labor and Social Welfare, through the Superintendent of Social Security (<http://www.suseso.cl>) provides general supervision.

Social Security Standards Institute (<http://www.ips.gob.cl>) and Family Allowance Compensation Funds administer the program.

**Individual severance account:** Superintendent of Pensions (<http://www.spensiones.cl>) provides general supervision.

Society of Severance Fund Managers (<http://www.afcchile.cl>) made up of six pension fund management companies, administer the program.

### Family Allowances

#### Regulatory Framework

**First laws:** 1937 (salaried employees) and 1953 (wage earners).

**Current laws:** 1981 (low-income persons); 1981 (wage earners and salaried employees), implemented in 1982; and 2008 (social security reform).

**Type of program:** Employment-related (unified program for wage and salaried workers) system.

Note: A social assistance program provides cash benefits to persons assessed as needy.

#### Coverage

All public- and private-sector workers; self-employed persons who contribute to old-age and sickness schemes; pensioners; persons receiving work injury, temporary disability, or unemployment benefits; and persons maintained or cared for in state institutions.

Exclusions: Some self-employed persons.

### Source of Funds

**Insured person:** None.

**Self-employed person:** None.

**Employer:** None.

**Government:** The total cost paid by the Unified Family Allowances and Severance Pay Fund.

### Qualifying Conditions

**Family allowances (income-tested):** The child must be younger than age 18 (age 24 if a student; no limit if disabled); benefits are also paid from the fifth month of pregnancy.

Allowances are also paid for a wife, a husband with a disability, a widowed mother, stepchildren, orphaned or abandoned grandchildren and great-grandchildren, orphans, parents older than age 65 or with a disability, and minors who are entrusted to adults by a judge. All beneficiaries must be the insured's dependent.

**Maternity allowance (income-tested):** Paid from childbirth for up to nine months.

### Family Allowance Benefits

**Family allowances (income-tested):** A monthly allowance is paid for each dependent, based on the insured's income: 6,500 pesos with monthly earnings up to 170,000 pesos; 4,830 pesos with earnings from 170,001 to 293,624 pesos; and 1,526 pesos with earnings from 293,625 to 457,954 pesos.

All monthly allowances are doubled for dependents with disabilities.

Income test: No allowance is paid with monthly earnings of 457,954 pesos or more.

**Maternity allowance (income-tested):** An allowance is paid for nine months, depending on the insured's income.

Income test: No allowance is paid with monthly earnings of 457,954 pesos or more.

Benefit adjustment: Benefits are adjusted periodically.

### Administrative Organization

Ministry of Labor and Social Welfare, through the Superintendent of Social Security (<http://www.suseso.cl>) provides general supervision.

Social Security Standards Institute (<http://www.ips.gob.cl>) and Family Allowance Compensation Funds administer the program.

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Exchange rate: US\$1.00 = 1,778.50 pesos.

### Old Age, Disability, and Survivors

#### Regulatory Framework

**First law:** 1946, implemented in 1965.

**Current law:** 1993 (social insurance), implemented in 1994.

**Type of program:** Social insurance and individual account system.

Note: The insured may choose either the social insurance system or the system of mandatory individual accounts and may switch membership every five years up to the last 10 years before retirement.

#### Coverage

All employees, including public- and private-sector employees, household workers, and new employees joining the state oil company (Ecopetrol) on or after January 29, 2003; and self-employed persons.

Voluntary coverage is available.

Special systems for employees of the state oil company (Ecopetrol) who joined before January 30, 2003, teachers, military personnel, and national police personnel.

#### Source of Funds

**Insured person:** 4% of covered earnings plus 1% of covered earnings for income greater than four times the minimum wage and from 0.2% to 1.0% of covered earnings for income greater than 16 times the minimum wage to finance the Solidarity and Guarantee Fund, which subsidizes low earners. (Insured persons who opt for the individual account system also contribute up to 1.5% of covered earnings for disability and survivor insurance and up to 1.5% of covered earnings for administrative fees.)

The minimum earnings used to calculate contributions are the legal monthly minimum wage.

The maximum earnings used to calculate contributions are 25 times the legal monthly minimum wage.

The legal monthly minimum wage is 535,600 pesos.

**Self-employed person:** 16% of declared earnings. (Self-employed persons who opt for the individual account system also contribute up to 1.5% of declared earnings for disability and survivor insurance and up to 1.5% of declared earnings for administrative fees.)

The minimum earnings used to calculate contributions are the legal monthly minimum wage.

The legal monthly minimum wage is 535,600 pesos.

**Employer:** 12% of covered payroll.

The minimum earnings used to calculate contributions are the legal monthly minimum wage.

The maximum earnings used to calculate contributions are 25 times the legal monthly minimum wage.

The legal monthly minimum wage is 535,600 pesos.

**Government:** Partially finances the Solidarity and Guarantee Fund; contributes as an employer.

#### Qualifying Conditions

##### Old-age pension

Note: Insured persons who were aged 40 or older (men) or aged 35 or older (women) and workers with at least 15 years of contributions when the individual account system was implemented are covered by social insurance.

*Social insurance old-age pension:* Age 60 (men, rising to age 62 in 2014) or age 55 (women, rising to age 57 in 2014) with at least 1,200 weeks of contributions.

Since January 2006, the required number of weeks of contributions is increasing by 25 weeks each year, up to 1,300 weeks by 2015.

Special pension: Aged 50 to 55 with at least 1,200 weeks of contributions for certain hazardous forms of employment, according to specified qualifying conditions.

*Social insurance old-age settlement:* Paid if the insured does not meet the qualifying conditions for a social insurance old-age pension.

*Individual account:* Paid if the accumulated capital in the individual account is sufficient to purchase an annuity greater than 110% of the minimum wage.

The legal monthly minimum wage is 535,600 pesos.

Guaranteed minimum pension: Age 62 (men) or age 57 (women) with at least 1,200 weeks of contributions and insufficient accumulated capital plus accrued interest in the individual account to finance the minimum pension set by law.

The minimum pension set by law is the legal monthly minimum wage.

**Disability pension:** If younger than age 20, the insured must be assessed with at least a 50% loss in normal earning capacity and have at least 26 weeks of contributions in the year before the disability began. If aged 20 or older, the insured must have at least 50 weeks of contributions in the last three years and contributions for at least 20% of the period from age 20 to the date the disability began.

The degree of disability is reviewed every three years.

**Disability settlement:** Paid if the insured does not meet the qualifying conditions for a disability pension.

**Survivor pension:** If the deceased was younger than age 20, he or she must have had at least 50 weeks of contributions at the time of death. If the deceased was aged 20 or older, he or she must have had at least 50 weeks of contributions in the last three years and contributions for at least 25% of the period from age 20 to the date of death if the death was the result of an illness; 20% of the period if the death was the result of an accident.

**Survivor settlement:** Paid if the deceased did not meet the qualifying conditions for a pension.

### Old-Age Benefits

#### Old-age pension

*Social insurance old-age pension:* The pension is 55% to 65% of the basic monthly wage plus 1.5% for each 50-week period of contributions, up to 80% of the basic monthly wage.

The basic monthly wage is the insured's average earnings in the last 10 years before receiving the pension.

The minimum earnings used to calculate benefits are the legal monthly minimum wage.

The maximum earnings used to calculate benefits are 25 times the legal monthly minimum wage.

The minimum social insurance pension is the legal monthly minimum wage.

The legal monthly minimum wage is 535,600 pesos.

The pension is paid 13 or 14 times a year, according to the value of the pension.

Benefit adjustment: Benefits are adjusted annually according to changes in the consumer price index.

*Social insurance old-age settlement:* If the insured does not meet the contribution qualifying conditions at the normal retirement age, a benefit is provided.

*Individual account:* The pension is the value of the insured's contributions plus accrued interest. At retirement, the insured may make periodic withdrawals from the individual account to guarantee income for the expected lifespan, buy an annuity from a private insurance company, or a combination of the two. (If the insured person had at least 150 weeks of paid contributions under the social insurance system before 2004, the value of accrued rights prior to 2004 is combined with the individual account balance at retirement.)

Guaranteed minimum pension: If the pension is less than the minimum pension set by law, the government makes up the difference.

The minimum pension set by law is the legal monthly minimum wage.

The legal monthly minimum wage is 535,600 pesos.

### Permanent Disability Benefits

**Disability pension:** For an assessed degree of disability greater than 66%, the pension is 54% of the basic monthly wage plus 2% of earnings for each 50-week period of contributions exceeding 800 weeks. For an assessed degree of disability of 50% to 66%, the pension is 45% of the basic monthly wage plus 1.5% of earnings for each 50-week period of contributions exceeding 500 weeks. (Disability insurance tops up the accumulated capital in the individual account if the balance is less than the required minimum to finance the permanent disability pension.)

The basic monthly wage is the insured's average earnings in the last 10 years before receiving the pension.

The minimum earnings used to calculate benefits are the legal monthly minimum wage.

The maximum earnings used to calculate benefits are 25 times the legal monthly minimum wage.

The minimum pension is the legal monthly minimum wage.

The legal monthly minimum wage is 535,600 pesos.

The maximum pension is 75% of the basic monthly wage.

The pension is paid 13 or 14 times a year, according to the value of the pension.

Benefit adjustment: Benefits are adjusted annually according to changes in the consumer price index.

**Disability settlement:** A pension is paid.

### Survivor Benefits

**Survivor pension:** The pension is 45% of the deceased's monthly earnings plus 2% for each 50-week period of contributions exceeding 500 weeks, up to 75% of the deceased's monthly earnings. (Life insurance tops up the accumulated capital in the deceased's individual account if the balance is less than the required minimum to finance the survivor pension.)

Monthly earnings are the deceased's average earnings in the last 10 years.

**Orphan's pension:** 20% of the deceased's pension is paid to each orphan younger than age 18 (age 25 if a student, no limit if disabled); 30% for a full orphan. (Life insurance tops up the accumulated capital in the deceased's individual account if the balance is less than the required minimum to finance the survivor pension.)

The minimum earnings used to calculate benefits are the legal monthly minimum wage.

The maximum earnings used to calculate benefits are 25 times the legal monthly minimum wage.

The minimum survivor pension is the legal monthly minimum wage.

The legal monthly minimum wage is 535,600 pesos.

## Colombia

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The maximum survivor pension is 100% of the deceased's pension.

The pension is paid 13 or 14 times a year, according to the value of the pension.

**Survivor settlement:** A pension is paid to dependents.

**Funeral grant:** The cost of the funeral is paid up to the value of the monthly old-age pension or the last wage, but not less than five times and not greater than 10 times the legal monthly minimum wage.

The legal monthly minimum wage is 535,600 pesos.

### **Administrative Organization**

**Social insurance:** Ministry of Social Protection (<http://www.minproteccionsocial.gov.co>) provides general supervision.

Social Security Institute (<http://www.iss.gov.co>) administers the program nationally.

Regional funds and local offices, established and supervised by the Social Security Institute, administer contributions and benefits locally.

**Individual account:** National Banking Superintendent (<http://www.superfinanciera.gov.co>) provides general supervision.

Pension and Severance Pay Fund management companies (administer individual accounts and contract with insurance companies for disability and survivors insurance).

### **Sickness and Maternity**

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#### **Regulatory Framework**

**First law:** 1938.

**Current laws:** 1993 (social insurance), implemented in 1994.

**Type of program:** Social insurance system.

#### **Coverage**

All employees residing in Colombia, including pensioners, students, and apprentices.

Coverage is to be extended gradually to all, regardless of the individual's ability to contribute.

Special systems for military and police personnel.

#### **Source of Funds**

**Insured person:** 4% of earnings.

The minimum earnings used to calculate contributions are the legal monthly minimum wage.

The legal monthly minimum wage is 535,600 pesos.

**Self-employed person:** 12% of declared earnings.

Declared earnings used to calculate contributions are 1.5 or two times the legal monthly minimum wage, depending on trade union affiliation.

The legal monthly minimum wage is 535,600 pesos.

**Employer:** 12.5% of payroll.

The minimum earnings used to calculate contributions are the legal monthly minimum wage.

The legal monthly minimum wage is 535,600 pesos.

**Government:** Finances the program for low earners through additional contributions to the Solidarity and Guarantee Fund; contributes as an employer.

### **Qualifying Conditions**

**Cash sickness and medical benefits:** The insured must have at least four weeks of contributions immediately before the claim, except in the event of an emergency.

**Cash maternity benefits:** The insured must have at least nine months of contributions before the expected date of childbirth or adoption.

**Paternity leave:** Fathers must have at least 100 weeks of contributions.

### **Sickness and Maternity Benefits**

**Sickness benefit:** 66.6% of the insured's earnings in the month before the incapacity began is paid after a four-day waiting period for up to 180 days.

**Maternity benefit:** 100% of the insured's earnings is paid for 84 days.

**Paternity leave:** The benefit is 100% of the insured's earnings for up to four days of paid leave; eight days if both parents are insured.

### **Workers' Medical Benefits**

The insured may choose either public or private health care. Benefits and facilities vary depending on the health plan. Benefits include medical, surgical, hospital, pharmaceutical, maternity, and dental care and related services. Preexisting conditions must be covered, although they may be subject to a waiting period; no waiting period for pregnant women.

### **Dependents' Medical Benefits**

Medical benefits for dependents: The insured may choose either public or private health care. Benefits and facilities vary depending on the health plan. Benefits include medical, surgical, hospital, pharmaceutical, maternity, and dental care and related services. Preexisting conditions must be covered, although they may be subject to a waiting period; no waiting period for pregnant women and children younger than age 1.

## Administrative Organization

Superintendent of Health (<http://www.supersalud.gov.co>) provides general supervision.

Ministry of Social Protection (<http://www.minproteccionsocial.gov.co>) and the National Social Security Council on Health administer the program.

State Social Enterprises and private health institutions provide health services.

## Work Injury

### Regulatory Framework

**First law:** 1915.

**Current laws:** 1993 (social insurance), implemented in 1994.

**Type of program:** Social insurance system.

### Coverage

All employees, including new employees joining the state oil company (Ecopetrol) on or after January 29, 2003; educational placements; casual workers; and persons working less than 20 days with earnings lower than the legal monthly minimum wage.

The legal monthly minimum wage is 535,600 pesos.

Voluntary coverage for self-employed persons.

Special systems for employees of the state oil company (Ecopetrol) who joined the company before January 30, 2003; teachers; military personnel; and national police personnel.

### Source of Funds

**Insured person:** None.

**Self-employed person:** 0.348% to 8.7% of declared covered earnings, according to the assessed degree of risk.

The minimum earnings used to calculate contributions are the legal monthly minimum wage.

The maximum earnings used to calculate contributions are 25 times the legal monthly minimum wage.

The legal monthly minimum wage is 535,600 pesos.

**Employer:** 0.348% to 8.7% of covered payroll, according to the assessed degree of risk. (1% of the employer's contribution finances the work injury fund, which promotes health and safety for workers.)

The minimum earnings used to calculate contributions are the legal monthly minimum wage.

The maximum earnings used to calculate contributions are 25 times the legal monthly minimum wage.

The legal monthly minimum wage is 535,600 pesos.

**Government:** Contributes to the work injury fund from general revenue; contributes as an employer.

### Qualifying Conditions

**Work injury benefits:** There is no minimum qualifying period.

### Temporary Disability Benefits

100% of the insured's covered earnings is paid from the day after the work injury occurred or the occupational disease was diagnosed until rehabilitation, the award of a permanent disability benefit, or death.

### Permanent Disability Benefits

**Permanent disability pension:** For an assessed degree of disability of more than 66%, 75% of base earnings is paid; for an assessed degree of disability of between 50% and 66%, 60% of base earnings is paid.

Base earnings are equal to average earnings in the last six months for a work accident benefit or in the last 12 months for an occupational disease benefit.

Constant-attendance allowance: 15% of the pension is paid if the insured requires the constant attendance of others to perform daily functions.

Partial disability: For an assessed degree of disability 5% to 49%, the pension paid varies from at least one up to 24 times base earnings.

Base earnings are equal to average earnings in the last six months for a work accident benefit or in the last 12 months for an occupational disease benefit.

The minimum earnings used to calculate benefits are the legal monthly minimum wage.

The maximum earnings used to calculate benefits are 25 times the legal monthly minimum wage.

The minimum pension is the legal minimum wage.

The maximum pension is 20 times the legal minimum wage.

The legal monthly minimum wage is 535,600 pesos.

Benefit adjustment: Benefits are adjusted annually according to changes in the consumer price index.

### Workers' Medical Benefits

Benefits include medical, surgical, and hospital care; medicine; appliances; rehabilitation; and transportation.

### Survivor Benefits

**Survivor pension:** The survivor pension is 45% of the deceased's monthly earnings plus 2% for each 50-week period of contributions exceeding 500 weeks, up to 75% of the deceased's monthly earnings. (Life insurance tops up the accumulated capital in the deceased's individual

account if the balance is less than the required minimum to finance the survivor pension.)

Monthly earnings are the deceased's average earnings in the last 10 years.

Eligible survivors are a widow or partner who lived with the deceased for at least five years or who had children with the deceased; a dependent, a disabled widower; children younger than age 18 (age 25 if a student, no limit if disabled); dependent parents; or a sibling with a disability.

**Orphan's pension:** 20% of the deceased's pension is paid to each orphan younger than age 18 (age 25 if a student, no limit if disabled); 30% for a full orphan. (Life insurance tops up the accumulated capital in the deceased's individual account if the balance is less than the required minimum to finance the survivor pension.)

The minimum earnings used to calculate benefits are the legal monthly minimum wage.

The maximum earnings used to calculate benefits are 25 times the legal monthly minimum wage.

The minimum pension is the legal monthly minimum wage.

The legal monthly minimum wage is 535,600 pesos.

The maximum pension is 100% of the deceased's pension.

The pension is paid 13 or 14 times a year, according to the value of the pension.

### **Administrative Organization**

Ministry of Social Protection (<http://www.minproteccionsocial.gov.co>), National Finance Superintendent (<http://www.superfinanciera.gov.co>), and the National Health Superintendent (<http://www.supersalud.gov.co>) provide general supervision.

Social Security Institute (<http://www.iss.gov.co>) and life insurance companies authorized by the National Banking Superintendent administer the program nationally.

## **Unemployment**

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### **Regulatory Framework**

**First and current law:** 1990 (severance).

**Type of program:** Mandatory individual severance account system.

Note: Beginning January 1, 1991, acquired rights under the previous public system were transferred to the new private severance pay program.

### **Coverage**

All private-sector employees, including persons working less than 20 days with earnings lower than the legal monthly minimum wage.

The legal monthly minimum wage is 535,600 pesos.

Voluntary coverage for public-sector employees and self-employed persons.

### **Source of Funds**

**Insured person:** None.

**Self-employed person:** Voluntarily insured persons contribute 8.3% of annual declared earnings.

**Employer:** 8.3% of the insured's annual salary.

**Government:** None; contributes as an employer.

### **Qualifying Conditions**

**Unemployment benefits:** The insured must be unemployed or retired.

### **Unemployment Benefits**

**Unemployment benefit:** The benefit is one monthly wage for each year of employment; a reduced benefit is paid for less than a year of employment. (The insured may make authorized partial withdrawals from the individual account to meet specified contingencies.)

### **Administrative Organization**

National Banking Superintendent (<http://www.superfinanciera.gov.co>) supervises the Pension and Severance Pay Fund management companies (SAFPCs).

Pension and Severance Pay Fund management companies administer individual accounts.

Individual boards of directors, involving employer and employee representatives, monitor individual SAFPCs.

## **Family Allowances**

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### **Regulatory Framework**

**First law:** 1957.

**Current law:** 1982 (family allowances).

**Type of program:** Employment-related system.

### **Coverage**

All employees.

Voluntary coverage for pensioners, self-employed persons, and unemployed persons.

Exclusions: Casual workers.

Special systems for military personnel and national police personnel.

### **Source of Funds**

**Insured person:** None. Voluntarily insured persons pay 2% of the legal monthly minimum wage or the pension; 0.6% of the legal monthly minimum wage for reduced allowances.



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The legal monthly minimum wage is 535,600 pesos.

**Self-employed person:** 2% of declared earnings; 0.6% of the legal monthly minimum wage for reduced allowances.

The legal monthly minimum wage is 535,600 pesos.

**Employer:** 4% of payroll.

**Government:** None; contributes as an employer.

### **Qualifying Conditions**

**Family allowances (income-tested):** The child must be younger than age 18 (age 23 if a student, no limit if disabled). The parent must be older than age 60 or assessed with a degree of disability of at least 60%; must have completed at least 60 days of continuous employment with the same employer, 96 hours of which were during the last 25 working days.

Income test: Monthly income must not exceed four times the legal monthly minimum wage.

The legal monthly minimum wage is 535,600 pesos.

### **Family Allowance Benefits**

**Family allowances:** Benefit amounts vary among funds and may be paid in cash or in kind. A double allowance is paid to a child assessed with a disability of at least 60%.

**Surviving spouse allowance:** Twelve monthly allowances are paid to a widow or the guardian of dependent children. If the surviving spouse or guardian dies, a lump sum of 12 months of benefit is paid to the surviving children.

### **Administrative Organization**

Superintendent for Family Subsidies (<http://www.ssf.gov.co>) supervises family allowance funds.

## Costa Rica

Exchange rate: US\$1.00 = 501.70 colones.

### Old Age, Disability, and Survivors

#### Regulatory Framework

**First law:** 1941 (social insurance fund).

**Current laws:** 1992 (pensions), 1995 (self-employed), 1995 (individual accounts), 2000 (workers' protection), and 2005 (old-age, disability, and survivors).

**Type of program:** Social insurance and individual account system.

#### Coverage

**Social insurance:** Public- and private-sector employees and self-employed persons. Workers older than age 54 in 2005 remain in the social insurance system only.

Special systems for teachers and employees of the justice department.

**Individual account:** Public- and private-sector employees. Workers aged 45 to 54 in 2005 gradually joined the individual account system; and workers younger than age 45 in 2005 and workers entering the labor force after 2005 must join the individual account system.

Exclusions: Self-employed persons.

#### Source of Funds

##### Social insurance

**Insured person:** 2.67% of gross earnings.

The minimum monthly earnings used to calculate contributions are 101,000 colones.

There are no maximum earnings used to calculate contributions.

**Self-employed person:** 7.59% of gross declared earnings.

The minimum monthly earnings used to calculate contributions are 101,000 colones.

There are no maximum earnings used to calculate contributions.

**Employer:** 4.92% of payroll.

The minimum monthly earnings used to calculate contributions are 101,000 colones.

There are no maximum earnings used to calculate contributions.

**Government:** 0.41% of the gross income of all workers and self-employed persons.

##### Individual account

**Insured person:** 1% of earnings plus up to 0.19% of gross earnings for administrative fees.

**Self-employed person:** Not applicable.

**Employer:** 3.25% of payroll.

**Government:** None.

#### Qualifying Conditions

##### Old-age pension

**Old-age pension (social insurance):** The normal retirement age is 65 years with at least 300 months of contributions. The retirement age may be reduced with additional months of contributions to as low as age 61 years and 11 months (men) with at least 462 months of contributions and age 59 years and 11 months (women) with at least 450 months of contributions.

**Advanced pension:** Age 62 (men) and age 60 (women) with at least 300 months of contributions.

**Proportional old-age pension:** Age 65 with at least 180 months of contributions but less than 300 months of contributions.

**Deferred pension:** A deferred pension is possible.

Retirement from covered employment is not necessary, except for state employees.

The old-age pension is payable abroad.

**Old-age pension (individual account):** The normal retirement age is 65 years with at least 300 months of contributions. The retirement age may be reduced with additional months of contributions to as low as age 61 years and 11 months (men) with at least 462 months of contributions and age 59 years and 11 months (women) with at least 450 months of contributions. The insured must submit proof of eligibility for pension benefits under the social insurance program; if not eligible, an individual may withdraw accumulated funds from his/her individual account at the age 65.

**Old-age benefit (noncontributory):** See Family Allowances, below.

##### Disability pension

**Disability pension (social insurance):** The insured must be assessed with a loss of at least 66.7% of normal earning capacity. Insured persons aged 48 or younger must have at least 12 months of contributions in the two years before the disability began; 24 months in the last four years for insured persons older than age 48. These requirements are waived if the insured has 180 months of contributions.

The disability pension is payable abroad.

**Proportional disability pension:** The insured must be assessed with a loss of at least 66.7% of normal earning

capacity, have made at least 60 months of contributions; and be ineligible for a disability pension.

*Disability benefit (noncontributory):* See Family Allowances, below.

### Survivor pension

*Survivor pension (social insurance):* The deceased received an old-age or disability pension, had at least 12 months of contributions in the last 24 months, or had a total of at least 180 months of contributions.

Eligible survivors are a widow(er) or cohabiting partner; children up to age 18 (age 25 if a student; no limit if disabled); and dependent parents and siblings if there are no other eligible survivors.

*Survivor benefit (noncontributory):* See Family Allowances, below.

### Old-Age Benefits

**Old-age pension (social insurance):** The pension is the insured's average indexed earnings in the last 240 months multiplied by 43% to 52.5%, depending on average earnings in the last 60 months, plus 0.0835% of average earnings for each month of contributions exceeding 240 months (Earnings are adjusted to changes in the consumer price index).

The minimum monthly pension is 113,181 colones; if the calculated pension amount is lower, a lump sum is paid.

The maximum monthly pension is 1,333,752 colones.

Advanced pension: The pension is reduced by 1.75% for each trimester below normal pensionable age.

Proportional old-age pension: The benefit is equal to the pension the insured would have received multiplied by the insured's number of contributions and divided by 300.

Deferred pension: The pension is increased by 0.133% of average earnings in the last 240 months for each month of retirement is deferred beyond the normal pensionable age.

The maximum deferred pension is 1,887,260 colones.

Schedule of payments: 13 payments a year.

Benefit adjustment: Benefits are adjusted twice a year, in January and July, according to variations in the cost of living.

**Old-age pension (individual account):** The value of the pension depends on the insured's contributions plus accrued interest. The insured can choose to draw down the accumulated capital in programmed withdrawals or to purchase an annuity at retirement. In most cases, the withdrawal of funds before retirement is not permitted.

Deferred pension: The value of the pension depends on the insured's contributions plus accrued interest.

**Old-age benefit (noncontributory):** See Family Allowances, below.

### Permanent Disability Benefits

**Disability pension (social insurance):** The pension is the length of the total contribution period and average earnings. The average earnings in the last 60 months determines the basic component of the pension (from 43% to 52.5%). The basic component is increased by 0.0835% for each month of contributions exceeding 240 months. The basic component is then applied to the average earnings in the last 240 months. If the insured has less than 240 months of contributions, the whole contribution period is considered. Earnings are adjusted according to changes in the consumer price index.

The minimum monthly pension is 113,181 colones; if the pension is lower, a lump sum is paid.

The maximum monthly pension is 1,333,752 colones.

Proportional disability pension: The pension is equal to the disability pension the insured would have received multiplied by the insured's number of contributions and divided by the number of contributions required by law.

Schedule of payments: 13 payments a year.

Benefit adjustment: Benefits are adjusted twice a year, in January and July, according to changes in the cost of living.

**Disability benefit (noncontributory):** See Family Allowances, below.

### Survivor Benefits

**Survivor pension (social insurance):** A widow(er) or partner receives 50% of the pension the deceased received or was entitled to receive if younger than age 50; 60% if aged 50 to 59; 70% if aged 60 or older or with a disability.

**Orphan's pension (social insurance):** Each eligible orphan receives 30% of the pension the deceased received or was entitled to receive; 60% for a full orphan.

**Other eligible survivors (social insurance):** In the absence of widow (er) and orphans, each dependent parent and dependent sibling receives 20% of the pension the deceased received or was entitled to receive; dependents older than age 55 each receive 60%.

All survivor benefits combined must not exceed 100% of the pension the deceased received or was entitled to receive.

Benefit adjustment: Benefits are adjusted twice a year, in January and July, according to changes in the cost of living.

**Survivor benefit (noncontributory):** See Family Allowances, below.

### Administrative Organization

**Social insurance:** Directed by an executive president and a nine-member board, the Costa Rican Social Insurance Fund (<http://www.ccss.sa.cr>) administers the program.

State auditor supervises the financial operations of the fund.

## Costa Rica

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**Individual account:** Superintendent of Pensions (<http://www.supen.fi.cr>) regulates and supervises pension operators.

National Council for the Supervision of the Financial System provides regulatory oversight.

Pension operators (OPCs) manage the individual accounts.

### **Sickness and Maternity**

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#### **Regulatory Framework**

**First laws:** 1941 and 1943.

**Current laws:** 1961; 1973 (health); and 1993 (social insurance), implemented in 1997.

**Type of program:** Social insurance system.

#### **Coverage**

**Cash sickness and maternity benefits:** Employed persons, including self-employed persons, needy persons, prisoners, and pensioners.

**Medical benefits:** All persons residing in Costa Rica; visitors to the country may receive emergency medical care according to international agreements.

#### **Source of Funds**

**Insured person:** 5.5% of gross earnings. Pensioners contribute 5% of the pension.

The minimum earnings used to calculate contributions are 88,847 colones.

**Self-employed person:** From 4.75% to 7.75% of declared earnings.

The minimum earnings used to calculate contributions are 88,847 colones.

**Employer:** 9.25% of payroll. (The total cost of maternity benefits is split equally between the employer and the Social Insurance Fund.)

**Government:** 0.25% of total covered earnings; a subsidy financed by the Social Insurance Fund of 8.75% of the pension of covered pensioners.

#### **Qualifying Conditions**

**Cash sickness benefits:** The insured must have contributed in the month before the incapacity began and be insured when the incapacity began.

**Cash maternity benefits and maternity care:** The insured must have at least 26 weeks of contributions in the last 52 weeks; the wife of an insured man is eligible for maternity care if the insured contributed in the month before the date of childbirth.

**Medical benefits:** Must be insured.

### **Sickness and Maternity Benefits**

**Sickness benefit:** The benefit is 60% of the insured's earnings in the last three months and is paid after a three-day waiting period for up to 52 weeks; may be extended in special cases.

**Maternity benefit:** The benefit is 50% of the insured's earnings and is paid for 30 days before and 90 days after the expected date of childbirth.

**Funeral grant:** 80,000 colones is paid for the funeral of the insured or his or her spouse or partner.

#### **Workers' Medical Benefits**

**Medical benefits:** Medical services are normally provided directly to patients through the medical facilities of the Social Insurance Fund. Benefits include general, specialist, and maternity care; hospitalization; medicine; dental, auditory, and limited optometry services; and appliances (at a reduced cost).

#### **Dependents' Medical Benefits**

Medical benefits for dependents: Medical services are normally provided directly to patients through the medical facilities of the Social Insurance Fund. Benefits include general, specialist, and maternity care; hospitalization; medicine; dental, auditory, and limited optometry services; and appliances (at a reduced cost).

#### **Administrative Organization**

Costa Rican Social Insurance Fund (<http://www.ccss.sa.cr>) administers the program.

Costa Rican Social Insurance Fund owns and operates 29 hospitals and 152 clinics and is gradually extending jurisdiction over other hospitals and clinics.

### **Work Injury**

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#### **Regulatory Framework**

**First law:** 1925.

**Current law:** 1982 (labor code).

**Type of program:** Employer-liability system, involving compulsory and voluntary insurance with a public carrier.

#### **Coverage**

Employed persons.

Exclusions: Self-employed persons.

#### **Source of Funds**

**Insured person:** None.

**Self-employed person:** Not applicable.

**Employer:** The total cost is met through insurance premiums that vary according to the assessed degree of risk.

**Government:** None.

### Qualifying Conditions

**Work injury benefits:** There is no minimum qualifying period.

### Temporary Disability Benefits

The benefit is 75% of the insured's daily earnings for the first 45 days; thereafter, 100% of the legal minimum wage plus 75% of the insured's earnings that exceed this amount. The benefit is paid from the date the disability began for up to two years.

The minimum benefit is the legal minimum wage at the time disability began.

### Permanent Disability Benefits

**Permanent disability pension:** For an assessed degree of disability of more than 67% (total disability), the monthly pension is 100% of the minimum wage plus 90% of the insured's earnings that exceed this amount.

Constant-attendance allowance: If the insured requires the constant attendance of others to perform daily functions, 78,275 colones is paid for a total permanent disability; an additional 44,547 colones is paid for a severe disability.

Grants may be awarded to insured persons with disabilities to purchase, rent, or modify a house.

Partial disability: If the assessed degree of disability is from 50% to 67%, the benefit is 67% of earnings and is paid for up to 10 years. If the assessed degree of disability is from 0.5% to 49%, the benefit is the assessed degree of disability multiplied by the insured's annual earnings and is paid for up to five years. The benefit may be extended for additional five-year periods on a means-tested basis.

### Workers' Medical Benefits

Benefits include medical and surgical care, hospitalization, medicine, appliances, and rehabilitation.

### Survivor Benefits

**Survivor pension:** 40% of the deceased's earnings is paid to a widow or to a disabled widower. The pension is paid for 10 years; may be extended for additional five-year periods in special cases.

The maximum widow(er) pension is 40% of the deceased's earnings; 30% if there are other eligible dependents.

**Orphan's pension:** 15% to 40% of the deceased's earnings is paid for up to three orphans younger than age 18 (age 25 if a student, no limit if disabled).

**Other eligible survivors:** 20% of the deceased's earnings is paid to the deceased's mother (30% if there are no

dependent children) for a period of 10 years. A pension is also paid to a dependent father or other dependent adults, including those aged 60 or older and unable to work.

All survivor benefits combined must not exceed 75% of the deceased's earnings.

**Funeral grant:** 75,000 colones plus transportation costs (15,000 colones if the death occurred in Costa Rica; 60,000 colones if the death occurred abroad) is paid.

### Administrative Organization

Ministry of Labor and Social Security provides general supervision.

National Insurance Institute (<http://portal.ins-cr.com>) administers the program.

### Unemployment

#### Regulatory Framework

No statutory benefits are provided.

Labor law requires employers to contribute 1.5% of payroll to finance a mandatory severance pay scheme.

#### Family Allowances

#### Regulatory Framework

**First and current law:** 1974 (family allowances and social development).

**Type of program:** Social assistance system.

#### Coverage

Needy persons who are not entitled to a contributory pension.

#### Source of Funds

**Insured person:** None.

**Self-employed person:** None.

**Employer:** None.

**Government:** The total cost.

#### Qualifying Conditions

**Family allowances (means-tested):** Allowances are paid to persons older than age 65, persons living below the poverty line, persons with disabilities, widows with dependents younger than age 18 or with a disability, widows older than age 50 without dependents, and orphans younger than age 18.

Earnings test: Family or individual income is less than the basic food basket defined by the government.

### ***Family Allowance Benefits***

**Family allowances (means-tested):** The monthly pension is 50,000 colones. The pension is increased by 10% for one dependent, 20% for two dependents, and 30% for three dependents or more.

Schedule of payments: 13 payments a year.

### ***Administrative Organization***

Ministry of Labor and Social Security provides general supervision.

Social Development and Family Allowances Fund directs the program.

Directed by an executive president and a nine-member board, the Costa Rican Social Insurance Fund (<http://www.ccss.sa.cr>) administers the program.

## Cuba

Exchange rate: US1.00 = 1.00 peso.

### Old Age, Disability, and Survivors

#### Regulatory Framework

**First laws:** 1963 and 1964.

**Current laws:** 2008 (social security), implemented in 2009; and 2009 (benefits).

**Type of program:** Social insurance and social assistance system.

#### Coverage

Employed persons.

Special systems for military personnel, interior ministry staff, certain self-employed persons, certain artists, musicians, and members of agricultural cooperatives.

#### Source of Funds

**Insured person:** 1% to 5% of earnings, according to a schedule in law; 5% of profits from sales (agricultural cooperatives).

**Self-employed person:** 25% of declared income, according to a schedule in law.

The monthly earnings used to calculate contributions are subject to a minimum and a maximum.

The self-employed person's contributions also finance sickness and maternity benefits and disability benefits.

**Employer:** 12.5% of gross payroll (public sector); 14.5% of gross payroll (private sector).

The employer's contributions also finance sickness and maternity benefits and disability benefits.

**Government:** Any deficit.

#### Qualifying Conditions

**Old-age pension:** Age 65 (men) and age 60 (women) with 30 years of work; age 60 (men) and age 55 (women) if 75% of all work or the 15 years immediately before retirement was in arduous or dangerous work. The insured must be employed immediately prior to retirement. Retirement is not necessary.

The pensionable age and contribution periods are rising gradually and by 2016 will be age 70 (men) and age 65 (women) with at least 35 years of work.

**Partial pension:** Age 65 (men) and age 60 (women) with 20 years (rising to 25 by 2016) of work. The insured must

be employed immediately prior to retirement. Retirement is not necessary.

Old-age pensioners at least age 65 (men) and age 60 (women) with 30 years of service may re-enter the labor force and receive both a pension and a salary as long as they are working in a different position than prior to retirement.

The pension is not payable abroad.

**Old-age social assistance (means-tested):** Paid to any person of pensionable age who does not meet the qualifying conditions for an old-age pension, according to assessed needs.

**Disability pension:** The insured must be assessed with a physical or mental incapacity for work within 60 days of ceasing work.

The Expert Medical Labor Commission assesses the degree of disability.

**Partial disability pension:** The insured has a diminished physical or mental capacity but can continue to work under certain conditions.

The pension is not payable abroad.

**Disability social assistance (means-tested):** Paid to persons assessed with a disability who do not meet the qualifying conditions for a disability or partial disability pension, according to assessed needs.

**Survivor pension:** The deceased received or was eligible to receive an old-age or disability pension at the time of death or was employed for at least six months before the time of death and for at least 75% of his or her adult life.

Eligible survivors are a widow (or partner) who was married to or living with the deceased for at least one year, or who had children with the deceased, or without restriction if the death was due to an accident; a needy widower or partner aged 65 or older or disabled; an orphan younger than age 17 (no limit if disabled and economically dependent on the deceased or for a full orphan in higher education); and needy, dependent parents.

A nonworking widow younger than age 40 who is able to work and has no dependents is eligible for up to two years of pension (or until she becomes employed). A working widow may receive the survivor pension in addition to her salary.

The pension is not payable abroad.

**Survivor social assistance (means-tested):** Paid to any survivor who is incapable of any work, according to assessed needs.

#### Old-Age Benefits

**Old-age pension:** 60% of average earnings in the best five of the last 15 years of employment plus 2% of earnings for each year of employment exceeding 30 years is paid.

Partial pension: 40% of average earnings in the best five of the last 15 years of employment plus 2% of earnings for each year of employment exceeding 20 years is paid.

The minimum monthly pension is 200 pesos (2008).

The maximum monthly pension is 90% of the insured's average earnings.

**Old-age social assistance (means-tested):** May be paid periodically or as a lump sum.

Benefit adjustment: Benefits are adjusted according to government decree, based on social and economic factors.

### **Permanent Disability Benefits**

**Disability pension:** For an assessed total disability, the monthly pension is 50% of average annual earnings in the best five of the last 15 years for up to 20 years of work plus 1% of earnings for each year of employment from 20 to 30 years of work plus 2% for each year of employment exceeding 30 years.

The minimum monthly pension is 200 pesos (2008).

The maximum pension is 90% of the insured's average earnings.

Partial disability: 60% of the salary in the year before the disability began is paid for up to one year while the insured person is waiting to modify his or her job, switch jobs, or reduce working hours to adapt to the disability, or until rehabilitated or assessed with a total disability. Thereafter, 50% of the difference between the insured's salary before and after the disability began is paid.

**Disability social assistance (means-tested):** Benefits may be paid periodically or as a lump sum.

Benefit adjustment: Benefits are adjusted according to government decree, based on social and economic factors.

### **Survivor Benefits**

**Survivor pension:** 100% of earnings or the deceased's pension is paid for the first month; thereafter, 70%, 85%, or 100% of the old-age or disability pension the deceased received or was eligible to receive for one, two, or three or more dependent survivors, respectively. The pension is split equally among all eligible dependents.

The minimum monthly pension is 200 pesos (2008).

The maximum pension for a working widow is 25% of the survivor pension.

The government provides free burial services for all citizens and residents of Cuba.

**Survivor social assistance (means-tested):** May be paid periodically or as a lump sum.

Benefit adjustment: Benefits are adjusted according to government decree, based on social and economic factors.

### **Administrative Organization**

Ministry of Labor and Social Security oversees and administers the program through the Directorate of Social Assistance and Social Services and the National Institute of Social Security.

Municipal social security offices and work centers process applications.

Popular Savings Bank pays benefits.

### **Sickness and Maternity**

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#### **Regulatory Framework**

**First laws:** 1934 (maternity benefits); 1963 (sickness benefits).

**Current laws:** 2003 (maternity); and 2008 (social security), implemented in 2009.

**Type of program:** Social insurance (cash and in-kind benefits) and universal (medical benefits) system.

#### **Coverage**

**Cash sickness benefits:** Employed persons, members of agricultural cooperatives, military personnel, and interior ministry staff.

**Cash maternity benefits:** Employed and self-employed persons, members of agricultural cooperatives, military personnel, interior ministry staff, and artists.

**Medical benefits:** All citizens and residents of Cuba.

#### **Source of Funds**

**Insured person:** See source of funds under Old Age, Disability, and Survivors.

**Self-employed person:** See source of funds under Old Age, Disability, and Survivors.

**Employer:** See source of funds under Old Age, Disability, and Survivors.

**Government:** See source of funds under Old Age, Disability, and Survivors. The cost of medical benefits and services.

#### **Qualifying Conditions**

**Cash sickness benefits:** The insured must be currently employed and present a medical certificate that validates the sickness. There is a three-day waiting period, except if hospitalized.

**Cash maternity benefits:** The insured must be currently employed or self-employed with at least 75 days in the 12 months before maternity leave. Maternity leave must start no later than the 34th or 32nd (for a multiple birth) week of pregnancy.



**Medical benefits:** Resident of Cuba.

### **Sickness and Maternity Benefits**

**Sickness benefit:** 60% (50% if hospitalized) of average daily earnings in the year prior to the date of the accident or disease is paid after a three-day waiting period (if hospitalized, no waiting period) for up to six months or until a disability pension is paid; may be extended for an additional six months with a medical certificate. Medical certification is required every 30 days; review by a medical committee is required every 26 weeks.

The minimum benefit is 50% of the legal monthly minimum wage.

The legal monthly minimum wage varies by sector. The average legal monthly minimum wage is 225 pesos (2009).

The maximum benefit is 90% of earnings.

**Tuberculosis benefit:** 100% of earnings is paid until recovery.

**Maternity benefit:** 100% of average weekly earnings in the 75 days to 12 months immediately before the leave begins is paid for six weeks before and 12 weeks after the expected date of childbirth.

The minimum maternity benefit is 20 pesos a week.

**Maternity social benefit:** Beginning 12 weeks after the birth, 60% of earnings is paid if the mother chooses not to work to care for the child. The benefit is paid until the child is aged 12 months or earlier if the mother returns to work. If the mother dies, the benefit may be transferred to the father.

**Complementary maternity leave:** Before the prenatal leave begins, the woman is entitled to six days or 12 half days of leave for prenatal care. After the postpartum leave ends, the woman is entitled to one day a month for pediatric care and one hour a day for breastfeeding.

### **Workers' Medical Benefits**

Public medical centers provide free medical services. Benefits include medical, dental, and maternity care; hospitalization; food and medicine during hospitalization; and rehabilitation. Benefits are provided until recovery.

### **Dependents' Medical Benefits**

Public medical centers provide free medical services. Benefits include medical, dental, and maternity care; hospitalization; food and medicine during hospitalization; and rehabilitation. Benefits are provided until recovery.

### **Administrative Organization**

Ministry of Labor and Social Security oversees and administers the program through the Directorate of Social Assistance and Social Services and the National Institute of Social Security.

Ministry of Public Health oversees and administers the provision of medical benefits through public medical centers.

### **Work Injury**

#### **Regulatory Framework**

**First law:** 1916.

**Current law:** 2008 (social security), implemented in 2009.

**Type of program:** Social insurance (cash benefits) and universal (medical care) system.

#### **Coverage**

All salaried workers and members of agricultural cooperatives.

#### **Source of Funds**

**Insured person:** See source of funds under Old Age, Disability, and Survivors.

**Self-employed person:** See source of funds under Old Age, Disability, and Survivors.

**Employer:** See source of funds under Old Age, Disability, and Survivors.

**Government:** See source of funds under Old Age, Disability, and Survivors.

#### **Qualifying Conditions**

**Work injury benefits:** There is no minimum qualifying period but the insured must be employed when the disability begins.

#### **Temporary Disability Benefits**

80% (70% if hospitalized) of the insured's average earnings in the year prior to the date of the accident or disease is paid from the first day of disability for up to six months or until assessed with a permanent disability; may be extended for an additional six months with a medical certificate. Medical certification is required every 30 days; review by a medical committee is required every 26 weeks.

The minimum benefit is 50% of the legal monthly minimum wage.

The legal monthly minimum wage varies according to sector. The average legal monthly minimum wage is 225 pesos (2009).

The maximum benefit is 90% of the insured's earnings.

Benefit adjustment: Benefits are adjusted according to government decree, based on social and economic factors.

#### **Permanent Disability Benefits**

**Permanent disability pension:** 60% of the insured's average earnings in the best five of the last 15 years of

employment plus 2% of earnings for each year of employment exceeding 30 years is paid.

Work injury or occupational disease supplement: 10% of the pension is paid.

Heroic act supplement: 20% of the pension is paid.

Constant-attendance allowance: 20% of the pension is paid if the insured requires the constant attendance of others to perform daily functions.

The minimum monthly pension is 200 pesos (2008).

The maximum pension is 90% of the insured's average earnings.

Partial disability: 80% of the insured's income in the year prior to the date of disability is paid while the insured person is waiting to modify his or her job, switch jobs, or reduce working hours to adapt to the disability, or until rehabilitated or assessed with a total disability. Thereafter, 60% of the difference between the insured's income before and after the date of disability is paid.

Benefit adjustment: Benefits are adjusted according to government decree, based on social and economic factors.

### **Workers' Medical Benefits**

Public medical centers provide free medical services. Benefits include medical, dental, and maternity care; hospitalization; food and medicine during hospitalization; and rehabilitation. Benefits are provided until recovery.

### **Survivor Benefits**

**Survivor pension:** 100% of earnings or the deceased's pension is paid for the first month; thereafter, 70%, 85%, or 100% of the old-age or disability pension the deceased received or was eligible to receive for one, two, or three or more dependent survivors, respectively. The pension is split equally among all eligible dependents.

Eligible survivors are a widow (or partner) who was married to or living with the deceased for at least one year, or who had children with the deceased, or without restriction if the death was due to an accident; a needy widower or

partner aged 65 or older or disabled; an orphan younger than age 17 (no limit if disabled and economically dependent on the deceased or for a full orphan in higher education); and needy, dependent parents.

The minimum monthly pension is 200 pesos (2008).

The maximum pension for a working widow is 25% of the survivor pension.

A nonworking widow younger than age 40 who is able to work and has no dependents is eligible for up to two years of pension (or until she becomes employed). A working widow may receive the survivor pension in addition to her salary.

The government provides free burial services for all citizens and residents of Cuba.

**Survivor social assistance (means-tested):** May be paid periodically or as a lump sum to any survivor who is incapable of work.

Benefit adjustment: Benefits are adjusted according to government decree, based on social and economic factors.

### **Administrative Organization**

Ministry of Labor and Social Security oversees and administers the program through the Directorate of Social Assistance and Social Services and the National Institute of Social Security.

Ministry of Public Health oversees and administers the provision of medical benefits through public medical centers.

### **Family Allowances**

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#### **Regulatory Framework**

Dependents of young workers conscripted into military service are eligible for assistance from social security. Cash benefits are available for families whose head of household is unemployed due to health, disability, or other justifiable causes, and has insufficient income for food and medicine or basic household needs.

## Dominica

Exchange rate: US\$1.00 = 2.70 East Caribbean dollars (EC\$).

### Old Age, Disability, and Survivors

#### Regulatory Framework

**First law:** 1970 (provident fund).

**Current law:** 1975 (social security).

**Type of program:** Social insurance and social assistance system.

#### Coverage

Employees, self-employed persons, voluntary contributors, and apprentices aged 16 to 60.

#### Source of Funds

**Insured person:** 4% of covered earnings.

There are no minimum earnings used to calculate contributions.

The maximum annual earnings used to calculate contributions are EC\$72,000.

The insured's contributions also finance sickness and maternity benefits.

**Self-employed person:** 10% of declared net earnings.

The minimum annual earnings used to calculate contributions are EC\$7,200.

The maximum annual earnings used to calculate contributions are EC\$72,000.

**Employer:** 6.75% of covered payroll.

There are no minimum earnings used to calculate contributions.

The maximum annual earnings used to calculate contributions are EC\$72,000.

The employer's contributions also finance sickness and maternity benefits.

**Government:** None; contributes as an employer.

#### Qualifying Conditions

**Old-age pension:** Aged 60 or older with at least 500 weeks of paid or credited contributions, including at least 150 weeks of paid contributions.

Deferred pension: The pension may be deferred.

**Old-age grant:** Aged 60 or older with at least 50 weeks of contributions but does not meet the qualifying conditions for an old-age pension.

Old-age benefits are payable abroad.

**Disability pension:** The insured must be younger than age 60, be assessed with a permanent incapacity for work, and have at least 150 weeks of paid or credited contributions.

**Disability grant:** The insured must be younger than age 60, be assessed with a permanent incapacity for work, and be ineligible for a disability pension.

A medical referee assesses the incapacity for work.

Disability benefits are payable abroad if the purpose of travel is to receive medical treatment.

**Survivor pension:** The deceased received or was entitled to receive an old-age or disability pension at the time of death.

Eligible survivors are the spouse; dependent children younger than age 18 if unmarried and unemployed; and dependent parents and grandparents if there is no surviving spouse or dependent child.

The survivor pension ceases on remarriage or cohabitation.

**Survivor grant:** The deceased was ineligible for a pension but had at least 150 weeks of contributions.

Survivor benefits are payable abroad.

**Funeral grant:** The insured must meet the qualifying conditions for any old-age or disability benefit or receive the sickness or maternity benefit. The grant is paid for the death of the insured, the insured's uninsured spouse, and the insured's dependent children younger than age 18 if unmarried and unemployed.

#### Old-Age Benefits

**Old-age pension:** 30% of the insured's average earnings plus 1% for each 50-week period of contributions exceeding 500 weeks is paid.

Average earnings are based on the insured's 10 best years of earnings in the last 15 years.

The minimum monthly old-age pension is EC\$35.

The maximum monthly old-age pension is 60% of the insured's average monthly earnings.

Deferred pension: The pension increases by 6% for each complete year of deferral.

**Old-age grant:** A lump sum of three times the insured's average weekly covered earnings is paid for each 50-week period of paid or credited contributions.

Average weekly covered earnings are the total covered earnings divided by the total number of weeks of contributions.

### **Permanent Disability Benefits**

**Disability pension:** 30% of the insured's average earnings plus 1% for each 50-week period of contributions exceeding 500 weeks is paid.

Average earnings are based on the insured's 10 best years of earnings in the last 15 years or the number of years worked if less than 10.

The maximum monthly disability pension is 60% of the insured's average monthly earnings.

**Disability grant:** A lump sum of three times the insured's average weekly covered earnings is paid for each 50-week period of paid or credited contributions.

Average weekly covered earnings are the total covered earnings divided by the total number of weeks of contributions.

### **Survivor Benefits**

**Survivor pension:** 50% of the deceased's pension is paid to a widow(er) aged 50 or older. If the surviving spouse was married to the deceased for less than three years or is younger than age 50, the widow(er) receives a survivor pension for one year or while caring for dependent children.

**Orphan's pension:** 25% of the deceased's pension is paid for each of the first two orphans (33% if a full orphan or disabled). If there are more than two orphans, the total pension amount is split equally.

The minimum monthly orphan's pension is EC\$50.

**Other eligible survivors (if there is no surviving spouse or child):** 50% of the deceased's pension is paid to a dependent parent or grandparent.

All survivor benefits combined must not exceed 100% of the deceased's pension.

**Survivor grant:** A lump sum of three times the deceased's average weekly covered earnings is paid for each 50-week period of paid or credited contributions.

Weekly covered earnings are the total covered earnings divided by the total number of weeks of contributions.

**Funeral grant:** A lump sum is paid to the person who pays for the funeral. EC\$2,200 is paid for the death of the insured; EC\$1,848 for the death of an uninsured spouse; and EC\$924 for the death of a dependent child.

### **Administrative Organization**

Ministry of Finance and Social Security provides general supervision.

Dominica Social Security (<http://www.dss.dm>), governed by the Social Security Board, administers the social insurance program.

Division of Social Welfare administers social assistance benefits.

### **Sickness and Maternity**

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#### **Regulatory Framework**

**First and current law:** 1975 (social security).

**Type of program:** Social insurance system. Cash benefits only.

#### **Coverage**

Employed persons aged 16 to 60, including self-employed persons and apprentices.

#### **Source of Funds**

**Insured person:** See source of funds under Old Age, Disability, and Survivors.

**Self-employed person:** See source of funds under Old Age, Disability, and Survivors.

**Employer:** See source of funds under Old Age, Disability, and Survivors.

**Government:** See source of funds under Old Age, Disability, and Survivors.

#### **Qualifying Conditions**

**Cash sickness benefits:** Employees must have at least 13 weeks of insured employment immediately before the incapacity began, including at least eight weeks of paid contributions. Self-employed persons must have at least 52 weeks of insured employment immediately before the incapacity began, including at least two quarters of paid contributions in the last three consecutive quarters.

**Cash maternity benefits:** Employees must have at least 30 weeks of contributions, including at least 20 weeks in the 30-week period before maternity leave began. Self-employed persons must have at least three quarters of paid contributions in the four consecutive quarters before the quarter in which maternity leave began.

**Cash maternity grant:** Paid to an insured woman or an uninsured spouse of an insured man. Employees must have at least 26 weeks of paid contributions in the 52-week period before the expected date of childbirth. Self-employed persons must have at least three quarters of paid contributions in the four consecutive quarters before the expected date of childbirth.

#### **Sickness and Maternity Benefits**

**Sickness benefit:** 60% of average weekly earnings in the last 13 weeks is paid from the first day of incapacity if the incapacity lasts at least four days. The benefit is paid for up to 26 weeks.

**Maternity benefit:** 60% of average weekly earnings in the last 30 weeks is paid six weeks before and six weeks after the expected date of childbirth; in certain cases, the benefit

may be paid from three weeks before and up to nine weeks after the date of childbirth.

**Maternity grant:** A lump sum of EC\$500 is paid.

### **Workers' Medical Benefits**

No statutory benefits are provided.

### **Dependents' Medical Benefits**

No statutory benefits are provided.

### **Administrative Organization**

Ministry of Finance and Social Security provides general supervision.

Dominica Social Security (<http://www.dss.dm>), governed by the Social Security Board, administers the social insurance program.

### **Work Injury**

#### **Regulatory Framework**

**First law:** 1938 (workmen's compensation).

**Current law:** 1985 (employment injury and occupational diseases).

**Type of program:** Employer-liability system.

#### **Coverage**

Employed persons aged 16 to 60, including apprentices.

Exclusions: Self-employed persons.

#### **Source of Funds**

**Insured person:** None.

**Self-employed person:** Not applicable.

**Employer:** The total cost, which is 1% of employees' gross earnings.

**Government:** None; contributes as an employer.

#### **Qualifying Conditions**

**Work injury benefits:** There is no minimum qualifying period. The disability must last at least four days.

#### **Temporary Disability Benefits**

60% of average earnings in the last 13 weeks is paid until the disability ends, up to 26 weeks. For an insured person with less than 13 weeks of covered earnings, the benefit is the average earnings for the total number of covered weeks divided by at least two weeks.

### **Permanent Disability Benefits**

**Permanent disability benefit:** 60% of average earnings in the last 13 weeks is paid according to the assessed degree of disability. For an insured person with less than 13 weeks of covered earnings, the benefit is the average earnings for the total number of covered weeks divided by at least 2 weeks.

There is no maximum period for which the benefit is paid.

Constant-attendance allowance: If the insured is assessed with a 100% disability, the allowance is 50% of the permanent disability benefit. The allowance is suspended if the insured is hospitalized.

If the assessed degree of disability is 1% to 30%, a lump sum is paid.

A medical referee assesses the incapacity for work.

### **Workers' Medical Benefits**

Medical expenses of up to EC\$6,000 are reimbursed for local and overseas treatment.

### **Survivor Benefits**

**Survivor pension:** 50% of the deceased's pension is paid to a fully or partially dependent widow(er).

The survivor pension ceases on remarriage or cohabitation.

**Orphan's pension:** 25% of the deceased's pension (33% if a full orphan or disabled) is paid for each of the first two dependent children younger than age 18 if unmarried and unemployed. If there are more than two orphans, the total pension amount is split equally.

The minimum monthly orphan's pension is EC\$50.

**Other eligible survivors (if there is no surviving spouse or child):** 50% of the deceased's pension is paid to a dependent parent or grandparent.

All survivor benefits combined must not exceed 100% of the deceased's pension.

**Funeral grant:** A lump sum is paid to the person who pays for the funeral. EC\$2,200 is paid for the death of the insured; EC\$1,848 for the death of an uninsured spouse; and EC\$924 for the death of a dependent child younger than age 18 if unmarried and unemployed.

### **Administrative Organization**

Ministry of Finance and Social Security provides general supervision.

Dominica Social Security (<http://www.dss.dm>), governed by the Social Security Board, administers the social insurance program.

## Dominican Republic

Exchange rate: US\$1.00 = 37.95 pesos.

### Old Age, Disability, and Survivors

#### Regulatory Framework

**First law:** 1947.

**Current laws:** 2001 (social security), implemented in 2003; 2005 (contribution exemptions); 2007 (financing and investments); and 2009 (financing).

**Type of program:** Mandatory individual account and social assistance system.

Note: Subsidized individual accounts for self-employed persons have not yet been implemented.

The pay-as-you-go social insurance system, which is being phased out, covers pensioners who began receiving their pension before June 2003 and public-sector employees who opt not to join the individual account system.

#### Coverage

**Mandatory individual account:** All private-sector workers and employers. Voluntary coverage for Dominican citizens living abroad, public-sector workers, and private-sector workers older than age 45 in 2003.

Exclusions: Self-employed persons.

**Social assistance:** Severely disabled, needy, unemployed, and self-employed persons with income below the legal minimum wage.

The legal monthly minimum wage for private-sector workers ranges from 6,035 pesos to 9,905 pesos, depending on the type and size of business; the legal monthly minimum wage for public-sector workers is 5,117.50 pesos.

#### Source of Funds

##### Insured person

**Mandatory individual account:** 2.87% of covered earnings.

Of the total insured person and employer contributions (9.97%), 8.0% is directed to the individual account, 1% pays for disability and survivor insurance, 0.5% pays for pension fund management companies' administrative fees, and 0.07% contributes to the Superintendent of Pensions' operating costs.

The minimum earnings used to calculate contributions are the legal minimum wage.

The maximum earnings used to calculate contributions are 20 times the legal monthly minimum wage.

The legal monthly minimum wage is 7,583 pesos.

**Social assistance:** None.

##### Self-employed person

**Mandatory individual account:** Not applicable.

**Social assistance:** None.

##### Employer

**Mandatory individual account:** 7.10% of covered payroll.

Of the total insured person and employer contributions (9.97%), 8.0% is directed to the individual account, 1% pays for disability and survivor insurance, 0.5% pays for pension fund management companies' administrative fees, and 0.07% contributes to the Superintendent of Pensions' operating costs.

The minimum earnings used to calculate contributions are the legal minimum wage.

The maximum earnings used to calculate contributions are 20 times the legal monthly minimum wage.

The legal monthly minimum wage is 7,583 pesos.

**Social assistance:** None.

##### Government

**Mandatory individual account:** Finances the guaranteed minimum pension; partially finances the subsidized mandatory individual accounts; and finances the value of accrued rights for those who made contributions under the social insurance system.

**Social assistance:** The total cost.

#### Qualifying Conditions

##### Old-age pension (mandatory individual account):

Age 60 with at least 30 years of contributions.

Pensioners are required to cease gainful activity.

Early pension: Age 55 if the individual account balance is sufficient to finance a pension equal to the minimum pension; aged 57 to 59, unemployed, and with at least 25 years of contributions; with less than 25 years, the insured can receive a pension based on the accumulated funds or continue contributing to reach 25 years.

Guaranteed minimum pension (Solidarity Fund): Age 60 with at least 30 years of contributions and insufficient accumulated capital plus accrued interest in the individual account to finance the minimum pension set by law.

The minimum old-age pension is the lowest legal monthly minimum wage for private-sector workers.

The lowest monthly minimum wage for private-sector workers is 6,035 pesos.

The pension is not payable abroad.

**Social assistance old-age pension (income-tested):**

Age 60 and needy.

**Disability pension (mandatory individual account):** The insured has a chronic illness or injury (nonwork- or work-related) and has exhausted sickness benefits or work injury benefits. A total disability is defined as a loss of at least 66.7% of earning capacity; a partial disability, as loss of earning capacity of greater than 50% but less than 66.7%.

A regional medical committee assesses the degree of disability. The national medical committee may revise, validate, or reject the decision of a regional medical committee.

The pension is not payable abroad.

**Social assistance disability pension (income-tested):**

Paid at any age if assessed as severely disabled and needy.

**Survivor pension (mandatory individual account):** The deceased was insured or a pensioner at the time of death.

Eligible survivors are a widow(er) or partner and unmarried children younger than age 18 (age 21 if a full-time student, no limit if disabled).

The pension is not payable abroad.

**Social assistance survivor pension (income-tested):**

Paid to needy survivors.

Eligible survivors are a widow(er) or partner and unmarried children younger than age 18 (age 21 if a full-time student, no limit if disabled).

**Old-Age Benefits**

**Old-age pension (mandatory individual account):** The pension is based on the value of the accumulated capital plus accrued interest, which can be used to purchase a price-indexed annuity or to make programmed withdrawals. (The value of accrued rights under the social insurance system is combined with the individual account balance at retirement.)

Early pension: The maximum early pension is the insured's final salary.

The minimum old-age pension is the lowest legal minimum wage for all groups of workers.

The lowest legal minimum wage for private-sector workers is 6,035 pesos; the legal monthly minimum wage for public-sector workers is 5,117.50 pesos.

Benefit adjustment: Benefits are adjusted according to changes in the minimum public-sector legal minimum wage.

**Social assistance old-age pension:** 60% of the legal monthly minimum wage for public-sector workers (plus a Christmas bonus) is paid.

The legal monthly minimum wage for public-sector workers is 5,117.50 pesos.

Benefit adjustment: Benefits are adjusted according to changes in the consumer price index.

**Permanent Disability Benefits**

**Disability pension:** For a total disability, the pension is 60% of the insured's indexed average earnings in the three years immediately before the disability began. The disability pension is financed by disability insurance until retirement or death. The insurance company also pays a monthly contribution to the insured person's individual account until retirement or death. The disability pension ceases at the normal pensionable age when the insured may access the individual account balance to purchase a price-indexed annuity or make programmed withdrawals.

Partial disability: 30% of the insured's indexed average earnings in the three years immediately before the disability began is paid.

There is no minimum or maximum disability pension.

Benefit adjustment: Benefits are adjusted according to changes in the consumer price index.

**Social assistance disability pension:** 60% of the legal monthly minimum wage for public-sector workers (plus a Christmas bonus) is paid.

The legal monthly minimum wage for public-sector workers is 5,117.50 pesos.

Benefit adjustment: Benefits are adjusted according to changes in the consumer price index.

**Survivor Benefits**

**Survivor pension:** 60% of the deceased's indexed average earnings in the previous three years is paid. (Life insurance tops up the accumulated capital in the deceased's individual account if the balance is less than the required minimum to finance the survivor pension.)

A spouse older than age 55 receives the pension for life; a spouse aged 50 to 55 receives a pension for six years (five years if younger than age 50).

If there are orphans younger than age 18 (up to age 21 if a full-time student, no limit if disabled), the pension is split between the spouse and the orphans.

There is no minimum or maximum survivor pension.

Benefit adjustment: Benefits are adjusted according to changes in the consumer price index.

**Social assistance survivor pension:** 60% of the legal monthly minimum wage for public-sector workers (plus a Christmas bonus) is paid.

The legal monthly minimum wage for public-sector workers is 5,117.5 pesos.

Benefit adjustment: Benefits are adjusted according to changes in the consumer price index.

### **Administrative Organization**

National Social Security Board (<http://www.cnss.gob.do>) provides overall governance of the social security system.

Superintendent of Pensions (<http://www.sipen.gov.do>) provides general supervision and fiscal control.

Individual pension fund management companies administer the individual accounts and contract with insurance companies for disability and survivors insurance.

### **Sickness and Maternity**

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#### **Regulatory Framework**

**First law:** 1947.

**Current laws:** 1948 (social insurance), implemented in 1949; and 2001 (social security), implemented in 2007.

**Type of program:** Social insurance (cash benefits) and universal (medical benefits) system.

Note: A system of subsidized cash and medical benefits for self-employed persons and their dependents has not yet been implemented.

#### **Coverage**

**Cash and medical benefits:** Employed persons and their spouses or partners, the insured's children up to age 21 if a full-time student (no limit if disabled), and pensioners. Children older than age 21 and parents who are economically dependent on the insured may be covered under certain conditions.

Exclusions: Self-employed persons.

#### **Source of Funds**

**Insured person:** 3.04% of covered earnings.

There are no minimum earnings used to calculate contributions.

The maximum earnings used to calculate contributions are 10 times the legal monthly minimum wage.

The legal monthly minimum wage is 7,583 pesos.

**Self-employed person:** Not applicable.

**Employer:** 7.09% of covered payroll.

There are no minimum earnings used to calculate contributions.

The maximum earnings used to calculate contributions are 10 times the legal monthly minimum wage.

The legal monthly minimum wage is 7,583 pesos.

**Government:** The total cost of social assistance and part of the cost for the subsidized program.

### **Qualifying Conditions**

**Cash sickness benefits:** The insured must have at least 12 months of contributions or be a pensioner.

**Cash maternity benefits:** The insured must have at least eight months of contributions in the 12 months before childbirth or have been without paid work in the 12 months before childbirth.

**Medical benefits:** Citizens and residents of the Dominican Republic.

#### **Sickness and Maternity Benefits**

**Sickness benefit:** 60% of earnings in the last six months (40% if hospitalized) is paid after a three-day waiting period, for up to 26 weeks.

**Maternity benefit:** The total benefit is three months of the insured's earnings and is paid for six weeks before and six weeks after the expected date of childbirth.

**Nursing allowance:** If the insured's salary is less than three times the minimum national wage, an allowance is paid for up to 12 months after the child's birth.

#### **Workers' Medical Benefits**

**Medical benefits (basic health plan):** Benefits include preventive, inpatient and outpatient, maternity, pediatric, emergency, surgery and specialist care; medicine; and prostheses for persons with disabilities, according to a schedule in law.

Cost sharing: The insured is reimbursed for 70% of the cost of some medicines up to 3,000 pesos per year.

Social assistance beneficiaries receive basic medicines free of charge.

#### **Dependents' Medical Benefits**

**Medical benefits for dependents (basic health plan):** Medical benefits for dependents are the same as those for the insured.

**Medical benefits for dependents (pediatric health care):** Provided from the 45th day after birth until age 5. Benefits include nutrition, pediatric care, and child development programs.

#### **Administrative Organization**

National Health Insurance (<http://www.arssenasa.gov.do>) and Health Risk Management Companies administer the basic health plan.

Health Risk Management Companies may be private, public, or mixed entities.

Superintendent of Health and Labor Risks (<http://www.sisalril.gov.do>) supervises the National Health Insurance and Health Risk Management Companies.



Dominican Social Insurances Institute administers the pediatric health care program under the supervision of the National Council of Children Establishments.

## Work Injury

### Regulatory Framework

**First law:** 1932.

**Current law:** 2001 (social security), implemented in 2003.

**Type of program:** Social insurance system.

### Coverage

All insured workers.

Exceptions: Self-employed persons.

### Source of Funds

**Insured person:** None.

**Self-employed person:** Not applicable.

**Employer:** The total cost is met through contributions that vary according to the assessed degree of risk. The average contribution is 1.2% of covered payroll.

There are no minimum earnings used to calculate contributions.

The maximum earnings used to calculate contributions are four times the minimum average national wage.

**Government:** None; contributes as an employer.

### Qualifying Conditions

**Work injury benefits:** There is no minimum qualifying period.

### Temporary Disability Benefits

The labor code requires that cash benefits be provided for temporary disability.

### Permanent Disability Benefits

**Permanent disability pension:** Benefits are provided according to four degrees of assessed disability: severe total disability (totally disabled and in need of constant attendance); permanent total disability (unable to perform any occupation); permanent total disability for usual occupation (unable to perform usual occupation); and permanent partial disability for current occupation (the loss of at least 50% of earning capacity).

All benefits are calculated using the base salary. The base salary is the insured's average covered earnings in the six

months before the injury occurred or occupational disease began. For insured workers with less than six months of covered earnings, the base salary is 50% of total covered earnings.

For an assessed degree of disability of 100% (severe total disability), 100% of the base salary is paid. For an assessed degree of disability of at least 67% (permanent total disability), 70% of the base salary is paid. For an assessed degree of disability of 50% to 66% (permanent total disability for usual occupation), 50% of the base salary is paid. For an assessed degree of disability of 15% to 49% (permanent partial disability for current occupation), a lump sum of five to 10 times the base salary is paid.

### Workers' Medical Benefits

Medical benefits are the same as provided under the basic health plan. Benefits include preventive, inpatient and outpatient, pediatric, emergency, surgery and specialist care; medicine; and prostheses for persons with disabilities, according to a schedule in law.

### Survivor Benefits

**Survivor pension:** 50% of the deceased's pension is paid to a widow(er) aged 45 or older or disabled.

The pension ceases on remarriage and a lump sum of two years of pension is paid.

A lump sum of two years of pension is paid to a widow(er) younger than age 45.

**Orphan's pension:** 20% of the deceased's pension is paid to each orphan younger than age 18 (age 21 if a full-time student, no limit if disabled).

### Administrative Organization

Superintendent of Health and Labor Risks (<http://www.sisalril.gov.do>) supervises and monitors the work injury program.

### Family Allowances

#### Regulatory Framework

Benefits are paid to unemployed single mothers with unmarried children younger than age 18 (age 21 if a full-time student, no limit if disabled) who lack sufficient resources to meet basic needs. (Social assistance benefits are provided under the Old Age, Disability, and Survivors program).

## Ecuador

Exchange rate: Currency is the US dollar (US\$).

### Old Age, Disability, and Survivors

#### Regulatory Framework

**First law:** 1928.

**Current law:** 2001 (social security).

**Type of program:** Social insurance and social assistance system.

Note: The provision under the 2001 law to create a system of individual accounts to complement the social insurance old-age pension program and a social assistance program for needy elderly and persons with disabilities was not implemented.

The social insurance system also includes a special program to provide old-age, disability, and survivor benefits for families of rural workers and fishermen. The program is financed by a nominal contribution from the head of the family and contributions from workers, employers, and the government.

#### Coverage

All persons who receive income for work.

Voluntary coverage for persons without mandatory coverage, including Ecuadorian citizens living abroad.

Special system for agricultural workers and small-scale fishermen.

#### Source of Funds

**Insured person:** 6.64% and 8.64% of gross earnings for private- and public-sector employees, respectively; 9.74% of gross earnings for voluntary contributors.

The minimum earnings used to calculate contributions are \$264.

There are no maximum earnings used to calculate contributions.

**Self-employed person:** 9.74% of gross declared earnings.

The minimum earnings used to calculate contributions are \$264.

There are no maximum earnings used to calculate contributions.

**Employer:** 3.10% and 1.10% of gross payroll for private- and public-sector employees, respectively.

The minimum earnings used to calculate contributions are \$264.

There are no maximum earnings used to calculate contributions.

**Government:** 40% of the cost of old-age, disability, and survivor social insurance pensions; contributes as an employer.

#### Qualifying Conditions

**Old-age pension:** Paid at any age with at least 480 months of contributions; age 60 with at least 360 months of contributions; age 65 with at least 180 months of contributions; or age 70 with at least 120 months of contributions.

**Disability pension:** The insured must have at least 60 months of contributions including the six months before the disability began and an assessed loss of more than 50% of earning capacity; 120 months of contributions and not receiving an old-age pension if the disability began within two years after the termination of employment.

**Survivor pension:** The deceased had at least 60 months of contributions or was an old-age or disability pensioner at the time of death.

Eligible survivors include a widow or female partner who cohabitated with the deceased male; a dependent, disabled widower or male partner who cohabitated with the deceased female; dependent children younger than age 18 (no limit if disabled); and, if there are no other survivors, a dependent mother and a dependent, disabled father.

The widow(er)'s pension ceases on remarriage or cohabitation.

**Funeral grant:** The deceased had at least six months of contributions in the last 12 months or was an old-age or disability pensioner.

#### Old-Age Benefits

**Old-age pension:** The monthly pension is a percentage of the insured's average monthly earnings in the five best years of earnings, according to the total number of years of contributions (50% for 10 years, 75% for 30 years, 81.25% for 35 years, 100% for 40 years, 125% for more than 40 years).

The minimum monthly pension is \$132.

The maximum monthly pension is \$1,452.

Old-age pensioners may continue to work and receive a pension, except if the employer in the first year the pension is received was the pensioner's last employer.

Schedule of payment: 12 monthly payments plus two bonus payments a year.

Benefit adjustment: Benefits are adjusted annually. Adjustments range from 4.31% to 16.15% and are inversely proportional to the amount of benefit.

## Permanent Disability Benefits

**Disability pension:** The monthly pension is a percentage of the insured's average monthly earnings in the five best years of earnings, according to the total number of years of contributions (43.75% for five years, 50% for 10 years, 62.5% for 20 years, 68.75% for 25 years, and 75% for 30 years).

The minimum monthly pension is \$132.

The maximum monthly pension is \$1,452.

Schedule of payment: 12 monthly payments plus two bonus payments a year.

Benefit adjustment: Benefits are adjusted annually. Adjustments range from 4.31% to 16.15% and are inversely proportional to the amount of benefit.

## Survivor Benefits

**Survivor pension:** 40% of the pension the deceased received or was eligible to receive is paid to an eligible widow(er) or partner.

**Orphan's pension:** 20% of the pension the deceased received or was eligible to receive is paid to each orphan younger than age 18 (no limit if disabled); 40% for a full orphan.

**Other eligible survivors (in the absence of the above):** 20% of the pension the deceased received or was eligible to receive is paid to a mother or father.

The minimum monthly pension is \$132.

The maximum monthly pension is \$1,452.

Benefit adjustment: Benefits are adjusted annually by 8.40%.

**Funeral grant:** Up to \$1,056 is paid.

## Administrative Organization

Social Security Institute (<http://www.iess.gob.ec>), through its Directive Council, regulates and administers the program.

## Sickness and Maternity

### Regulatory Framework

**First law:** 1935.

**Current law:** 2001 (social security).

**Type of program:** Social insurance system.

### Coverage

All persons who receive income for work and beneficiaries of old-age, disability, work injury, or survivor benefits (orphans up to age 6 only).

Voluntary coverage for persons not subject to mandatory coverage

Special systems for agricultural workers and small-scale fishermen.

## Source of Funds

**Insured person:** None for employees; beneficiaries of survivor pensions contribute 4.15% of the pension; 5.71% of gross earnings for voluntary contributors.

Insured persons may insure their spouse with an additional contribution of 3.41%.

The minimum earnings used to calculate contributions are \$264.

There are no maximum earnings used to calculate contributions.

**Self-employed person:** 5.71% of gross declared earnings.

The minimum earnings used to calculate contributions are \$264.

There are no maximum earnings used to calculate contributions.

**Employer:** 5.71% of payroll.

The minimum earnings used to calculate contributions are \$264.

There are no maximum earnings used to calculate contributions.

**Government:** The total cost for old-age, disability, and work injury beneficiaries.

## Qualifying Conditions

**Cash sickness benefits:** The insured must have at least six months of contributions before the date the incapacity began or at least 189 days of contributions in the eight months before the date the incapacity began. Coverage continues for 60 days after the insured ceases to pay contributions.

**Cash maternity benefits:** The insured must have at least 12 months of contributions before giving birth. Prenatal care is provided with at least three months of contributions.

**Medical benefits:** The insured must have at least three months of continuous contributions. Coverage continues for 60 days after the insured ceases to pay contributions.

## Sickness and Maternity Benefits

**Sickness benefit:** For the first 10 weeks, 75% of the insured's earnings used to calculate contributions in the three months before the incapacity began is paid for up to 70 days; thereafter, 66% for up to 182 days.

**Maternity benefit:** 75% of the insured's last earnings used to calculate contributions is paid for two weeks before and 10 weeks after the expected date of childbirth. The

employer pays 25% of the insured's last earnings for the same period.

### **Workers' Medical Benefits**

**Medical benefits:** The medical facilities of the Social Security Institute provide medical services directly to patients. Benefits include general and specialist care, surgery, hospitalization, medicine, laboratory services, and dental care. A refund for the cost of medical care provided through medical facilities not belonging to the Social Security Institute is possible in case of emergency.

### **Dependents' Medical Benefits**

Medical benefits for dependents: Full medical care is provided for children of insured persons up to age 18 and beneficiaries of the orphan's pension.

### **Administrative Organization**

Social Security Institute (<http://www.iess.gob.ec>), through its Directive Council, regulates and administers the program and operates its own clinics, dispensaries, and hospitals.

### **Work Injury**

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#### **Regulatory Framework**

**First law:** 1964.

**Current law:** 2001 (social security).

**Type of program:** Social insurance system.

#### **Coverage**

All persons who receive income for work.

Voluntary coverage for persons without mandatory coverage.

**Exclusions:** Ecuadorians residing abroad.

#### **Source of Funds**

**Insured person:** None; 0.55% of gross earnings for voluntary contributors.

The minimum earnings used to calculate contributions are \$264.

There are no maximum earnings used to calculate contributions.

**Self-employed person:** 0.55% of gross declared earnings.

The minimum earnings used to calculate contributions are \$264.

There are no maximum earnings used to calculate contributions.

**Employer:** 0.55% of payroll.

The minimum earnings used to calculate contributions are \$264.

There are no maximum earnings used to calculate contributions.

**Government:** 40% of the cost of work injury pensions.

#### **Qualifying Conditions**

**Work injury benefits:** There is no minimum qualifying period.

**Occupational disease benefits:** The insured must have at least six months of contributions.

#### **Temporary Disability Benefits**

For the first 10 weeks, 75% of average earnings in the three months before the disability began is paid after a two-day waiting period for up to 70 days; after 70 days, 66% until the end of the 12th month. If the disability lasts more than one year, 80% is paid for up to two additional years.

#### **Permanent Disability Benefits**

**Permanent disability pension:** 80% of average earnings (100% if constant attendance is required) in the last year or in the previous five years (whichever is greater) is paid.

Partial disability: A percentage of the full pension is paid according to the assessed degree of disability.

Schedule of payments: 12 monthly payments plus two bonus payments a year.

Benefit adjustment: Benefits are adjusted annually. Adjustments range from 4.31% to 16.15% and are inversely proportional to the amount of benefit.

#### **Workers' Medical Benefits**

Benefits include medical and surgical care, hospitalization, appliances, and rehabilitation.

#### **Survivor Benefits**

**Survivor pension:** 40% of the pension the deceased received or was eligible to receive is paid to a widow or female partner who cohabitated with the deceased male, or a dependent, disabled widower or male partner who cohabitated with the deceased female.

**Orphan's pension:** 20% of the pension the deceased received or was eligible to receive is paid to each dependent orphan younger than age 18 (no limit if disabled); 40% for a full orphan.

**Other eligible survivors:** If there is no eligible spouse, partner, or child, 20% of the pension the deceased received or was eligible to receive is paid to a dependent mother or a dependent, disabled father.

The minimum monthly pension is \$132.

The maximum monthly pension is \$1,452.

**Funeral grant:** Up to \$1,056 is paid.

### **Administrative Organization**

Social Security Institute (<http://www.iess.gob.ec>), through its Directive Council, regulates and administers the program.

### **Unemployment**

#### **Regulatory Framework**

**First law:** 1951.

**Current laws:** 2001 (social security).

**Type of program:** Mandatory individual account.

#### **Coverage**

All employed persons.

Exclusions: Self-employed persons.

#### **Source of Funds**

**Insured person:** 2% of gross earnings.

The minimum earnings used to calculate contributions are \$264.

There are no maximum earnings used to calculate contributions.

**Self-employed person:** Not applicable.

**Employer:** 1% of gross payroll.

The minimum earnings used to calculate contributions are \$264.

There are no maximum earnings used to calculate contributions.

**Government:** Provides subsidies in special cases; contributes as an employer.

### **Qualifying Conditions**

**Unemployment benefits:** The insured must have at least 24 months of contributions. The benefit is paid after two months of unemployment.

### **Unemployment Benefits**

A lump sum of the accumulated capital plus accrued interest is paid to the insured person if unemployed or when the insured person begins to receive an old-age, permanent disability or permanent work injury pension; if the insured person dies, the benefit is paid to a widow, a disabled widower, children younger than age 18, or, if there is no surviving spouse or child, certain other surviving relatives.

### **Administrative Organization**

Social Security Institute (<http://www.iess.gob.ec>) administers the program.

### **Family Allowances**

#### **Regulatory Framework**

No statutory benefits are provided.

Mothers assessed as needy with at least one child (younger than age 18) and low-income families receive a monthly allowance under the Bono de Desarrollo Humano program.

## El Salvador

Exchange rate: Currency is the US dollar (US\$).

### Old Age, Disability, and Survivors

#### Regulatory Framework

**First laws:** 1953 and 1969.

**Current laws:** 1996 (individual account), implemented in 1998; and 1996 (pension supervision), implemented in 1998.

**Type of program:** Mandatory individual account and social insurance system.

#### Coverage

**Mandatory individual account:** All public- and private-sector employees not covered under social insurance.

Voluntary coverage for self-employed persons, owners of small enterprises, and citizens of El Salvador residing abroad.

**Social insurance:** All insured persons who were older than age 55 (men) or age 50 (women) in 1998.

Voluntary coverage for those who were aged 36 or older in 1998.

#### Source of Funds

##### Mandatory individual account

*Insured person:* 6.25% of covered earnings.

The minimum earnings used to calculate contributions are the legal monthly minimum wage.

The legal monthly minimum wage ranges from US\$193.75 to US\$231.57, depending on the sector.

The maximum earnings used to calculate contributions are US\$5,274.52.

*Self-employed person:* A voluntary contribution of 13% of declared covered earnings for the old-age pension plus up to 2.7% of declared covered earnings for disability and survivor insurance and for administrative fees.

The minimum earnings used to calculate contributions are the legal monthly minimum wage.

The legal monthly minimum wage ranges from US\$193.75 to US\$231.57, depending on the sector.

The maximum earnings used to calculate contributions are US\$5,274.52.

*Employer:* 4.05% of covered payroll for the old-age pension plus up to 2.7% of covered payroll for disability and survivor insurance and for administrative fees.

The minimum earnings used to calculate contributions are the legal monthly minimum wage.

The legal monthly minimum wage ranges from US\$193.75 to US\$231.57, depending on the sector.

The maximum earnings used to calculate contributions are US\$5,274.52.

*Government:* Finances the guaranteed minimum pension.

##### Social insurance

*Insured person:* 7% of earnings.

*Self-employed person:* Not applicable.

*Employer:* 7% of payroll.

*Government:* Special subsidies as needed to finance the program. Finances the value of accrued rights under the social insurance system.

#### Qualifying Conditions

##### Mandatory individual account

*Old-age pension:* Age 60 (men) or age 55 (women) with at least 25 years of contributions. Retirement is permitted before the normal retirement age if the accumulated capital and interest in the individual account is sufficient to provide a pension of at least 60% of the base salary or 160% of the minimum pension.

The base salary is the insured's average earnings in the last 120 months.

The minimum monthly pension is US\$143.64.

Guaranteed minimum old-age pension: Age 60 (men) or age 55 (women) with at least 25 years of contributions. Paid if the accumulated capital and interest in the individual account is insufficient to provide the minimum pension set by law.

*Disability pension:* The insured was actively contributing to an individual account before the disability began or had at least six months of contributions in the 12 months before the disability began; unemployed persons whose disability began in the 12-month period following the last contribution and had at least six months of contributions in the 12 months before the last contribution.

If none of the qualifying conditions are met, the insured receives a pension financed by the value of the accumulated capital plus accrued interest only.

The Disability Commission assesses the degree of loss in working capacity.

Guaranteed minimum disability pension: The insured had at least 10 years of contributions; if the disability is the result of a disease, three years of contributions in the five years before the disability began; if the disability is the result of an accident, the insured was actively contributing to an individual account before the disability began and had at least six months of contributions in the 12 months before

the disability began. Paid if the accumulated capital and interest in the individual account is insufficient to provide the minimum pension set by law.

The minimum monthly pension is US\$143.64 for a disability of 66% or more; US\$100.55 a month for a partial disability.

*Survivor pension:* The insured was actively contributing to an individual account at the time of death and had at least six months of contributions in the 12 months before death; unemployed persons who died in the 12-month period following the last contribution and had at least six months of contributions in the 12 months before the last contribution.

Eligible survivors are the deceased's spouse or cohabiting partner, children younger than age 18 (age 24 if a student, no limit if disabled), and dependent parents.

*Guaranteed minimum survivor pension:* The deceased had at least 10 years of contributions; if the death is the result of a disease, three years of contributions in the five years before the death; if the death is the result of an accident, the insured was actively contributing to an individual account and had at least six months of contributions in the 12 months before the death. Paid if the accumulated capital and interest in the individual account is insufficient to provide the minimum pension set by law.

The minimum monthly pension is US\$143.64.

### **Social insurance**

*Old-age pension:* Age 60 (men) or age 55 (women) with at least 25 years of contributions; any age with at least 30 years of contributions.

*Disability pension:* The insured must be assessed with a disability, be younger than age 60 (men) or age 55 (women), and have at least 36 months of contributions, including at least 18 months in the 36 months before the disability began.

The Disability Commission assesses the degree of disability.

*Constant-attendance supplement:* Paid if the insured is assessed with at least a 66% loss of earning capacity and requires the constant attendance of others to perform daily functions.

*Survivor pension:* The deceased was an old-age or disability pensioner or had at least five years of contributions; 10 years if no contributions were made in the last 12 months before the death.

Eligible survivors are the widow(er) or cohabiting partner as defined by the Family Code; children younger than age 18 (age 24 if a student, no limit if disabled); and if there are no other survivors, the deceased's dependent mother aged 55 or older or dependent father aged 60 or older (no limit if disabled at the time of death).

## **Old-Age Benefits**

### **Mandatory individual account**

*Old-age pension:* At retirement, the insured may use the contributions plus accrued interest in the individual account in one of three ways: to make periodic withdrawals to guarantee income for the duration of the expected lifespan; to buy an annuity from a private insurance company; or a combination of both options. (The value of accrued rights under the social insurance system is combined with the individual account balance at retirement.)

*Guaranteed minimum pension:* If the pension is less than the minimum pension set by law, the government makes up the difference.

The minimum monthly pension is US\$143.64.

### **Social insurance**

*Old-age pension:* The pension is 30% of the base salary for the first three years of contributions plus 1.5% for each additional year.

The base salary is the insured's average earnings in the last 120 months.

The minimum monthly pension is US\$143.64.

The maximum monthly pension is 100% of the base salary.

## **Permanent Disability Benefits**

### **Mandatory individual account**

*Disability pension:* With at least a 66% assessed loss in working capacity, the pension is 70% of the base salary.

*Partial disability:* With an assessed loss in working capacity of 50% to 65%, the pension is 50% of the base salary.

The base salary is the insured's average earnings in the last 120 months.

*Guaranteed minimum pension:* If the pension is less than the minimum pension set by law, disability insurance tops up the accumulated capital in the individual account to make up the difference.

The minimum monthly pension is US\$143.64 for a disability of at least 66%; US\$100.55 a month for a partial disability.

The minimum old-age pension replaces the minimum disability pension at the normal retirement age.

### **Social insurance**

*Disability pension:* The pension is 30% of the base salary for the first three years of contributions plus 1.5% for each additional year.

The base salary is the insured's average earnings in the last 120 months.

The minimum monthly pension is US\$143.64.

*Constant-attendance supplement:* 20% of the pension is paid.

The minimum old-age pension replaces the minimum disability pension at the normal retirement age.

### **Survivor Benefits**

#### **Mandatory individual account**

*Survivor pension:* 50% of the pension the deceased received or was entitled to receive is paid to a spouse or partner with children (if there is no spouse or partner the pension is paid to orphans); 60% if there are no eligible children.

*Orphan's pension:* 25% of the pension the deceased received or was entitled to receive is paid to each eligible child.

*Parent's pension:* 20% of the pension the deceased received or was entitled to receive is paid to each eligible parent; 30% if there is only one surviving parent. If there is no eligible spouse or partner, 40% is paid to each parent; 80% if there is only one surviving parent.

**Guaranteed minimum pension:** If the pension is less than the minimum pension set by law, life insurance tops up the accumulated capital in the deceased's individual account to make up the difference.

The minimum monthly pension is US\$143.64.

All survivor benefits combined must not exceed 100% of the deceased's old-age pension.

#### **Social insurance**

*Survivor pension:* 50% of the deceased's pension is paid to a widow or a disabled widower.

*Orphan's pension:* 25% of the deceased's pension is paid to each eligible child; 40% to a full orphan.

*Other eligible survivors:* If there is no eligible surviving widow(er) or child, 30% of the deceased's pension is paid to a mother aged 55 or older; 30% to a father aged 60 or older; 40% if there is only one surviving eligible parent.

**Guaranteed minimum pension:** US\$143.64 a month.

All survivor benefits combined must not exceed 100% of the deceased's old-age pension.

### **Administrative Organization**

**Mandatory individual account:** Superintendent of Pensions provides general supervision.

Individual pension fund management companies (AFPs) administer individual accounts.

**Social insurance:** Social Insurance Institute (ISSS) (<http://www.iss.gov.sv>) supervised by a board of 12 directors plans, manages, and administers the program.

## **Sickness and Maternity**

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### **Regulatory Framework**

**First law:** 1949.

**Current laws:** 1953 and 1996.

**Type of program:** Social insurance system.

### **Coverage**

Employed and self-employed persons in industry and commerce, household workers, and pensioners.

Exclusions: Teachers, agricultural workers, and casual workers.

### **Source of Funds**

**Insured person:** 3% of covered earnings. Pensioners contribute 7.8% of the old-age, disability, or survivor pension; or 6% of the work injury disability or survivor pension.

The minimum earnings used to calculate contributions are the legal monthly minimum wage.

The legal monthly minimum wage is US\$231.40.

The maximum earnings used to calculate contributions are US\$685.71.

**Self-employed person:** 10.5% of declared income.

The minimum earnings used to calculate contributions are the legal monthly minimum wage.

The legal monthly minimum wage is US\$231.57.

The maximum earnings used to calculate contributions are US\$685.71.

The self-employed person's contributions also finance work injury benefits.

**Employer:** 7.5% of covered payroll.

The minimum earnings used to calculate contributions are the legal monthly minimum wage.

The legal monthly minimum wage is US\$231.57.

The maximum earnings used to calculate contributions are US\$685.71.

The employer's contributions also finance work injury benefits.

**Government:** An annual subsidy.

### **Qualifying Conditions**

**Cash sickness benefits:** The insured is currently employed. There is no minimum qualifying period.

**Cash maternity benefits:** The insured must have at least 12 weeks of contributions in the 12 months before the expected date of childbirth; if unemployed, at least eight weeks of contributions in the last three months.



**Medical benefits:** There is no minimum qualifying period if the insured is currently employed; if unemployed, at least eight weeks of contributions in the last three months.

### **Sickness and Maternity Benefits**

**Sickness benefit:** 75% of average monthly earnings is paid after a three-day waiting period for up to 26 weeks for the same incapacity; may be extended for an additional 26 weeks. The benefit is paid daily.

**Maternity benefit:** 100% of average earnings is paid for up to 12 weeks; other benefits include milk (with a medical prescription) and a layette (clothing and other necessities for the newborn). The benefit is paid daily.

### **Workers' Medical Benefits**

Benefits include complete medical and maternity care, hospitalization, medicine, auxiliary services for diagnosis and treatment, and dental care (except for cosmetic reasons). Unemployed persons receive medical benefits up to a year.

### **Dependents' Medical Benefits**

The insured's wife receives maternity care (including a breastfeeding grant and layette) and medical and dental benefits. Children up to age 12 receive basic medical care.

### **Administrative Organization**

Social Insurance Institute (<http://www.issv.gob.sv>) supervised by a board of 12 directors plans, manages, and administers the program.

Social Insurance Institute operates its own clinics and hospitals.

### **Work Injury**

#### **Regulatory Framework**

**First law:** 1949.

**Current laws:** 1953 and 1996.

**Type of program:** Social insurance system.

#### **Coverage**

Public- and private-sector employees, self-employed persons in industry and commerce, and household workers.

Exclusions: Casual and rural workers.

#### **Source of Funds**

**Insured person:** See source of funds under Sickness and Maternity.

**Self-employed person:** See source of funds under Sickness and Maternity.

**Employer:** See source of funds under Sickness and Maternity.

**Government:** See source of funds under Sickness and Maternity.

### **Qualifying Conditions**

**Work injury benefits:** There is no minimum qualifying period.

### **Temporary Disability Benefits**

75% of the insured's average monthly earnings in the first three of the last four months is paid from the day after the disability began for up to 52 weeks.

### **Permanent Disability Benefits**

**Permanent disability pension:** With an assessed degree of disability of greater than 66%, the pension is 70% of the insured's average monthly earnings in the last year.

The minimum monthly pension is US\$119.70.

**Constant-attendance supplement:** Up to 50% of the pension is paid if the insured requires the constant attendance of others to perform daily functions.

**Partial disability:** With an assessed degree of disability of 35% to 66%, a percentage of the full pension is paid according to the assessed degree of disability. With an assessed degree of disability of 20% to 34%, the benefit is double the amount of the permanent disability pension based on the assessed degree of disability and is paid for up to three years.

### **Workers' Medical Benefits**

Benefits include complete medical and maternity care, hospitalization, medicine, auxiliary services for diagnosis and treatment, and dental care (except for cosmetic reasons).

### **Survivor Benefits**

**Survivor pension:** 60% of the deceased's pension is paid to a spouse.

**Orphan's pension:** 30% of the deceased's pension is paid for each child.

All survivor benefits combined must not exceed 100% of the deceased's pension.

**Funeral grant:** A lump sum of twice the deceased's average monthly salary (used to calculate contributions) in the two years before the death occurred is paid.

### **Administrative Organization**

Social Insurance Institute (<http://www.issv.gob.sv>) supervised by a board of 12 directors plans, manages, and administers the program.

Social Insurance Institute operates its own clinics and hospitals.

## Grenada

Exchange rate: US\$1.00 = 2.70 East  
Caribbean dollars (EC\$).

### Old Age, Disability, and Survivors

#### Regulatory Framework

**First law:** 1969 (provident fund).

**Current law:** 1983 (social insurance).

**Type of program:** Social insurance system.

#### Coverage

All private- and public-sector employees and self-employed persons aged 16 to 59.

#### Source of Funds

**Insured person:** 4% of covered earnings.

There are no minimum earnings used to calculate contributions.

The maximum monthly earnings used to calculate contributions are EC\$3,500.

The insured's contributions also finance sickness benefits, maternity benefits, and work injury benefits.

**Self-employed person:** 9% of monthly covered earnings.

There are no minimum earnings used to calculate contributions.

The maximum monthly earnings used to calculate contributions are EC\$3,500.

The self-employed person's contributions also finance sickness benefits, maternity benefits, and work injury benefits.

**Employer:** 5% of covered payroll.

There are no minimum earnings used to calculate contributions.

The maximum monthly earnings used to calculate contributions are EC\$3,500.

The employer's contributions also finance sickness benefits, maternity benefits, and work injury benefits.

**Government:** None; contributes as an employer.

#### Qualifying Conditions

**Old-age pension:** Age 60 with at least 500 weeks of coverage, including at least 150 weeks of paid contributions.

Partial pension: Age 60 with at least 260 weeks of coverage, including at least 150 weeks of paid contributions.

**Old-age grant:** Age 60 with at least 50 weeks of paid or credited contributions but does not meet the qualifying conditions for the old-age pension.

Old-age benefits are payable abroad.

**Disability pension:** Younger than age 60 with at least 150 weeks of paid contributions and at least a 30% assessed degree of disability.

**Disability grant:** Younger than age 60 with an assessed degree of disability of less than 30%. There are no qualifying conditions for contributions.

Disability benefits are payable abroad.

**Survivor pension:** The deceased received or was entitled to receive a pension at the time of death.

The widow(er)'s pension ceases on remarriage or cohabitation.

**Survivor grant:** The deceased was entitled to receive an old-age grant or disability grant at the time of death.

Eligible survivors are a widow(er) aged 50 or older who was married to the deceased for at least three years, children younger than age 16 (age 21 if a full-time student), and dependent parents.

Survivor benefits are payable abroad.

**Funeral grant:** The grant is paid to the person who paid for the funeral of the insured, the insured's spouse, or the insured's children younger than age 16 (age 21 if a full-time student).

#### Old-Age Benefits

**Old-age pension:** 30% of average weekly earnings plus 1% of earnings for each 50-week period of contributions exceeding 500 weeks is paid.

The minimum weekly pension is EC\$46.40.

The maximum weekly pension is EC\$341.10.

Partial pension: 16% of average weekly earnings plus 1% of average weekly earnings for each 25-week period of contributions from 151 to 499 weeks is paid.

Average weekly earnings are the average annual earnings in the best five years divided by 52.

**Old-age grant:** A lump sum is of five times average weekly covered earnings is paid for each 50-week period of contributions.

Average weekly covered earnings are the sum of weekly earnings for the relevant period divided by the number of weeks.

Benefit adjustment: Benefits are reviewed periodically.

## Permanent Disability Benefits

**Disability pension:** 30% of average weekly earnings plus 1% of average weekly earnings for each 50-week period of contributions exceeding 500 weeks is paid.

Average weekly earnings are the average annual earnings in the best five years divided by 52.

The minimum weekly pension is EC\$46.40.

The maximum weekly pension is 60% of average earnings.

**Disability grant:** A lump sum of five times average weekly covered earnings for each 50-week period of contributions is paid.

Average weekly covered earnings are the sum of weekly earnings for the relevant period divided by the number of weeks.

Benefit adjustment: Benefits are reviewed periodically.

## Survivor Benefits

**Survivor pension:** The widow(er) receives 75% of the deceased's pension. A limited pension is paid for a year to a widow(er) who is younger than age 50.

If the surviving spouse is eligible for an old-age pension and a survivor pension, the total amount received is 100% of the old-age pension plus 50% of the survivor pension.

**Orphan's pension:** 25% of the deceased's pension is paid for each eligible child; 50% each if disabled or a full orphan.

The minimum weekly orphan's pension is EC\$19.70.

**Parent's pension:** Up to 25% of the deceased's pension is paid for a dependent parent.

All survivor benefits combined must not exceed 100% of the deceased's pension.

**Survivor grant:** A lump sum of five times average weekly covered earnings is paid for each 50-week period of contributions.

Average weekly covered earnings are the sum of weekly earnings for the relevant period divided by the number of weeks.

**Funeral grant:** A lump sum is paid to the person who pays for the funeral. EC\$2,320 is paid for the insured's funeral; EC\$1,740 for the funeral of the insured's spouse; and EC\$870 for the funeral of the insured's child.

Benefit adjustment: Benefits are reviewed periodically.

## Administrative Organization

Ministry of Health, Social Security, the Environment, and Ecclesiastical Relations provides general supervision.

National Insurance Board (<http://www.nisgrenada.org>) administers the program.

## Sickness and Maternity

### Regulatory Framework

**First and current laws:** 1980 (maternity leave) and 1983 (social insurance).

**Type of program:** Social insurance system. Cash benefits only.

### Coverage

All private- and public-sector employees and self-employed persons aged 16 to 59.

### Source of Funds

**Insured person:** See source of funds under Old Age, Disability, and Survivors.

**Self-employed person:** See source of funds under Old Age, Disability, and Survivors.

**Employer:** See source of funds under Old Age, Disability, and Survivors.

**Government:** See source of funds under Old Age, Disability, and Survivors.

### Qualifying Conditions

**Cash sickness benefits:** The insured must have been employed on the day before the incapacity began and have at least 13 weeks of contributions, including eight of the 13 weeks before the incapacity began.

**Cash maternity benefits:** The insured must have at least 30 weeks of contributions, including 20 weeks in the 30-week period ending six weeks before the expected date of childbirth.

**Maternity leave:** Provided by employers to insured employees.

**Maternity grant:** Paid to the insured or the uninsured wife of an insured man.

**Funeral grant:** Paid for the funeral of the insured, the insured's spouse, and the insured's children.

### Sickness and Maternity Benefits

**Sickness benefit:** 65% of average weekly covered earnings in the 13 weeks before the incapacity began is paid from the first day of incapacity for up to 26 weeks; for up to 52 weeks with at least 75 weeks of paid or credited contributions in the last three years.

**Maternity benefit:** 65% of average weekly covered earnings in the 30 weeks before the start of the claim is paid for up to 12 weeks, beginning six weeks before the expected date of childbirth and up to six weeks after.

The minimum maternity benefit is EC\$522.

**Maternity leave:** The employer provides an additional 40% of average covered earnings for two months of the three-month maternity leave period.

**Maternity grant:** The minimum grant is EC\$522.

**Funeral grant:** A lump sum is paid to the person who pays for the funeral. EC\$2,320 is paid for the insured's funeral; EC\$1,740 for the funeral of the insured's spouse; and EC\$870 for the funeral of the insured's child.

Benefit adjustment: Benefits are reviewed periodically.

### **Workers' Medical Benefits**

No statutory benefits are provided.

### **Dependents' Medical Benefits**

No statutory benefits are provided.

### **Administrative Organization**

Ministry of Health, Social Security, the Environment, and Ecclesiastical Relations provides general supervision.

National Insurance Board (<http://www.nisgrenada.org>) administers the program.

### **Work Injury**

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#### **Regulatory Framework**

**First and current laws:** 1982 (workmen's compensation) and 1983 (social insurance).

**Type of program:** Social insurance system.

#### **Coverage**

All private- and public-sector employees are covered.

#### **Source of Funds**

**Insured person:** None.

**Self-employed person:** See source of funds under Old Age, Disability, and Survivors.

**Employer:** 1% of the total 5% of covered payroll paid under Old Age, Disability, and Survivors.

**Government:** None; contributes as an employer.

#### **Qualifying Conditions**

**Work injury benefits:** There is no minimum qualifying period.

### **Temporary Disability Benefits**

70% of average weekly covered earnings in the last 13 weeks is paid from the day of the accident or certified onset of the occupational disease until recovery, up to 52 weeks.

A doctor assesses the degree of disability.

Benefit adjustment: Benefits are reviewed periodically.

### **Permanent Disability Benefits**

**Permanent disability benefit:** If the insured is assessed with a total (100%) disability, 70% of average weekly covered earnings in the last 13 weeks is paid. For an assessed degree of disability of less than 100%, the benefit is proportionately reduced.

A lump sum is paid for an assessed degree of disability of 1% to 30%.

There is no maximum period for which the benefit is paid.

Constant-attendance allowance: 50% of the permanent disability benefit is paid if the insured is assessed with a total (100%) disability and requires the constant attendance of others to perform daily functions.

A doctor assesses the degree of disability.

Benefit adjustment: Benefits are reviewed periodically.

### **Workers' Medical Benefits**

Benefits include medical, surgical, dental, and hospital treatment; skilled nursing services; medicine; prostheses; overseas treatment; and the cost of transportation for medical services.

### **Survivor Benefits**

**Survivor pension:** 75% of the deceased's pension is paid to a widow(er) for life.

The pension ceases on remarriage.

**Orphan's pension:** 25% of the deceased's pension is paid to each child younger than age 16 (age 21 if a full-time student); 50% to each disabled or full orphan.

The minimum weekly orphan's pension is EC\$19.70.

**Other dependent's pension:** 50% of the deceased's pension is paid if the survivor was totally dependent on the insured; 25% if partially dependent. The pension is paid for up to 52 weeks from the insured's date of death.

The minimum weekly dependent's pension is EC\$19.70.

All survivor benefits combined must not exceed 100% of the deceased's pension.

**Funeral grant:** A lump sum is paid to the person who pays for the funeral. EC\$2,320 is paid for the insured's funeral; EC\$1,740 for the funeral of the insured's spouse; and EC\$870 for the funeral of the insured's child.

Benefit adjustment: Benefits are reviewed periodically.

### ***Administrative Organization***

Ministry of Health, Social Security, the Environment, and Ecclesiastical Relations provides general supervision.

National Insurance Board (<http://www.nisgrenada.org>) administers the program.

## Guatemala

Exchange rate: US\$1.00 = 7.74 quetzales.

### Old Age, Disability, and Survivors

#### Regulatory Framework

**First law:** 1969, implemented on a national level in 1977.

**Current law:** 2003 (old-age, disability, and survivors).

**Type of program:** Social insurance system.

#### Coverage

Employees, including agricultural workers and some public-sector employees.

Voluntary coverage for self-employed persons.

Special system for other public-sector employees, including the executive and military personnel.

#### Source of Funds

**Insured person:** 1.83% of covered earnings.

The minimum earnings used to calculate contributions are the minimum daily wage.

The minimum daily wage is 63.70 quetzales.

There are no maximum earnings used to calculate contributions.

**Self-employed person:** Voluntary contributions of 5.5% of declared earnings.

The minimum earnings used to calculate contributions are the minimum daily wage.

The minimum daily wage is 63.70 quetzales.

There are no maximum earnings used to calculate contributions.

**Employer:** 3.67% of covered payroll.

The minimum earnings used to calculate contributions are the minimum daily wage.

The minimum daily wage is 63.70 quetzales.

There are no maximum earnings used to calculate contributions.

**Government:** 25% of total contributions paid (not yet implemented); also contributes as an employer.

#### Qualifying Conditions

**Old-age pension:** For insured persons first insured before 2011, age 60 with at least 16 years of contributions (rising by one year each year until it reaches 20 years in 2015). For

insured persons first insured as of 2011, age 62 with at least 240 months of contributions.

The pension is not payable abroad.

**Disability pension:** The insured must be assessed with a disability and have at least 36 months of contributions in the six years before the disability began.

The disability pension is awarded according to two degrees of disability: total disability, involving the loss of more than 33% of earning capacity; and severe disability, involving the complete loss of earning capacity and the permanent need for the constant attendance of another person.

Constant-attendance supplement: Paid if the insured has a severe disability and requires the constant attendance of others to perform daily functions.

The pension is not payable abroad.

**Survivor pension:** The deceased had at least 36 months of contributions in the last six years, was receiving the old-age pension, or was entitled to receive the old-age or disability pension at the time of death.

The widow(er)'s pension ceases on remarriage.

#### Old-Age Benefits

**Old-age pension:** The pension is 50% of the insured's average earnings in the last 60 months plus 0.5% for each six-month period of contributions exceeding the required number of months for the old-age pension.

Dependent's supplement: 10% of the insured's pension is paid for a wife or partner or a disabled husband, for each child younger than age 18 (no age limit if disabled), and for a dependent mother and a dependent, disabled father who are not pensioners under this program.

The minimum monthly pension, including supplements, is 340 quetzales.

The maximum monthly pension, including supplements, is 4,800 quetzales.

The maximum pension received is 80% of the insured's earnings; earnings may not be more than 6,000 quetzales.

Schedule of payments: Thirteen payments a year plus a December bonus of 500 quetzales.

Benefit adjustment: Benefits are adjusted periodically according to a financial assessment of the program.

#### Permanent Disability Benefits

**Disability pension:** For a total disability, the pension is 50% of the insured's average earnings in the last 36 months plus 0.5% for each six-month period of contributions exceeding the required number of months for the disability pension.

Dependent's supplement: 10% of the insured's pension is paid for a wife or partner or a disabled husband, for each child younger than age 18 (no age limit if disabled), and for

a dependent mother and a dependent, disabled father who are not pensioners under this program.

The minimum monthly pension, including supplements, is 340 quetzales.

The maximum monthly pension, including supplements, is 4,800 quetzales.

Constant-attendance supplement: 25% of the insured's pension is paid.

Schedule of payments: Thirteen payments a year plus a December bonus of 500 quetzales.

Benefit adjustment: Benefits are adjusted periodically according to a financial assessment of the program.

### **Survivor Benefits**

**Survivor pension:** 50% of the total disability or old-age pension the deceased received or would have been entitled to receive is paid to the widow(er).

The minimum monthly widow(er)'s pension is 170 quetzales.

**Orphan's pension:** 25% of the deceased's pension is paid to each orphan younger than age 18 (no age limit if disabled); 50% to each full orphan.

The minimum monthly orphan's pension is 85 quetzales; 170 quetzales for a full orphan.

**Dependent parent's pension:** 25% of the deceased's pension is paid to each dependent parent.

The minimum monthly pension for a dependent parent is 85 quetzales.

All survivor benefits combined must not exceed 100% of the deceased's pension; the sum of the minimum monthly pensions must not exceed 340 quetzales.

Schedule of payments: Thirteen payments a year plus a December bonus of 500 quetzales.

**Funeral grant:** A lump sum of 600 quetzales is paid.

Benefit adjustment: Benefits are adjusted periodically according to a financial assessment of the program.

### **Administrative Organization**

Ministry of Labor and Social Welfare (<http://www.mintrabajo.gob.gt>) provides general supervision.

Social Security Institute (<http://www.igssgt.org>) administers the program.

### **Sickness and Maternity**

#### **Regulatory Framework**

**First law:** 1952 (maternity and children).

**Current law:** 1968 (sickness and maternity).

**Type of program:** Social insurance system.

### **Coverage**

Employees of firms with three or more workers and freight or passenger transport enterprises with one or more workers.

Exclusions: Self-employed persons and elected civil servants.

### **Source of Funds**

**Insured person:** 2% of gross earnings.

There are no minimum or maximum earnings used to calculate contributions.

**Self-employed person:** Not applicable.

**Employer:** 40% of a fixed premium.

There are no minimum or maximum earnings used to calculate contributions.

**Government:** 20% of a fixed premium.

There are no minimum or maximum earnings used to calculate contributions.

### **Qualifying Conditions**

**Cash sickness and maternity benefits:** The insured must have at least three months of contributions in the six months before the incapacity began.

**Medical benefits:** The insured must be in covered employment. For insured persons first insured before August 5, 2005, there are no minimum contribution requirements. For insured persons first insured on or after August 5, 2005, the insured must have at least three months of contributions in the last six months.

### **Sickness and Maternity Benefits**

**Sickness benefit:** The benefit is 66.7% of average earnings and is paid after a three-day waiting period for up to 26 weeks; may be extended to 39 weeks. The receipt of benefits for multiple periods of illness must not exceed 52 weeks in a 24-month period.

The maximum monthly benefit is 2,400 quetzales.

**Maternity benefit:** The benefit is 100% of earnings and is paid for 30 days before and 54 days after the expected date of childbirth. Nursing mothers are also permitted one hour a day at work to nurse their child, for up to 10 months.

### **Workers' Medical Benefits**

**Medical benefits:** Benefits include general, specialist, and maternity care; surgery; hospitalization; medicine; laboratory services; X-rays; appliances; transportation; rehabilitation; and retraining. The Social Security Institute normally provides medical services directly to patients through its medical facilities.

Free medical benefits are provided to uninsured persons in an emergency and until the condition stabilizes.

### **Dependents' Medical Benefits**

The wife or partner of an insured man receives the same maternity care and accident benefits as an insured woman in all parts of the country; she receives sickness benefits in 21 of the 22 administrative departments.

Free medical benefits are provided to uninsured persons in an emergency and until the condition stabilizes.

### **Administrative Organization**

Ministry of Labor and Social Welfare (<http://www.mintrabajo.gob.gt>) provides general supervision.

Social Security Institute (<http://www.igssgt.org>) administers contributions and benefits and provides medical benefits through its hospitals, clinics, and other medical services.

### **Work Injury**

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#### **Regulatory Framework**

**First law:** 1947.

**Current law:** 1994, implemented in 1995.

**Type of program:** Social insurance system.

Note: Work injury benefits are administered as part of the old-age, disability, and survivor program.

#### **Coverage**

All insured workers in the country.

Exclusions: Self-employed persons.

#### **Source of Funds**

**Insured person:** 1% of gross earnings.

There are no minimum or maximum earnings used to calculate contributions.

**Self-employed person:** Not applicable.

**Employer:** 3% of gross payroll.

There are no minimum or maximum earnings used to calculate contributions.

**Government:** 1.5% of gross payroll.

There are no minimum or maximum earnings used to calculate contributions.

### **Qualifying Conditions**

**Work injury benefits:** For cash benefits, the insured must have at least three months of contributions before the work injury or occupational disease began. For medical benefits, the insured must have at least four months of contributions in the last six months before the occupational disease began.

### **Temporary Disability Benefits**

The benefit is 66.7% of earnings and is paid after a one-day waiting period.

The minimum daily benefit is eight quetzales.

The maximum monthly benefit is 2,400 quetzales.

Benefit adjustment: Benefits are adjusted periodically according to a financial assessment of the program.

### **Permanent Disability Benefits**

**Permanent disability benefit:** A lump sum of 495 to 4,950 quetzales is paid according to the assessed degree of disability.

Benefit adjustment: Benefits are adjusted periodically according to a financial assessment of the program.

### **Workers' Medical Benefits**

Benefits include medical treatment, surgery, hospitalization, medicine, appliances, transportation, rehabilitation services, X-rays, laboratory tests, and retraining.

### **Survivor Benefits**

**Funeral grant:** A lump sum of up to 412.50 quetzales is paid for funeral expenses.

Benefit adjustment: Benefits are adjusted periodically according to a financial assessment of the program.

### **Administrative Organization**

Ministry of Labor and Social Welfare (<http://www.mintrabajo.gob.gt>) provides general supervision.

Social Security Institute (<http://www.igssgt.org>) administers contributions and benefits and provides medical benefits through its hospitals, clinics and other medical services.



## Guyana

Exchange rate: US\$1.00 = 202.00 Guyana dollars (G\$).

### Old Age, Disability, and Survivors

#### Regulatory Framework

**First law:** 1944 (old-age assistance).

**Current law:** 1969 (social security).

**Type of program:** Social insurance system.

Note: Social Security and Senior Citizens Welfare Department administers social assistance benefits to persons aged 65 or older, the needy, the infirm, and orphans younger than age 16.

#### Coverage

All public- and private-sector employees and self-employed persons aged 16 to 59.

Voluntary coverage is available for previously insured persons until age 60.

Exclusions: Employed persons earning less than G\$7.50 a week, casual employees, and family labor.

#### Source of Funds

**Insured person:** 5.2% of covered earnings. The voluntarily insured contribute 9.3% of average weekly earnings in the last two years before covered employment ceased.

The maximum weekly earnings used to calculate contributions are G\$30,653 (adjusted annually).

Contributions are paid weekly or monthly, depending on the nature of employment.

The insured person's contributions also finance cash sickness, maternity, and work injury benefits.

**Self-employed person:** 11.5% of declared income, up to a maximum.

Contributions are paid weekly or monthly, depending on the nature of employment.

The self-employed person's contributions also finance cash sickness and maternity benefits.

**Employer:** 7.8% of covered monthly payroll.

The maximum weekly earnings used to calculate contributions are G\$30,653 (adjusted annually).

The employer's contributions also finance cash sickness, maternity, and work injury benefits.

**Government:** Contributes as an employer; provides loans to cover any deficit.

#### Qualifying Conditions

**Old-age pension:** Age 60 with at least 750 weeks of paid or credited contributions, including at least 150 weeks of paid contributions; 25 weeks of contributions are credited for each year that the insured was older than age 35 in 1969, up to 600 weeks.

Retirement is not necessary.

**Old-age grant:** Paid if the insured does not meet the qualifying conditions for an old-age pension but had at least 50 weeks of contributions before age 60.

Old-age benefits are not payable abroad.

**Disability pension:** Aged 16 to 59 with at least a 15% assessed degree of permanent disability.

The National Insurance Medical Board assesses the degree of disability when required.

Constant-attendance allowance: Paid if the insured requires the constant attendance of others to perform daily functions.

**Disability grant:** Aged 16 to 59 with at least a 15% assessed degree of permanent disability.

Disability benefits are not payable abroad.

**Survivor pension:** The deceased was a pensioner or was eligible for an old-age pension or disability pension at the time of death; or aged 16 to 59 with at least 250 weekly paid or credited contributions, including at least 150 paid contributions.

Eligible survivors are the widow(er) and orphans younger than age 18.

**Survivor grant:** Paid if the deceased was eligible for an old-age grant or a disability grant.

Eligible survivors are the widow(er) and orphans younger than age 18.

Survivor benefits are not payable abroad.

**Funeral grant:** The deceased had at least 50 weeks of paid contributions. The grant is paid to help meet the cost of the funeral of the insured person or his or her spouse.

#### Old-Age Benefits

**Old-age pension:** 40% of the insured's average weekly covered earnings plus 1% of average weekly covered earnings for each 50-week period of contributions exceeding 750 is paid.

Average weekly covered earnings are based on the insured's best three years of earnings in the last five years before age 60.

The maximum weekly earnings used to calculate benefits are G\$30,653 (adjusted annually).

The minimum pension is 50% of the minimum wage.

The public sector minimum wage is G\$33,207.

The maximum pension is 60% of the insured's average weekly covered earnings.

**Old-age grant:** The grant is 8.3% of the insured's average annual covered earnings multiplied by the number of 50-week periods of paid or credited contributions.

### **Permanent Disability Benefits**

**Disability pension:** 30% of the insured's average weekly covered earnings plus 1% of average weekly covered earnings for each 50-week period of contributions exceeding 250 is paid.

Average weekly covered earnings are based on the insured's best three years of earnings in the last five years before the disability began.

The maximum weekly earnings used to calculate benefits are G\$30,653 (adjusted annually).

The minimum pension is 40% of the minimum wage.

The public sector minimum wage is G\$33,207.

The maximum pension is 60% of the insured's average weekly covered earnings.

Constant-attendance allowance: G\$200 a day is paid.

**Disability grant:** The grant is 8.3% of the insured's average annual covered earnings multiplied by the number of 50-week periods of paid or credited contributions.

Average weekly covered earnings are based on the insured's best three years of earnings in the last five years before the disability began.

### **Survivor Benefits**

**Survivor pension:** 50% of the pension the deceased received or was entitled to receive is paid to the widow(er).

**Child's supplement:** 16.6% of the deceased's pension is paid for each child, up to three children.

**Full orphan's pension:** 33.3% of the pension the deceased received or was entitled to receive is paid to each full orphan, up to three orphans.

All survivor benefits combined must not exceed 100% of the deceased's pension.

**Survivor grant:** A lump sum is paid if the deceased did not meet the qualifying conditions for a pension but was entitled to an old-age grant or disability grant.

**Funeral grant:** G\$22,800 is paid to the person who pays for the funeral.

### **Administrative Organization**

Minister of Finance provides general supervision.

Ministry of Labor, Human Services, and Social Security (<http://www.mlhss.gov.gy>) administers the program.

### **Sickness and Maternity**

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#### **Regulatory Framework**

**First and current law:** 1969 (social security).

**Type of program:** Social insurance system. Cash benefits only.

#### **Coverage**

All public- and private-sector employees and self-employed persons aged 16 to 59.

Exclusions: Employed persons earning less than G\$7.50 a week, casual employees, and family labor.

#### **Source of Funds**

**Insured person:** See source of funds under Old Age, Disability, and Survivors.

**Self-employed person:** See source of funds under Old Age, Disability, and Survivors.

**Employer:** See source of funds under Old Age, Disability, and Survivors.

**Government:** Contributes as an employer; provides loans to cover any deficit.

#### **Qualifying Conditions**

**Cash sickness benefits:** The insured must be younger than age 60, have been in covered employment in at least eight of the 13 weeks before the incapacity began, and have at least 50 weeks of contributions.

**Cash maternity benefits:** The insured must have at least 15 weeks of contributions, including at least seven in the 26-week period ending six weeks before the expected date of childbirth.

**Cash maternity grant:** Paid to an insured woman who does not meet the qualifying conditions for a maternity benefit but whose insured husband does.

#### **Sickness and Maternity Benefits**

**Sickness benefit:** 70% of average weekly covered earnings is paid from the fourth day of incapacity for up to 26 weeks.

Average weekly covered earnings are based on the best eight weeks of earnings in the 13 weeks before the incapacity began.

**Maternity benefit:** 70% of average weekly covered earnings is paid for 13 weeks, including the week of childbirth plus six weeks before and six weeks after; may be extended for an additional 13 weeks if there are complications arising from childbirth.

Average weekly covered earnings are based on the best seven weeks of earnings in the 26 weeks before the start of the benefit.

**Maternity grant:** A lump sum of G\$2,000 is paid.

### **Workers' Medical Benefits**

No statutory benefits are provided.

Medical care is available in public hospitals and health centers. Medical care involves cost sharing on an income-tested basis.

### **Dependents' Medical Benefits**

No statutory benefits are provided.

Medical care is available in public hospitals and health centers. Medical care involves cost sharing on an income-tested basis.

### **Administrative Organization**

Minister of Finance provides general supervision.

Ministry of Labor, Human Services, and Social Security (<http://www.mlhss.gov.gy>) administers the program.

## **Work Injury**

### **Regulatory Framework**

**First law:** 1916.

**Current law:** 1969 (social security).

**Type of program:** Social insurance system.

### **Coverage**

All public- and private-sector employees.

Exclusions: Employed persons earning less than G\$7.50 a week, casual workers, family labor, and self-employed persons.

### **Source of Funds**

**Insured person:** See source of funds under Old Age, Disability, and Survivors.

**Self-employed person:** Not applicable.

**Employer:** See source of funds under Old Age, Disability, and Survivors; also contributes an additional 1.5% of cov-

ered earnings to finance work injury benefits for workers younger than age 16 or older than age 59.

**Government:** Contributes as an employer; provides loans to cover any deficit.

### **Qualifying Conditions**

**Work injury benefits:** There is no minimum qualifying period.

### **Temporary Disability Benefits**

70% of average weekly covered earnings is paid retroactively after the first day if the injury lasts for more than three days, for up to 26 weeks.

Average weekly covered earnings are based on the best eight weeks of earnings in the 13 weeks before the disability began.

### **Permanent Disability Benefits**

**Permanent disability pension:** 70% of average weekly covered earnings is paid for a total disability (100%).

Average weekly covered earnings are based on the best eight weeks of earnings in the 13 weeks before the disability began.

Constant-attendance allowance: G\$200 a day is paid if the insured requires the constant attendance of others to perform daily functions.

Partial disability: If the assessed degree of disability is at least 15%, a reduced pension is paid according to the assessed degree of disability. If the assessed degree of disability is less than 15%, a lump sum of 260 times the weekly disability benefit multiplied by the assessed degree of disability is paid.

The National Insurance Medical Board reviews the assessed degree of disability when required.

### **Workers' Medical Benefits**

Benefits include hospitalization, general and specialist care, medicine, and transportation.

### **Survivor Benefits**

**Survivor pension:** 35% of the deceased's weekly earnings is paid for a widow(er) or dependent parent and 11.6% for each other dependent, up to 70% of the deceased's weekly earnings.

Eligible survivors are the deceased's spouse, a dependent parent, and any other dependent person.

The minimum pension for a widow(er) or parent is 50% of the old-age or disability minimum pension; for a child, 16.6% of the old-age or disability minimum pension.

**Full orphan's pension:** 23.3% of the deceased's weekly earnings is paid to each full orphan younger than age 18.

The minimum orphan's pension is 33.3% of the old-age or disability minimum pension.

**Death benefit:** If there are no dependents, up to G\$250 is paid to the insured's creditors or estate.

### ***Administrative Organization***

Minister of Finance provides general supervision.

Under the direction of the National Insurance Board, the National Insurance Scheme (<http://www.nis.org.gy>) administers the program.

## Haiti

Exchange rate: US\$1.00 = 38.50 gourdes.

### Old Age, Disability, and Survivors

#### Regulatory Framework

**First law:** 1965 (old-age insurance).

**Current law:** 1967.

**Type of program:** Social insurance system.

#### Coverage

Private-sector employees.

Voluntary coverage is available.

Exclusions: Unpaid family labor, self-employed persons, members of religious communities, and foreign diplomats.

Special system for public-sector employees.

#### Source of Funds

**Insured person:** 6% of earnings.

**Self-employed person:** Not applicable.

**Employer:** 6% of earnings.

**Government:** Subsidies as needed.

#### Qualifying Conditions

**Old-age pension:** Age 55 with at least 20 years of contributions.

**Old-age settlement:** Age 55 with less than 10 years of contributions and does not meet the qualifying conditions for an old-age pension.

**Disability pension:** The insured must be assessed with a total incapacity for work and have 10 to 20 years of contributions. The disability must not be caused by a work injury.

**Survivor pension:** The insured was a pensioner or was eligible for a pension at the time of death.

Eligible survivors are the widow(er) and orphans younger than age 18 (age 24 if a student).

**Survivor settlement:** Paid if the insured did not meet the qualifying conditions for a pension at the time of death.

#### Old-Age Benefits

**Old-age pension:** 33.3% of the insured's average monthly earnings in the last 10 years is paid.

Average earnings are not adjusted for inflation.

Benefit adjustment: Benefits are adjusted on an ad hoc basis.

**Old-age settlement:** A refund of contributions, without accrued interest, is paid.

#### Permanent Disability Benefits

**Disability pension:** 1/60 of the insured's average monthly earnings for each year of coverage in the 10 years before the disability began is paid.

Average earnings are not adjusted for inflation.

Benefit adjustment: Benefits are adjusted on an ad hoc basis.

#### Survivor Benefits

**Survivor pension:** 50% of the pension the deceased received or would have been entitled to receive is paid. The pension is split among eligible survivors.

Benefit adjustment: Benefits are adjusted on an ad hoc basis.

**Survivor settlement:** A refund of contributions, without accrued interest, is paid.

#### Administrative Organization

Ministry of Social Affairs provides general supervision.

National Office of Old-Age Insurance (<http://www.ona.ht>) of the Social Insurance Institute administers the program.

Social Insurance Institute is managed by a tripartite board and a director general.

### Work Injury

#### Regulatory Framework

**First law:** 1951.

**Current law:** 1967.

**Type of program:** Social insurance system.

#### Coverage

Public-sector employees and employees of industrial, commercial, or agricultural firms in specified districts.

Exclusions: Self-employed persons.

#### Source of Funds

**Insured person:** None.

**Self-employed person:** Not applicable.

**Employer:** 2% of payroll (commerce), 3% of payroll (industry, construction, and agriculture), or 6% of payroll (mining).

**Government:** None; contributes 2% of payroll as an employer.

### **Qualifying Conditions**

**Work injury benefits:** There is no minimum qualifying period.

### **Temporary Disability Benefits**

66.7% of the insured's monthly earnings is paid after a three-day waiting period for the duration of the incapacity. The employer pays benefits during the waiting period. The insured must be younger than age 55.

### **Permanent Disability Benefits**

**Permanent disability pension:** For a total disability, 66.7% of the insured's monthly earnings is paid. The insured must be younger than age 55.

Partial disability: For at least a 10% assessed degree of disability, a percentage of the total pension is paid according to the assessed degree of disability. For an assessed degree of disability of less than 10%, a lump sum is paid.

All disability pensions may be paid as a lump sum.

Benefit adjustment: Benefits are not indexed.

### **Workers' Medical Benefits**

Benefits include medical and dental care, surgery, hospitalization, medicine, and appliances. Benefits are provided until full recovery or stabilization of the disability.

### **Survivor Benefits**

**Survivor pension:** 50% of the total disability pension the deceased received or would have been entitled to receive is paid to a widow or to a dependent widower with a disability.

**Orphan's pension:** 30% of the total disability pension the deceased received or would have been entitled to receive is paid for each orphan younger than age 21.

**Dependent parent's or grandparent's pension:** If there are no other eligible survivors, 40% of the total disability pension the deceased received or would have been entitled to receive is paid to dependent parents or grandparents.

All survivor benefits combined must not exceed 80% of the total disability pension the deceased received or would have been entitled to receive.

**Funeral grant:** The grant is equal to the deceased's monthly earnings.

Benefit adjustment: Benefits are not indexed.

### **Administrative Organization**

Ministry of Social Affairs provides general supervision.

Office of Work Accidents and Sickness and Maternity Insurance of the Social Insurance Institute ([www.ofatma.gouv.ht](http://www.ofatma.gouv.ht)) administers the program.

Social Insurance Institute operates its own dispensaries and hospital in Port-au-Prince.

Social Insurance Institute is managed by a tripartite board and a director general.

## Honduras

Exchange rate: US\$1.00 = 18.90 lempiras.

### Old Age, Disability, and Survivors

#### Regulatory Framework

**First and current law:** 1959 (social security), implemented in 1971.

**Type of program:** Social insurance system.

#### Coverage

Employed persons in private- and public-sector enterprises in specified regions.

Coverage is being gradually extended to additional regions.

Voluntary coverage for self-employed persons and household workers.

Exclusions: Temporary workers and some groups of agricultural workers.

#### Source of Funds

**Insured person:** 1% of covered earnings.

Monthly earnings used to calculate contributions are subject to a minimum.

The maximum earnings used to calculate contributions are 7,000 lempiras.

**Self-employed person:** 4% of estimated earnings.

Monthly earnings used to calculate contributions are subject to a minimum.

**Employer:** 2% of covered payroll.

Monthly earnings used to calculate contributions are subject to a minimum.

The maximum earnings used to calculate contributions are 7,000 lempiras.

**Government:** 0.5% of covered payroll; also contributes as an employer.

Monthly earnings used to calculate contributions are subject to a minimum.

The maximum earnings used to calculate contributions are 7,000 lempiras.

#### Qualifying Conditions

**Old-age pension:** Age 65 (men) or age 60 (women) with at least 180 months of contributions. Employment must cease.

Constant-attendance supplement: Paid if the insured requires the constant attendance of others to perform daily functions.

**Old-age settlement:** Age 65 (men) or age 60 (women) with less than 180 months of contributions.

**Disability pension:** The insured is assessed with at least a 66.7% loss of earning capacity in the usual occupation and has at least 36 months of contributions in the last six years; eight months of contributions in the last 24 months in the event of a nonoccupational accident.

Constant-attendance supplement: Paid if the insured is assessed with a disability of more than 50% and requires the constant attendance of others to perform daily functions.

**Disability settlement:** The insured is assessed with a disability but does not meet the contribution requirements for the disability pension.

**Survivor pension:** In the case of a death resulting from an illness, the deceased must have had at least 36 months of contributions in the last six years or eight months of contributions in the 24 months before the injury resulting in a nonoccupational accident-related death.

Eligible survivors are a widow(er) or partner aged 65 or older or disabled and orphans younger than age 14 (age 18 if a student, no limit if disabled); if there is no a widow(er), partner, or orphan, a mother of any age and a father older than age 65 or disabled.

The widow(er)'s pension ceases on remarriage.

#### Old-Age Benefits

**Old-age pension:** The pension is 40% of the insured's basic monthly earnings plus 1% of earnings for each 12-month period of contributions exceeding 60 months.

Basic monthly earnings used to calculate the pension are 0.028% or 0.017% of insured earnings in the last three or five years, respectively, before the month of entitlement (whichever is greater).

Deferred pension: An additional 3% of basic monthly earnings is paid for each year of contributions after age 65 (men) or age 60 (women).

The minimum pension is 50% of basic monthly earnings.

The maximum pension is 80% of basic monthly earnings.

Constant-attendance supplement: Up to 50% of the pension is paid.

**Old-age settlement:** The total amount of contributions are refunded as a lump sum.

#### Permanent Disability Benefits

**Disability pension:** For a total (100%) disability, the pension is 40% of the insured's basic monthly earnings plus

## Honduras

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1% of earnings for each 12-month period of contributions exceeding 60 months.

Basic monthly earnings used to calculate the pension are 0.028% or 0.017% of insured earnings in the last 3 or 5 years, respectively, before the month of entitlement (whichever is greater).

The minimum pension is 50% of covered earnings.

The maximum pension is 80% of covered earnings.

Constant-attendance supplement: Up to 50% of the pension is paid.

Partial disability: For disabilities of less than 100%, the total disability pension is multiplied by the assessed degree of disability.

**Disability settlement:** The total amount of contributions is refunded as a lump sum.

### Survivor Benefits

**Survivor pension:** 40% of the pension the deceased received or was eligible to receive is paid to an eligible widow(er) or partner.

Remarriage settlement: A lump sum of 12 months of pension is paid to an eligible widow(er) or partner.

**Orphan's pension:** 20% of the pension the deceased received or was eligible to receive is paid to each orphan; 40% for a full orphan.

**Dependent parent's pension:** If there is no eligible widow(er), partner, or orphan, 20% of the pension the deceased received or was eligible to receive is paid to each eligible parent.

All survivor benefits combined must not exceed 100% of the deceased's pension.

**Funeral grant:** 50% of the deceased's basic monthly earnings is paid. The minimum funeral grant is 250 lempiras if the deceased made at least one contribution in the last six months; 100 lempiras if the beneficiary is not a member of the deceased's family.

### Administrative Organization

Secretariat of Labor and Social Security (<http://www.trabajo.gob.hn/>) provides general supervision.

Social Security Institute (<http://www.ihss.hn>), managed by a board of directors and director general, administers the program.

### Sickness and Maternity

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#### Regulatory Framework

**First and current law:** 1959 (social security), implemented in 1962.

**Type of program:** Social insurance system.

### Coverage

**Cash sickness benefits:** Public-sector employees and employees of firms in industry and commerce with one or more workers; old-age and disability pensioners; and unemployed persons.

Exclusions: Self-employed persons; and household, agricultural, family, and temporary workers.

**Cash maternity benefits:** Public-sector employees and employees of firms in industry and commerce with one or more workers; self-employed persons; and disability pensioners.

Exclusions: Unemployed persons; and agricultural, family, and temporary workers.

**Medical benefits:** Public-sector employees and employees of firms in industry and commerce with one or more workers; old-age and disability pensioners; unemployed persons; self-employed persons; and household workers.

Exclusions: Agricultural, family, and temporary workers.

Coverage is limited to certain regions and is being extended gradually to additional regions. The Honduran Social Security Institute subcontracts private health services in cities without public facilities. The labor code is still in force in regions where social insurance has not yet been extended.

### Source of Funds

**Insured person:** 2.5% of covered earnings.

Monthly earnings used to calculate contributions are subject to a minimum and a maximum.

The insured's contributions also finance work injury benefits.

**Self-employed person:** 8.5% of estimated earnings.

Monthly earnings used to calculate contributions are subject to a minimum.

**Employer:** 5% of covered payroll.

Monthly earnings used to calculate contributions are subject to a minimum and a maximum.

The employer's contributions also finance work injury benefits.

**Government:** 0.5% of total covered earnings; contributes as an employer.

Monthly earnings used to calculate contributions are subject to a minimum and a maximum.

### Qualifying Conditions

**Cash sickness benefits:** The insured must have at least two months of contributions in the four months before the incapacity began. (The unemployed must have at least 35 days of coverage in the three months before unemployment.)



**Cash maternity benefits:** The insured must have at least 75 days of contributions in the last 10 months.

**Medical benefits:** Must be in insured employment or unemployed with at least 35 days of coverage in the three months before unemployment. For maternity medical benefits the insured must have at least 10 months of contributions before the expected date of childbirth or at least 12 months of contributions in the last 18 months. For children's benefits, the insured must have at least 35 days of contributions in the three months before the incapacity began.

### **Sickness and Maternity Benefits**

**Sickness benefit:** 66% of the insured's earnings in the last three months (50% if hospitalized and without dependents) is paid after a three-day waiting period for up to 26 weeks; may be extended to 52 weeks.

The labor code requires employers to provide sick leave to employees not covered by social insurance.

**Maternity benefit:** 66% of the insured's earnings in the last three months is paid for six weeks before and six weeks after the expected date of childbirth.

The labor code requires employers to provide maternity leave to employees not covered by social insurance.

### **Workers' Medical Benefits**

Social Security Institute provides medical services directly to patients through its health facilities. Benefits include general and specialist care, surgery, hospitalization, necessary medicine, laboratory services, appliances, dental care, and maternity care including postpartum care for up to 45 days, which may be extended up to a total of 26 weeks.

The period of duration is dependent on continuing to meet the contribution requirements. If the insured person is unemployed, benefits are limited to 60 days of general care and six months of specialized care.

### **Dependents' Medical Benefits**

Benefits include maternity care for the insured's wife, including postpartum care for up to 45 days; pediatric care for the insured's children up to one month after reaching age 5, or up to 26 weeks after an insured's death.

### **Administrative Organization**

Secretariat of Labor and Social Security (<http://www.trabajo.gob.hn/>) provides general supervision.

Social Security Institute (<http://www.ihss.hn>), managed by a board of directors and director general, administers the program.

Social Security Institute operates its own hospitals and out-patient clinics and contracts the services of private clinics.

## **Work Injury**

### **Regulatory Framework**

**First and current law:** 1959 (social security), implemented in 1971.

**Type of program:** Social insurance system.

### **Coverage**

Public-sector employees and employees of firms in industry and commerce with one or more workers in specified regions.

Coverage is being extended gradually to additional regions. The labor code is still in force in regions to which social insurance has not yet been extended.

Exclusions: Self-employed persons and agricultural, household, family, and temporary workers.

### **Source of Funds**

**Insured person:** None.

**Self-employed person:** Not applicable.

**Employer:** 0.2% of payroll.

**Government:** None.

### **Qualifying Conditions**

**Work injury benefits:** There is no minimum qualifying period. An insured person who becomes unemployed must prove that the illness or incapacity is work-related and began no more than two months after employment ceases.

**Survivor benefits:** The deceased must have worked for at least a month in insured employment.

### **Temporary Disability Benefits**

For an assessed disability of 15% or less, 100% of the insured's daily wage is paid after a three-day waiting period until recovery, certification of permanent disability, or death.

The daily wage used to calculate benefits is subject to a maximum.

### **Permanent Disability Benefits**

**Permanent disability pension:** For an assessed degree of disability of greater than 65%, 70% of the insured's basic monthly earnings is paid.

Basic monthly earnings used to calculate the pension are 0.028% or 0.017% of insured earnings in the last three or five years, respectively, before the month of entitlement (whichever is greater).

Constant-attendance supplement: Up to 50% of the insured's pension is paid if the insured requires the constant attendance of others to perform daily functions.

## Honduras

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Partial disability: For an assessed degree of disability of 16% to 65%, a percentage of the full pension is paid according to the assessed degree of disability.

### **Workers' Medical Benefits**

Benefits include medical, surgical, and hospital care; medicine; and appliances.

### **Survivor Benefits**

**Survivor pension:** 40% of the pension the deceased received or was eligible to receive is paid to a widow(er) older than age 65 or disabled.

**Orphan's pension:** 20% of the pension the deceased received or was eligible to receive is paid to each orphan younger than age 14 (age 18 if a student, no limit if disabled); 40% for a full orphan.

**Dependent parent's pension:** If there is no widow(er) or orphan, 20% of the deceased's pension is paid to a mother of any age or a father older than age 65 or disabled.

All survivor benefits combined must not exceed 100% of the deceased's pension.

**Funeral grant:** 50% of the deceased's basic monthly earnings is paid. The minimum funeral grant is 125 lempiras if the deceased had made at least one contribution in the last six months.

Basic monthly earnings used to calculate the pension are 0.028% or 0.017% of insured earnings in the last three or five years, respectively, before the month of entitlement (whichever is greater).

### **Administrative Organization**

Secretariat of Labor and Social Security (<http://www.trabajo.gob.hn/>) provides general supervision.

Social Security Institute (<http://www.ihss.hn>), managed by a board of directors and director general, administers the program.

Social Security Institute operates its own outpatient clinics and hospitals.

## Jamaica

Exchange rate: US\$1.00 = 86.10 Jamaican dollars (J\$).

### Old Age, Disability, and Survivors

#### Regulatory Framework

**First law and current law:** 1965 (national insurance).

**Type of program:** Social insurance system.

Note: Government-financed social assistance benefits of J\$900 a month are provided to low-income and vulnerable persons older than age 60 and to low-income and vulnerable persons with disabilities.

#### Coverage

Employed and self-employed persons.

Voluntary coverage is available for persons older than age 18 and younger than the normal retirement age.

Exclusions: Casual workers and unpaid family labor.

#### Source of Funds

**Insured person:** 2.5% of covered earnings; household workers and military personnel, J\$25 a week; voluntarily insured persons, J\$50 a week.

The maximum earnings used to calculate contributions are J\$19,230 a week or J\$1,000,000 a year. (There are no maximum earnings used to calculate contributions for household workers.)

The insured's contributions also finance cash maternity benefits for household workers only.

Contributions are paid weekly, bimonthly, or monthly, depending on how the employee is paid.

**Self-employed person:** J\$50 a week plus 5% of covered annual earnings of J\$2,000 to J\$1,000,000.

**Employer:** 2.5% of covered payroll; for household workers and military personnel, J\$25 a week.

The maximum earnings used to calculate contributions are J\$19,230 a week or J\$1,000,000 a year.

The employer's contributions also finance work injury benefits.

**Government:** None; contributes as an employer.

#### Qualifying Conditions

**Old-age pension:** Age 65 (men) or age 60 (women, gradually rising to age 65 by 2016) with at least 1,443 weeks of paid contributions, including an annual average of 39 weeks of paid or credited contributions.

**Partial pension:** A reduced pension is paid for an annual average of 10 to 38 weeks of paid or credited contributions.

**Deferred pension:** A deferred pension is possible.

**Old-age settlement:** Paid if the insured does not meet the qualifying conditions for a pension but has at least 52 weeks or one year of paid or credited contributions. Employment must cease until age 70 (men) or age 65 (women, gradually rising to age 70 by 2016).

Old-age benefits are payable abroad on request if the insured resides abroad for at least a year.

**Disability pension:** The insured must be assessed as permanently incapable of work and have at least 156 weeks of paid contributions.

An independent medical advisor appointed by the Minister of Labor and Social Security assesses the disability and recommends the frequency of any reassessment of the disability.

**Disability settlement:** Paid if the insured does not meet the qualifying conditions for a pension but has at least 52 weeks or one year of paid contributions.

A doctor appointed by the Minister of Labor and Social Security assesses the disability.

Disability benefits are payable abroad for a limited period if the insured is absent from Jamaica to receive medical treatment.

**Survivor pension:** The deceased had an annual average of at least 10 weeks of paid or credited contributions or was a pensioner at the time of death.

Eligible survivors are a widow(er) aged 55 or older permanently incapable of work or caring for children younger than age 18 and full orphans younger than age 18. If eligible, widows may receive duplicate benefits based on their own earnings. A widow(er) younger than age 55 without children receives a limited pension for one year. The survivor must have been married to the deceased for at least three years or cohabiting with the deceased for at least five years.

Survivor benefits are payable abroad on request if the survivor resides abroad for at least a year.

**Survivor settlement:** Paid if the deceased did not meet the qualifying conditions for a pension but had at least 52 weeks of paid or credited contributions. The survivor must have been married or cohabiting with the deceased for at least five years.

**Special child's benefit:** Paid to a guardian caring for an illegitimate child younger than age 18 who is orphaned and whose deceased mother was eligible for a pension and whose father is dead or his whereabouts are unknown; a lump sum is paid if the deceased mother was not eligible for a pension.

**Funeral grant:** Paid if the deceased or the deceased's spouse received or was eligible to receive a pension at the time of death.

### **Old-Age Benefits**

**Old-age pension:** The benefit is J\$2,400 a week plus an earnings-related benefit of J\$0.06 a week for every J\$13 of employer/employee contributions paid during the working lifetime.

Partial pension: A reduced pension of J\$1,800 a week (with annual average contributions of 26 to 38 weeks) or J\$1,200 a week (with 10 to 25 weeks) is paid, plus an earnings-related benefit of J\$0.06 a week for every J\$13 of employer/employee contributions paid during the working lifetime.

Deferred pension: Calculated in the same way as the old-age pension.

Spouse's supplement: J\$800 a week is paid.

**Old-age settlement:** A lump sum of J\$40,000 is paid.

### **Permanent Disability Benefits**

**Disability pension:** If the insured has an assessed degree of disability of at least 10%, a basic benefit of between J\$320 and J\$3,200 a week is paid.

The maximum benefit is paid with an assessed degree of disability of 100%.

**Disability settlement:** A lump sum of nine times the maximum weekly basic old-age pension is paid.

### **Survivor Benefits**

**Survivor pension:** A basic benefit of J\$2,400 a week is paid if the deceased had an annual average of 39 weeks of paid or credited contributions (reduced to J\$1,800 a week with annual average contributions of 26 weeks to 38 weeks; J\$1,200 a week with 10 to 25 weeks) plus an earnings-related benefit of J\$0.06 a week for every J\$13 of employer/employee contributions paid during the working lifetime.

Remarriage settlement: A lump sum of a year's pension is paid.

**Survivor settlement:** A lump sum of J\$40,000 is paid.

**Orphan's pension:** J\$4,200 a week is paid for full orphans younger than age 18.

**Orphan's settlement:** A lump sum of J\$48,000 is paid for full orphans younger than age 18.

**Special child's benefit:** J\$4,200 a week is paid until the child is age 18; a lump sum of J\$48,000 is paid if the deceased mother was not eligible for a pension.

**Funeral grant:** A lump sum of J\$70,000 is paid to the person who pays for all or part of the cost of the funeral.

### **Administrative Organization**

Ministry of Labor and Social Security (<http://www.mlss.gov.jm>) administers the program through its National Insurance Division and local offices.

### **Sickness and Maternity**

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#### **Regulatory Framework**

**First and current laws:** 1965 (national insurance); and 2003 (national health insurance).

**Type of program:** Social insurance system. Cash maternity benefits and medical benefits.

#### **Coverage**

**Cash maternity benefits:** Female employees aged 18 or older who are residents of Jamaica.

Exclusions: Self-employed women.

**Medical benefits:** All residents of Jamaica.

#### **Source of Funds**

**Insured person:** See source of funds under Old Age, Disability, and Survivors.

**Self-employed person:** None for cash maternity benefits.

**Employer:** See source of funds under Old Age, Disability, and Survivors.

**Government:** See source of funds under Old Age, Disability, and Survivors.

Medical benefits are financed mainly from general taxation. The complementary universal National Health Fund is partially financed by earmarked taxes on tobacco and alcohol.

#### **Qualifying Conditions**

**Cash sickness benefits:** No statutory benefits are provided.

**Cash maternity benefits:** The insured must have at least 26 weeks of paid contributions in the 52 weeks before the expected date of childbirth.

**Medical benefits:** Must be a resident of Jamaica.

#### **Sickness and Maternity Benefits**

**Sickness benefit:** No statutory benefits are provided.

**Maternity benefit:** A benefit equal to the national weekly minimum wage is paid for eight weeks.

The national weekly minimum wage is J\$4,500.

#### **Workers' Medical Benefits**

Medical care is provided free or at a nominal cost in public dispensaries and hospitals. The National Health Fund

provides universal complementary coverage for prescription drugs for some chronic illnesses.

A complementary health insurance program, National Insurance Gold, offers additional health coverage for social insurance pensioners.

### **Dependents' Medical Benefits**

Medical care is provided free or at a nominal cost in public dispensaries and hospitals. The National Health Fund provides universal complementary coverage for prescription drugs for some chronic illnesses.

A complementary health insurance program, National Insurance Gold, offers additional health coverage for social insurance pensioners.

### **Administrative Organization**

Ministry of Labor and Social Security (<http://www.mlss.gov.jm>) administers the program through its National Insurance Division and local offices.

### **Work Injury**

#### **Regulatory Framework**

**First law:** 1938 (workmen's compensation).

**Current law:** 1965 (national insurance), implemented in 1970.

**Type of program:** Social insurance system.

#### **Coverage**

Employees aged 18 to 70 (men) or aged 18 to 65 (women).

Exclusions: Household workers, unpaid family labor, self-employed persons, and military personnel.

#### **Source of Funds**

**Insured person:** None.

**Self-employed person:** Not applicable.

**Employer:** See source of funds under Old Age, Disability, and Survivors.

**Government:** None; contributes as an employer.

#### **Qualifying Conditions**

**Work injury benefits:** There is no minimum qualifying period.

#### **Temporary Disability Benefits**

J\$3,200 a week is paid after a three-day waiting period, for up to 52 weeks.

### **Permanent Disability Benefits**

**Permanent disability pension:** If the insured has an assessed degree of disability of at least 10%, J\$320 to J\$3,200 a week is paid.

The maximum benefit is paid with an assessed degree of disability of 100%.

A medical board or medical appeal tribunal assesses the disability.

### **Workers' Medical Benefits**

Benefits include necessary medical and surgical treatment; rehabilitation; appliances; hospitalization; and drugs.

### **Survivor Benefits**

**Survivor benefit:** A lump sum of J\$166,400 is paid to a widow(er) of any age; if there is no widow(er), to the guardian of the deceased's children or a dependent mother aged 55 or older. If there is more than one child, the amount is split equally.

**Funeral grant:** A lump sum of J\$70,000 is paid to the person who pays for all or part of the funeral. The funeral grant is normally not paid for a death occurring abroad.

### **Administrative Organization**

Ministry of Labor and Social Security (<http://www.mlss.gov.jm>) administers the program through its National Insurance Division and local offices.

### **Family Allowances**

#### **Regulatory Framework**

**First law:** 1941.

**Current law:** 2001.

**Type of program:** Social assistance system.

#### **Coverage**

Low-income and vulnerable persons.

#### **Source of Funds**

**Insured person:** None.

**Self-employed person:** None.

**Employer:** None.

**Government:** The total cost.

#### **Qualifying Conditions**

**Family allowances:** Children younger than age 18, pregnant women, and nursing mothers. (Social assistance is also provided to persons older than age 60 or disabled, see Old Age, Disability, and Survivors.)

## Jamaica

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School-age children must maintain an 85% attendance level at school.

Pregnant women and nursing mothers must make regular visits to health centers.

### ***Family Allowance Benefits***

**Family allowances:** J\$900 a month is paid to each eligible family member.

Eligible persons are also entitled to receive in-kind benefits, including free school lunches, exemption from secondary school tuition fees, and free medical care at public health centers and hospitals.

### ***Administrative Organization***

Public Assistance Division of the Ministry of Labor and Social Security (<http://www.mlss.gov.jm>) assesses eligibility and administers social assistance benefits as part of the Programme of Advancement Through Health and Education (PATH).

## Mexico

Exchange rate: US\$1.00 = 11.74 new pesos.

### Old Age, Disability, and Survivors

#### Regulatory Framework

**First law:** 1943 (social insurance).

**Current laws:** 1973 (social insurance); and 1995 (individual accounts), implemented in 1997.

**Type of program:** Mandatory individual account and social insurance system.

#### Coverage

**Mandatory individual account:** All private-sector employees and cooperative members entering the labor force on or after July 1, 1997; members of cooperatives.

Special system for certain public-sector employees entering the labor force on or after April 1, 2007.

Voluntary coverage for self-employed persons, household workers, employers, tenant and community farmers, and small landowners.

**Social insurance:** Employees and members of certain cooperatives who were first covered before July 1, 1997.

Special systems for petroleum workers, certain public-sector employees, and military personnel.

At retirement, employees covered by the social insurance system before 1997 can choose to receive benefits from either the social insurance system or the mandatory individual account system.

**Social assistance:** Legal residents aged 70 or older, living in rural areas with less than 30,000 people.

#### Source of Funds

##### Insured person

**Mandatory individual account and social insurance:** 1.125% of covered earnings for old-age benefits plus 0.625% of covered earnings for disability and survivor benefits.

The minimum earnings used to calculate contributions are the legal monthly minimum wage in the insured's geographic area.

The maximum earnings used to calculate contributions are 25 times the legal monthly minimum wage in Mexico City.

The legal daily minimum wage in Mexico City is 59.82 pesos.

**Social assistance:** None.

##### Self-employed person

**Mandatory individual account and social insurance:** 6.275% of the legal daily minimum wage in Mexico City for old-age benefits plus 2.375% of the legal daily minimum wage in Mexico City for disability and survivor benefits.

The legal daily minimum wage in Mexico City is 59.82 pesos.

**Social assistance:** None.

##### Employer

**Mandatory individual account and social insurance:** 5.15% of covered payroll for old-age benefits plus 1.75% of covered payroll for disability and survivor benefits.

The minimum earnings used to calculate contributions are the legal monthly minimum wage in the insured's geographic area.

The maximum earnings used to calculate contributions are 25 times the legal monthly minimum wage in Mexico City.

The legal daily minimum wage in Mexico City is 59.82 pesos.

**Social assistance:** None.

**Government:** For social insurance old-age benefits, 0.225% of covered earnings plus an average flat-rate amount of 3.55 pesos (depending on the salary range) for each day the insured contributes; for disability and survivor benefits, 0.125% of covered earnings; finances the guaranteed minimum pension.

**Social assistance:** The total cost.

#### Qualifying Conditions

##### Mandatory individual account

**Old-age pension:** Age 65 with at least 1,250 weeks of contributions; with less than 1,250 weeks of contributions, the insured may continue contributing or receive a lump-sum benefit.

**Early pension:** Age 60 or older, not in remunerative employment, with at least 1,250 weeks of contributions. If the insured does not have the required number of weeks, the balance in the account may be paid as a lump sum.

**Guaranteed minimum pension:** Age 65 with at least 1,250 weeks of contributions and the pension (based on the value of the accumulated capital plus accrued interest) is less than the minimum pension.

The monthly minimum pension is 2,095.99 pesos.

**Unemployed worker's pension:** Age 60 to 64, with at least 1,250 weekly contributions, and unable to find suitable paid employment; with less than 1,250 weekly contributions, the balance in the account may be paid as a lump sum.

Benefits may be payable abroad; if leaving Mexico permanently, the pensioner may request a lump sum of two years of pension.

*Disability pension:* The insured has at least 150 weeks of contributions with an assessed loss of at least 75% of normal earning capacity; at least 250 weeks of contributions with an assessed loss of 50% to 74% of normal earning capacity.

Guaranteed minimum pension: The insured is eligible for a disability pension and the pension (based on the value of the accumulated capital plus accrued interest) is less than the minimum pension.

The monthly minimum pension is 2,095.99 pesos.

Constant attendance allowance: Paid if the insured requires the constant attendance of others to perform daily functions.

Social Security Institute assesses the loss of normal earning capacity.

Benefits may be payable abroad; if leaving Mexico permanently, the pensioner may request a lump sum of two years of pension.

*Survivor pension:* The insured was a pensioner or had at least 150 weeks of contributions at the time of death. The death must not be the result of an occupational injury.

Eligible survivors are a widow(er) or cohabiting partner with children; a widow(er) without children who was married to the deceased for at least six months, if the deceased was younger than age 55 at the date of marriage; at least 12 months if the deceased was aged 55 or older at the date of marriage or if the deceased was a pensioner. Other eligible survivors are a cohabiting partner without children who lived with the deceased for at least five years; children up to age 16 (age 25 if a student; no limit if with a disability); and parents if there are no other eligible survivors. All eligible survivors must have been dependent on the deceased.

Benefits may be payable abroad; if leaving Mexico permanently, the pensioner may request a lump sum of two years of pension.

*Funeral grant:* A funeral grant is provided with at least 12 weeks of contributions in the last nine months.

### Social insurance

*Old-age pension:* Age 65 with at least 500 weeks of contributions.

*Unemployed worker's pension:* Aged 60 to 64 with at least 500 weeks of contributions and unable to find suitable paid employment.

Employment must cease.

Old-age benefits may be payable abroad; if leaving Mexico permanently, the pensioner may request a lump sum of two years of pension.

*Disability pension:* The insured must be assessed with a 50% reduction in normal earning capacity and have 150 weeks of contributions. The insured may continue to work in a different job after a six month waiting period.

Constant attendance allowance: Paid if the insured requires the constant attendance of others to perform daily functions.

Mexican Social Security Institute assesses the level of reduced earning capacity.

*Survivor pension:* The insured was a pensioner or had at least 150 weeks of contributions at the time of death. The death must not be the result of an occupational injury.

Eligible survivors are a widow(er) or cohabiting partner with children; a widow(er) without children who was married to the deceased for at least six months if the deceased was younger than age 55 at the date of marriage; at least 12 months if the deceased was age 55 or older at the date of marriage or if the deceased was a pensioner. Other eligible survivors are a cohabiting partner without children who lived with the deceased for at least five years; children up to age 16 (age 25 if a student; no limit if disabled); and parents if there are no other eligible survivors. All eligible survivors must have been dependent on the deceased.

Benefits may be payable abroad; if leaving Mexico permanently, the pensioner may request a lump sum of two years of pension.

*Funeral grant:* The deceased had at least 12 weeks of contributions in the last nine months or was a pensioner at the time of death.

### Social Assistance

*Old-age grant:* Aged 70 or older and living in rural areas with less than 30,000 people.

*Survivor settlement:* Paid for the death of a beneficiary of the old-age grant to survivors named by the deceased.

### Old-Age Benefits

#### Old-age pension

*Mandatory individual account:* The monthly benefit depends on the value of the accumulated capital plus accrued interest. At retirement, the insured can either purchase an annuity or make programmed withdrawals regulated to guarantee income for their expected lifespan.

Guaranteed minimum pension: If the monthly benefit is less than the minimum pension set by law, the government makes up the difference.

The monthly minimum pension is 2,095.99 pesos.

*Unemployed worker's pension:* The monthly benefit depends on the value of the accumulated capital plus accrued interest. At retirement, the insured can either purchase an annuity or make programmed withdrawals regulated to guarantee income for their expected lifespan.



Benefit adjustment: Benefits are adjusted annually in February according to changes in the price index.

**Social insurance:** The monthly benefit is a variable percentage (inversely proportional to earnings) of the insured's average earnings in the last 250 weeks of contributions plus an increment for each year of contributions exceeding 500 weeks. The pension is increased by 15% if the insured is assessed as requiring assistance.

Dependent's supplement: 15% of the insured's pension is paid for a wife or partner and 10% is paid for each child younger than age 16 (age 25 if a student, no limit if disabled). If there is no wife, partner, or children, 10% is paid for each dependent parent.

**Unemployed worker's pension:** Calculated in the same way as the social insurance old-age pension.

Guaranteed minimum pension: If the monthly benefit is less than the minimum pension set by law, the government makes up the difference.

The monthly minimum pension is 2,095.99 pesos.

Christmas bonus: A month of pension without supplements is paid.

Benefit adjustment: Benefits are adjusted annually in February according to changes in the price index.

### Social assistance

**Old-age grant:** A bimonthly pension of 1,000 pesos is paid.

## Permanent Disability Benefits

### Disability pension

**Mandatory individual account and social insurance:** The monthly benefit is 35% of the insured's average adjusted earnings in the last 250 weeks of contributions.

Dependent's supplement: 15% of the insured's pension is paid for a wife or partner and 10% is paid for each child younger than age 16 (age 25 if a student, no limit if disabled). If there is no wife, partner, or child, 10% is paid for each dependent parent.

Constant attendance allowance: Up to 20% of the insured's pension is paid.

Guaranteed minimum pension: If the monthly benefit is less than the minimum pension set by law, the government makes up the difference.

The monthly minimum pension is 1,819.53 pesos.

Christmas bonus: A month of pension without supplements is paid.

Benefit adjustment: Benefits are adjusted annually in February according to changes in the price index.

For the mandatory individual account, if the insured is eligible for a disability pension and the pension (based on the value of the accumulated capital plus accrued interest) is greater than the minimum pension, the insured may

withdraw the sum exceeding the amount needed for the minimum pension.

## Survivor Benefits

**Survivor pension (mandatory individual account and social insurance):** 90% of the pension the deceased received or was eligible to receive based on the individual account is paid.

The survivor pension ceases if the widow(er) or partner remarries or cohabits with a new partner, and a lump sum is paid.

Remarriage settlement: A lump sum of three years of pension is paid.

Constant attendance allowance: Up to 20% of the pension may be paid to a widow(er) or a partner.

**Orphan's pension (mandatory individual account and social insurance):** 20% of the deceased's pension is paid for each orphan younger than age 16 (age 25 if a student, no limit if disabled); 30% for a full orphan. When eligibility ceases, a final benefit of three months of the deceased's pension is paid to orphans.

**Other eligible survivors (mandatory individual account and social insurance):** If there is no widow(er), partner, or child, 20% of the deceased's pension is paid for each other eligible survivor.

All survivor benefits combined must not exceed 100% of the disability pension the deceased received or was eligible to receive.

The amount paid may be recalculated if the number of eligible survivors changes.

Survivor pensions are payable abroad under bilateral agreement.

**Funeral grant:** A lump sum of twice the legal monthly minimum wage in Mexico City is paid.

The legal daily minimum wage in Mexico City is 59.82 pesos.

Benefit adjustment: Benefits are adjusted annually in February according to changes in the price index.

### Social assistance

**Survivor settlement:** A lump sum of 1,000 pesos is paid to eligible survivors.

## Administrative Organization

**Mandatory individual account:** Mexican Social Security Institute (<http://www.imss.gob.mx>), managed by a general assembly, technical council, oversight commission, and director general, oversees the program.

National Commission for the Retirement Savings System (<http://www.consar.gob.mx>) supervises the pension fund management companies.

## Mexico

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Individual pension fund management companies administer the individual capitalization accounts.

**Social insurance:** Mexican Social Security Institute (<http://www.imss.gob.mx>), managed by a general assembly, technical council, oversight commission, and director general, administers the program through regional and local boards.

### Sickness and Maternity

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#### Regulatory Framework

**First law:** 1943 (social insurance).

**Current law:** 1995 (social insurance).

**Type of program:** Social insurance system.

Note: The Oportunidades program, a social assistance program financed by the government, provides medical services to needy persons without access to social security services, especially in rural and marginalized urban areas. Benefits are provided through rural hospitals and medical units and include reproductive health, gynecology, and chronic disease care; medical services for infants and youths; nutritional support and vaccinations.

#### Coverage

##### Cash benefits

All private-sector employees; members of cooperatives. Voluntary coverage is not permitted.

##### Medical benefits

All private-sector employees; members of cooperatives. Voluntary coverage for public-sector employees who are not covered under other schemes, self-employed persons, household workers, employers, tenant and community farmers, and small landowners.

#### Source of Funds

##### Insured person

**Cash benefits:** 0.25% of covered monthly earnings.

**Medical benefits:** 0.40% of the difference between covered earnings and three times the legal monthly minimum wage in Mexico City plus 0.375% of covered monthly earnings for pensioners' medical benefits.

Voluntary contributors pay a flat rate of 20.40% of the legal monthly minimum wage in Mexico City.

The minimum earnings used to calculate contributions are the legal monthly minimum wage in the insured's geographic area.

The maximum earnings used to calculate contributions are 25 times the legal monthly minimum wage in Mexico City.

The legal daily minimum wage in Mexico City is 59.82 pesos.

#### Self-employed person

**Cash benefits:** 1.45% of the legal monthly minimum wage in Mexico City for pensioner's cash benefits.

**Medical benefits:** A flat rate of 20.40% of the legal monthly minimum wage in Mexico City.

The legal daily minimum wage in Mexico City is 59.82 pesos.

#### Employer

**Cash benefits:** 0.70% of covered monthly payroll; plus 1.45% of the legal monthly minimum wage in Mexico City for pensioner's cash benefits.

**Medical benefits:** A flat rate of 20.40% of the legal monthly minimum wage in Mexico City per employee; plus 1.1% of covered earnings greater than three times the legal monthly minimum wage in Mexico City.

The minimum earnings used to calculate contributions are the legal monthly minimum wage in the insured's geographic area.

The maximum earnings used to calculate contributions are 25 times the legal monthly minimum wage in Mexico City.

The legal daily minimum wage in Mexico City is 59.82 pesos.

#### Government

**Cash benefits:** 0.05% of covered monthly earnings plus 0.075% of covered monthly earnings for pensioner's cash benefits.

**Medical benefits:** A monthly flat-rate of 8.72 pesos per covered day per insured person.

The minimum earnings used to calculate contributions are the legal monthly minimum wage in the insured's geographic area.

The maximum earnings used to calculate contributions are 25 times the legal monthly minimum wage in Mexico City.

The legal daily minimum wage in Mexico City is 59.82 pesos.

#### Qualifying Conditions

**Cash sickness benefits:** The insured must have at least four weeks of contributions immediately before the incapacity began; for casual workers, at least six weeks of contributions in the last four months before the onset of the incapacity or sickness.

Coverage for medical benefits only is extended for up to eight weeks after covered employment ceases if the insured had at least eight continuous weeks of contributions prior to leave.

**Cash maternity benefits:** The insured must have at least 30 weeks of contributions in the 12 months before the benefit is first paid; the Social Security Institute must

confirm the pregnancy and approximate due date; and the insured must not work for 42 days before and 42 days after childbirth.

**Medical benefits:** Must be currently insured, a pensioner, or an eligible dependent.

### **Sickness and Maternity Benefits**

**Sickness benefit:** 60% of the insured's covered monthly earnings at the onset of the illness is paid after a three-day waiting period for up to 52 weeks; may be extended in some cases to 78 weeks.

**Maternity benefit:** 100% of the insured's covered monthly earnings is paid for 42 days before and 42 days after the expected date of childbirth.

Nursing allowance: In-kind assistance is provided for up to six months after childbirth. A layette (clothing and other necessities for the newborn) is also provided.

### **Workers' Medical Benefits**

Medical services are normally provided directly to patients through the health facilities of the Social Security Institute; the Institute reimburses the costs of services when it cannot provide them directly. Benefits include general, maternity, dental, and specialist care; surgery; hospitalization or care in a convalescent home; medicine; laboratory services; and dental care. Benefits are paid for 52 weeks; may be extended an additional 52 weeks.

### **Dependents' Medical Benefits**

Medical benefits for dependents are the same as those for the insured.

### **Administrative Organization**

Mexican Social Security Institute (<http://www.imss.gob.mx>), managed by a general assembly, technical council, oversight commission, and director general, administers the program through regional and local boards.

Mexican Social Security Institute operates its own hospitals, clinics, pharmacies, and other medical facilities and also contracts for the use of some facilities.

### **Work Injury**

#### **Regulatory Framework**

**First law:** 1943.

**Current law:** 1995 (social insurance), implemented in 1997.

**Type of program:** Social insurance system.

#### **Coverage**

All private-sector employees; members of cooperatives; and certain members of the federal executive.

Voluntary coverage for public-sector employees who are not covered under other schemes; self-employed persons; household workers (ineligible for cash benefits); and employers.

### **Source of Funds**

**Insured person:** None.

**Self-employed person:** None.

**Employer:** The total cost; contributions of 0.5% to 15% of payroll according to the assessed degree of risk.

The minimum earnings used to calculate contributions are the legal monthly minimum wage in the insured's geographic area.

The maximum earnings used to calculate contributions are 25 times the legal monthly minimum wage in Mexico City.

The legal daily minimum wage in Mexico City is 59.82 pesos.

**Government:** None.

### **Qualifying Conditions**

**Work injury benefits:** There is no minimum qualifying period. Accidents that occur while commuting to and from work are covered.

### **Temporary Disability Benefits**

100% of the insured's covered monthly earnings is paid from the first day of disability until the insured is certified with a permanent disability (which should take place within 52 weeks).

### **Permanent Disability Benefits**

**Permanent disability pension:** For a total (100%) disability, 70% of the insured's earnings before the disability began is paid.

Partial disability: With an assessed degree of disability greater than 50%, a percentage of the full pension is paid according to the assessed degree of disability. If the assessed degree of disability is 26% to 50%, a percentage of the full pension is paid according to the assessed degree of disability or a lump sum of five years of pension is paid. If the assessed degree of disability is 25% or less, a lump sum of five years of pension is paid.

Christmas bonus: A supplement of 15 days of pension is paid if the assessed degree of disability is greater than 50%.

An initial pension is paid for two years; thereafter, must be certified with a permanent disability.

Benefit adjustment: Benefits are adjusted annually in February according to changes in the price index.

### **Workers' Medical Benefits**

Benefits include preventive, general, surgical, and hospital care; medicine; rehabilitation; transport; appliances; and orthopedics.

### **Survivor Benefits**

**Survivor pension:** 40% of the deceased's permanent disability pension is paid to a widow(er) or partner.

The pension ceases if the widow(er) or partner remarries or cohabits with a new partner, and a lump sum is paid.

Remarriage settlement: A lump sum of three years of pension is paid.

**Orphan's pension:** 20% of the deceased's pension is paid for each orphan younger than age 16 (age 25 if a student, no limit if disabled); 30% for a full orphan. When eligibility ceases, orphans receive a final benefit of three months of the deceased's pension.

**Other eligible survivors:** If there is no widow(er) or orphan 20% of the deceased's pension is paid to each eligible mother or father.

The amount paid may be recalculated if the number of eligible survivors changes.

Christmas bonus: A supplement of 15 days of pension is paid.

Benefits may be payable abroad; if leaving Mexico permanently, the pensioner may request a lump sum of two years of pension.

**Funeral grant:** A lump sum of two months of the legal minimum wage in Mexico City is paid.

The legal daily minimum wage in Mexico City is 59.82 pesos.

Benefit adjustment: Benefits are adjusted annually in February according to changes in the price index.

### **Administrative Organization**

Mexican Social Security Institute (<http://www.imss.gob.mx>), managed by a general assembly, technical council, oversight commission, and director general, administers the program through regional and local boards.

### **Unemployment**

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#### **Regulatory Framework**

Labor law requires employers to pay dismissed employees a lump sum of three months of pay plus 20 days of pay for each year of service.

Unemployed persons with at least five years of contributions may withdraw an amount equal to 90 days of their average earnings in the last 250 weeks of contributions or 11% of the individual account balance, whichever is lower.

Unemployed persons with three to five years of contributions and at least 12 bi-monthly contributions to the Social Security Institute may withdraw an amount equal to 30 days of their covered earnings used to calculate contributions, up to 10 times the legal monthly minimum wage in Mexico City.

The legal daily minimum wage in Mexico City is 59.82 pesos.

One withdrawal is permitted every five years.

When the insured persons returns to work, the amount withdrawn during unemployment may be replaced and the number of contribution weeks recuperated.

### **Family Allowances**

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#### **Regulatory Framework**

**First law:** 1973.

**Current law:** 1995 (social security), implemented in 1997.

**Type of program:** Social insurance system.

#### **Coverage**

**Family assistance:** Persons assessed as needy.

Exclusions: Self-employed persons, household workers, public-sector employees not covered by other laws, family labor, and employers.

**Day care center:** Insured mothers who are employed, widowers or divorced fathers who have not remarried and who have the legal custody of children, and employed persons who have legal custody of children and are unable to provide day care.

Children must be aged 43 days to 4 years.

**Marriage grant:** Insured men and women.

**Social benefits:** All persons residing in Mexico.

#### **Source of Funds**

**Insured person:** None.

**Self-employed person:** Not applicable.

**Employer:** 1% of covered payroll.

The minimum earnings used to calculate contributions are the legal monthly minimum wage in the insured's geographic area.

The maximum earnings used to calculate contributions are 25 times the legal monthly minimum wage in Mexico City.

The legal daily minimum wage in Mexico City is 59.82 pesos.

**Government:** None.

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### **Qualifying Conditions**

**Family assistance (means-tested):** The person or family must be assessed as needy.

**Day care center:** The mother, widow(er), divorced father or guardian of the child is in covered employment. Care is provided for a child from the 43rd day after birth up to age 4.

**Marriage grant:** Paid to an insured man or woman not previously married with at least 150 weeks of contributions to the old-age, disability, and survivors scheme.

**Social benefits:** The person must reside in Mexico.

### **Family Allowance Benefits**

**Family assistance (means-tested):** Cash benefits are provided.

**Day care center:** Child day care facilities are provided.

**Marriage grant:** A lump sum of 30 days of the legal daily minimum wage in Mexico City is financed by the individual account.

The legal daily minimum wage in Mexico City is 59.82 pesos.

**Social benefits:** Preventive health care services are provided.

### **Administrative Organization**

Mexican Social Security Institute (<http://www.imss.gob.mx>), managed by a general assembly, technical council, oversight commission, and director general, administers the program through regional and local boards.

## Nicaragua

Exchange rate: US\$1.00 = 22.42 cordobas.

### Old Age, Disability, and Survivors

#### Regulatory Framework

**First law:** 1956 (social security), implemented in 1957.

**Current law:** 1982 (social security).

**Type of program:** Social insurance system.

#### Coverage

Public- and private-sector employees older than age 16.

Voluntary coverage for self-employed persons, workers who were previously covered by the program, clergy, and employers.

Exclusions: Seasonal agricultural workers, military personnel (including police), and household workers.

Noncontributory system for war victims who have never contributed to the social insurance system but who have performed services for the country, and other groups, including needy persons and miners.

#### Source of Funds

**Insured person:** 4% of covered earnings. The voluntarily insured contribute either 10% of declared earnings (old-age, disability, and survivor benefits and dependent supplements) or 18.25% of declared earnings (old-age, disability, and survivor benefits and dependent supplements; sickness and maternity benefits; and family allowances).

The minimum earnings used to calculate contributions are the minimum wage.

The legal monthly minimum wage ranges from 1,891.29 cordobas (agricultural sector) to 4,313.12 cordobas (construction, financial, and insurance sectors).

The maximum earnings used to calculate contributions are 37,518 cordobas.

The insured's contributions also finance family allowances.

**Self-employed person:** 10% of declared earnings (old-age, disability, and survivor benefits and dependent supplements) or 18.25% of declared earnings (old-age, disability, and survivor benefits and dependent supplements, sickness and maternity benefits, and family allowances). Clergy contribute 7.60% of declared earnings for old-age, disability, and survivor benefits.

The minimum earnings used to calculate contributions are 3,249.95 cordobas.

The maximum earnings used to calculate contributions are 37,518 cordobas.

**Employer:** 7% of covered payroll.

**Government:** None; contributes as an employer.

#### Qualifying Conditions

**Old-age pension:** Age 60 with at least 750 weeks of contributions. Those who joined the social insurance system after age 45 must have half the number of weeks from the date coverage began until the pensionable age, with at least 250 weeks of contributions.

Age 55 for miners and those in arduous work with at least 15 years of contributions. Age 55 for teachers with at least 1,500 weeks of contributions (men) or 750 weeks of contributions (women).

**Deferred pension:** The pension may be deferred until age 65.

**Constant-attendance allowance:** Paid if the insured requires the constant attendance of others to perform daily functions.

**Dependent's supplement:** Paid for a wife or disabled husband, children younger than age 15 (age 21 if student, no limit if disabled), and dependent relatives older than age 60 or disabled.

A working pensioner may receive a pension and a salary but must pay contributions to the program. The salary must not exceed the amount of pension.

Old-age pensions are not payable abroad.

**Disability pension:** The insured must have at least 150 weeks of contributions in the last six years and be assessed with at least a 67% loss of earning capacity (total disability) or a 50% to 66% loss of earning capacity (partial disability).

**Constant-attendance allowance:** Paid if the insured requires the constant attendance of others to perform daily functions.

**Dependent's supplement:** Paid if the insured is assessed with a total disability. The supplement is paid for a wife or disabled husband, children younger than age 15 (age 21 if student, no limit if disabled), and dependent relatives older than age 60 or disabled.

The disability pension is replaced by the old-age pension at age 60. If the insured is ineligible for the old-age pension, a partial disability pension is increased to the value of the total disability benefit at age 60 if the beneficiary retires from all gainful employment.

The assessed loss of earning capacity is reviewed every three years.

Disability pensions are not payable abroad.

**Survivor pension:** The deceased received or was eligible to receive an old-age or disability pension.

Eligible survivors include a widow or a dependent, disabled widower, orphans younger than age 15 (age 21 if a student, no limit if disabled), and, if there are no other survivors, other dependent relatives older than age 60 or disabled.

The widow(er)'s pension ceases on remarriage or cohabitation and a lump sum is paid.

Survivor pensions are not payable abroad.

**Funeral grant:** The deceased had at least four weeks of contributions in the 26 weeks before death.

### **Old-Age Benefits**

**Old-age pension:** The pension is 40% of the insured's average earnings (45% if average earnings are less than twice the minimum wage) plus 1.365% (1.591% if average earnings are less than twice the minimum wage) for each additional 50-week period of contributions exceeding 150 weeks.

The insured's average earnings are the average of the insured's last 250 weeks of contributions or the 250 weeks before the last 250 weeks of earnings (whichever were greater) multiplied by 4.08.

For insured persons with 1,000 to 1,249 weeks of contributions, the insured's average earnings may be calculated based on the average of the insured's last 200 weeks of contributions multiplied by 4.08; with at least 1,250 weeks of contributions, the average of the last 150 weeks of contributions multiplied by 4.08.

Deferred pension: The pension is increased by 1% for each 50-week period of contributions after age 60, up to 5%.

The maximum monthly old-age pension is 80% of average earnings if the insured's average earnings are more than twice the minimum wage; 100% if the insured's average earnings are less than twice the minimum wage.

Constant-attendance allowance: 20% of the total disability pension is paid.

Dependent's supplement: 15% of the old-age pension is paid for a wife or disabled husband; 10% for each child younger than age 15 (age 21 if student, no limit if disabled); and 10% for dependent parents older than age 60 or disabled.

Schedule of payments: Benefits are paid monthly, with an additional payment made each Christmas.

Benefit adjustment: Benefits are adjusted periodically according to changes in wages, depending on national economic conditions.

### **Permanent Disability Benefits**

**Disability pension:** For a total disability, the pension is 40% of the insured's average earnings (45% if average earnings are less than twice the minimum wage) plus 1.365% (1.59% if average earnings are less than twice the minimum wage) for each additional 50-week period of contributions

exceeding 150 weeks. For a partial disability, the pension is 50% of the total disability pension is paid.

The insured's average earnings are the average of the insured's last 150 weeks of contributions multiplied by 4.08.

If the insured has a spouse and children, the total disability pension must not be less than 50% of the insured's average earnings.

The maximum partial disability pension must be greater than 33% but less than 50% of the minimum wage in the insured's occupation.

Constant-attendance allowance: 20% of the total disability pension is paid.

Dependent's supplement: 15% of the old-age pension is paid for a wife or disabled husband; 10% for each child younger than age 15 (age 21 if a student, no limit if disabled); and 10% for dependent parents older than age 60 or disabled.

The legal monthly minimum wage ranges from 1,891.29 (agricultural sector) to 4,313.12 cordobas (construction, financial, and insurance sectors).

Schedule of payments: Benefits are paid monthly, with an additional payment made each Christmas.

Benefit adjustment: Benefits are adjusted periodically according to changes in wages, depending on national economic conditions.

### **Survivor Benefits**

**Survivor pension:** 50% of the deceased's pension is paid to a widow aged 45 or older or disabled or to a widower aged 60 or older or dependent and disabled. A pension is paid to a widow younger than age 45 for a limited period of two years or for as long as she is caring for a child receiving an orphan's pension.

Remarriage and cohabitation settlement: A lump sum of 12 months of pension is paid.

**Orphan's pension:** 25% of the deceased's pension is paid to each eligible orphan; 50% for a full orphan.

The maximum survivor pension for a widow(er) with two or more children must not exceed 100% of the deceased's pension.

Dependent relatives' pension: If there are no other eligible survivors, 50% of the deceased's pension is paid to a dependent relative older than age 60 or disabled.

**Funeral grant:** The cost of the funeral or 50% of the deceased's monthly wage is paid.

Benefit adjustment: Benefits are adjusted periodically for wage changes, depending on national economic conditions.

### **Administrative Organization**

Nicaraguan Institute of Social Security (<http://www.inss.gob.ni>) administers the program.

## **Sickness and Maternity**

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### **Regulatory Framework**

**First law:** 1956 (social security), implemented in 1957.

**Current law:** 1982 (social security).

**Type of program:** Social insurance (cash benefits) and universal (medical benefits) system.

### **Coverage**

**Cash benefits:** All persons receiving remuneration for work or services rendered.

Voluntary coverage for self-employed persons, ranchers, clergy, employers, and unpaid family members working for family-owned companies.

Exclusions: Military personnel, including police.

**Medical benefits:** Insured persons and their dependents (children up to age 12; wife of insured, maternity care) and old-age pensioners.

### **Source of Funds**

**Insured person:** 2.25% of covered earnings.

The minimum earnings used to calculate contributions are the minimum wage.

The legal monthly minimum wage ranges from 1,891.29 cordobas (agricultural sector) to 4,313.12 cordobas (construction, financial, and insurance sectors).

The maximum earnings used to calculate contributions are 37,518 cordobas.

**Self-employed person:** 8.25% of covered earnings.

The minimum earnings used to calculate contributions are 3,249.95 cordobas.

The maximum earnings used to calculate contributions are 37,518 cordobas.

**Employer:** 6% of covered payroll.

**Government:** 0.25% of covered earnings.

### **Qualifying Conditions**

**Cash sickness benefits:** The insured must have at least eight weeks of contributions in the last 22 weeks. Insured persons with at least eight weeks of contributions in the last 22 weeks who become unemployed are covered for 14 weeks after employment ceases.

No benefits are paid if the insured is caring for a sick family member.

**Cash maternity benefits:** The insured must have at least 16 weeks of contributions in the 39 weeks before the expected date of childbirth. Insured women with at least eight weeks of contributions in the last 22 weeks

who become unemployed are covered for 14 weeks after employment ceases.

**Medical benefits:** The insured must have at least eight weeks of contributions in the last 22 weeks or be an old-age pensioner (contributory or noncontributory).

### **Sickness and Maternity Benefits**

**Sickness benefit:** 60% of the insured's average earnings in the last eight weeks is paid after a three-day waiting period (waived if hospitalized) for up to 52 weeks.

**Maternity benefit:** 60% of the insured's average earnings in the last eight weeks is paid for four weeks before and eight weeks after the expected date of childbirth.

Nursing allowance: Milk is provided in the first six months of the child's life.

### **Workers' Medical Benefits**

Medical services, including medicine and hospitalization, are provided directly to patients, depending on available resources. Pregnant insured women receive maternity care.

There is no limit to duration.

### **Dependents' Medical Benefits**

Medical services are provided directly to patients, depending on available resources. Old-age pensioners (contributory and noncontributory) receive medical care for 77 illnesses and seven types of surgical treatment, according to the law.

### **Administrative Organization**

Nicaraguan Institute of Social Security (<http://www.inss.gov.ni>) administers the program.

Medical care and cash benefits are delivered through public and private institutions.

## **Work Injury**

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### **Regulatory Framework**

**First law:** 1945 (labor code).

**Current law:** 1982 (social security).

**Type of program:** Social insurance system.

### **Coverage**

All persons receiving remuneration for work or services rendered.

Exclusions: Self-employed persons.

### **Source of Funds**

**Insured person:** None.

**Self-employed person:** Not applicable.



**Employer:** 1.5% of covered payroll (plus 1.5% of covered payroll for war victims' pensions).

The maximum earnings used to calculate contributions are 37,518 cordobas.

**Government:** None; contributes as an employer.

### **Qualifying Conditions**

**Work injury benefits:** There is no minimum qualifying period.

### **Temporary Disability Benefits**

60% of earnings in the last eight weeks of contributions is paid from the day after the disability began until medical care ceases or the insured is certified with a permanent disability. (The employer pays the benefit for the first day of disability.)

#### Permanent Disability Benefits

**Permanent disability pension:** For a total disability, the pension is 40% of the insured's average earnings (45% if average earnings are less than twice the minimum wage) plus 1.365% (1.59% if average earnings are less than twice the minimum wage) for each additional 50-week period of contributions exceeding 150 weeks.

The insured's average earnings are the average of the insured's last 150 weeks of contributions (or less if the insured does not have 150 weeks of contributions) multiplied by 4.08.

The minimum monthly pension (total disability) is 60% of the insured's earnings.

**Constant-attendance allowance:** 20% of the total disability pension is paid if the insured requires the constant attendance of others to perform daily functions.

**Dependent's supplement (total disability):** 15% of the old-age pension is paid for a wife or disabled husband; 10% for each child younger than age 15 (age 21 if student, no limit if disabled); and 10% for dependent relatives older than age 60 or disabled.

**Partial disability:** A percentage of the full pension is paid according to the assessed degree of disability.

**Noncontributory pension:** Special pensions are provided for total and partial disability for prescribed categories of worker.

### **Workers' Medical Benefits**

Medical benefits are provided for work injuries and occupational diseases.

### **Survivor Benefits**

**Survivor pension:** The minimum pension is 50% of the deceased's earnings used to calculate the permanent

disability pension. The pension is paid to a widow or a dependent, disabled widower.

**Orphan's pension:** 25% of the deceased's pension is paid to each orphan younger than age 15 (age 21 if a student, no limit if disabled); 50% for a full orphan.

**Other dependent survivors:** If there are no other eligible survivors, 25% of the deceased's pension is paid to each dependent survivor.

All survivor benefits combined must not exceed 100% of the deceased's pension.

**Funeral grant:** 50% of the deceased's average monthly salary is paid.

### **Administrative Organization**

Nicaraguan Institute of Social Security (<http://www.inss.gov.ni>) administers the program.

### **Family Allowances**

#### **Regulatory Framework**

**First law:** 1956 (social security), implemented in 1957.

**Current law:** 1982 (social security).

**Type of program:** Social insurance system.

#### **Coverage**

All persons receiving remuneration for work or services rendered.

Voluntary coverage for self-employed persons, workers who were previously covered by the program, clergy, employers, and unpaid family members working for family-owned companies.

**Exclusions:** Seasonal agricultural workers and military personnel.

#### **Source of Funds**

**Insured person:** See source of funds under Old Age, Disability, and Survivors.

**Self-employed person:** See source of funds under Old Age, Disability, and Survivors.

**Employer:** See source of funds under Old Age, Disability, and Survivors.

**Government:** See source of funds under Old Age, Disability, and Survivors.

#### **Qualifying Conditions**

**Family allowances (earnings-tested):** The child must be younger than age 15; age 21 if a student.

***Family Allowance Benefits***

**Family allowances (earnings-tested):** Monthly allowances vary according to family earnings and the age of the child.

***Administrative Organization***

Nicaraguan Institute of Social Security (<http://www.inss.gob.ni>) administers the program.

## Panama

Exchange rate: US\$1.00 = 1.00 balboa.

### Old Age, Disability, and Survivors

#### Regulatory Framework

**First law:** 1941.

**Current law:** 2005 (social insurance).

**Type of program:** Social insurance and individual account system.

Note: In January 2008, a system of individual accounts was introduced as a supplement to the social insurance system. The mixed system is mandatory for all new entrants to the labor force since 2008 and self-employed persons who were younger than age 35 on January 1, 2007, who earn more than 500 balboas a month.

#### Coverage

**Social Insurance:** Public- and private-sector employees, including citizens working abroad; casual, seasonal, and household workers; and certain self-employed persons.

Voluntary coverage for persons not subject to compulsory coverage.

**Individual Account:** Public- and private-sector employees with gross monthly earnings greater than 500 balboas, including citizens working abroad; casual, seasonal, and household workers; and certain self-employed persons.

Exclusion: Workers with monthly earnings less than 500 balboas.

#### Source of Funds

##### Insured person:

**Social insurance only:** 8.5% (9.25% as of 2013) of gross monthly earnings of 500 balboas or less. The voluntarily insured contribute 12.5% (13.5% as of 2013) of gross monthly earnings of 500 balboas or less.

*Social insurance and individual account:* 8.5% (9.25% as of 2013) of the first 500 balboas to social insurance and 7.41% (8.16% as of 2013) of gross monthly earnings above 500 balboas to the individual account.

The insured's contribution to the individual account includes 1% of the earnings above 500 balboas for collective old-age and disability insurance and 0.0875% of the earnings above 500 balboas for the solidarity contribution.

The minimum earnings used to calculate contributions are the legal monthly minimum wage.

There are no maximum earnings used to calculate contributions.

##### Self-employed person:

**Social insurance only:** 12.5% (13.5% as of 2013) of gross declared monthly earnings of 500 balboas or less.

*Social insurance and individual account:* 12.5% (13.5% as of 2013) of the first 500 balboas to social insurance and 11.41% (12.41% as of 2013) of gross monthly earnings above 500 balboas to the individual account.

The insured's contribution to the individual account includes 1% of the earnings above 500 balboas for collective old-age and disability insurance and 0.0875% of the earnings above 500 balboas for the solidarity contribution.

The minimum earnings used to calculate contributions are the legal monthly minimum wage.

There are no maximum earnings used to calculate contributions.

##### Employer:

**Social insurance only:** 4% (4.25% as of 2013) of gross monthly payroll if the employee has gross monthly earnings of 500 balboas or less.

*Social insurance and individual account:* 4% (4.25% as of 2013) of the first 500 balboas to social insurance and 4% (4.25% as of 2013) of the payroll above 500 balboas to the individual account if the employee has gross monthly earnings greater than 500 balboas.

The minimum earnings used to calculate contributions are the legal monthly minimum wage.

There are no maximum earnings used to calculate contributions.

**Government:** An annual subsidy of 20.5 million balboas; a deposit of 100 million balboas a year to a reserve fund for old age, disability, and survivors social insurance benefits (140 million balboas a year from 2013 to 2060).

#### Qualifying Conditions

**Old-age pension (social insurance and individual account):** Age 62 (men) or age 57 (women) with at least 18 years of contributions (20 years as of 2013); with 10 to 15 years of contributions for seasonal agricultural and construction workers. Employment must cease.

Early pension (social insurance): Age 60 (men) or age 55 (women) with at least 15 years of contributions.

Partial pension (social insurance): Age 62 (men) or age 57 (women) with 15 years to 215 months of contributions (15 years to 239 months in 2013).

Early partial pension (social insurance): Age 60 (men) or age 55 (women) with 15 years to 215 months of contributions (15 years to 239 months in 2013).

Deferred pension (social insurance): A deferred pension is possible.

Dependent's supplement: Paid at the normal retirement age to old-age pensioners with dependent family members. The supplement is paid in addition to the pension.

The pension is payable abroad.

**Old-age settlement (social insurance and individual account):** Paid at the normal retirement age if the insured does not meet the contribution conditions for an old-age pension.

**Disability pension (social insurance and individual account):** Paid for at least a 66.7% loss of earning capacity. Up to age 30 with at least three years of contributions, including at least 18 months in the last three years; aged 31 to 40 with at least four years of contributions, including at least two years in the last four years; older than age 40 but younger than the normal age of retirement with at least five years of contributions, including at least 30 months in the last five years; or at any age younger than the normal retirement age with at least 18 years of contributions (20 years as of 2013).

The pension is paid for up to two years (may be extended) and the assessed degree of disability may be reviewed at any time when requested by the insured or the Social Insurance Fund.

The Medical Qualification Commission assesses the degree of disability.

The disability pension is payable abroad.

**Disability grant (social insurance and individual account):** Paid if the insured does not meet the qualifying conditions for a full pension.

**Survivor pension (social insurance):** The insured was an old-age or disability pensioner or had at least three years of contributions, including at least 18 months in the last three years before the death.

Eligible survivors include a widow(er) and orphans younger than age 14 (age 18 if a student, no limit if disabled); if there are no other survivors, the mother and father.

The survivor pension is payable abroad.

**Survivor grant (social insurance):** Paid if the insured did not meet the qualifying conditions for any pension.

**Survivor pension (individual account):** Eligible survivors include a widow(er) and orphans younger than age 18 (no limit if disabled); if there are no other survivors, the mother and father; if there is no other family member, the designated heir.

**Funeral grant:** Paid if the deceased had six months of contributions during the 12 months prior to death.

### **Old-Age Benefits**

**Old-age pension (social insurance):** The pension is 60% of the insured's average earnings in the best 10 years of earnings plus 1.25% of earnings for each 12-month period of contributions exceeding 18 years (20 years as of 2013).

Early pension: A reduced pension is paid equal to the old-age pension multiplied by 0.9128 for one year before the normal age of retirement or by 0.8342 for two years before the normal age of retirement.

Partial pension: The pension is 60% of the insured's average earnings in the best 10 years of earnings multiplied by the number of months of contribution divided by 18 years (20 years as of 2013).

Early partial pension: A reduced pension is paid equal to the partial pension multiplied by 0.9128 for one year before the normal age of retirement or by 0.8342 for two years before the normal age of retirement.

Deferred pension: An additional 2% of earnings is paid for each one year period of contributions after the normal retirement age.

The minimum monthly pension is 235 balboas (2010).

The maximum monthly pension is 1,500 balboas (2,000 or 2,500 balboas under certain conditions).

**Old-age settlement (social insurance):** A lump sum of one month of an old-age pension is paid for each six-month period of contributions.

Dependent's supplement: 20 balboas a month is paid for a wife, female partner, or a husband with a disability; 10 balboas a month for each child younger than age 14 (age 18 if a student, no limit if disabled), up to 100 balboas.

Benefit adjustment: Benefits are adjusted on an ad hoc basis depending on economic conditions; unless otherwise stated, the minimum pension will increase by 10 balboas a month every five years.

**Old-age pension (individual account):** The pension is the insured's contributions plus accrued interest divided by an actuarial value linked to life expectancy and paid in programmed withdrawals. If the pensioner lives beyond the estimated life expectancy and the individual account is depleted, collective insurance tops up the accumulated capital in the individual account to finance the old-age pension.

The maximum pension is 500 balboas a month.

**Old-age settlement (individual account):** A lump sum of the accumulated capital plus interest is paid.

### **Permanent Disability Benefits**

**Disability pension (social insurance):** The pension is 60% of the insured's average earnings in the best 10 years of earnings plus 1.25% of earnings for each one year period of contributions exceeding 18 years (20 years as of 2013).

The minimum monthly pension is 185 balboas (2010).

The maximum monthly pension is 1,500 balboas (2,000 balboas or 2,500 balboas under certain conditions).

Dependent's supplement: 20 balboas a month is paid for a wife, female partner, or a husband with a disability; 10 balboas a month for each child younger than age 14 (age 18 if a student, no limit if disabled), up to 100 balboas.

Benefit adjustment: Benefits are adjusted on an ad hoc basis depending on economic conditions; unless otherwise stated, the minimum pension will increase by 10 balboas a month every five years.

**Disability pension (individual account):** The pension is the insured's contributions plus accrued interest divided by an actuarial value linked to life expectancy and paid in programmed withdrawals.

If the combined social insurance plus individual account disability pension is less than what the insured would have been entitled to under the old social insurance system, collective insurance pays the difference.

The maximum pension is 500 balboas a month.

**Disability grant (social insurance):** A lump sum of one month of old-age pension is paid for each six-month period of contributions.

**Disability grant (individual account):** A lump sum of the accumulated capital plus interest is paid.

### **Survivor Benefits**

**Survivor pension (social insurance):** 50% of the pension the deceased received or was eligible to receive is paid to a widow.

**Orphan's pension (social insurance):** 20% of the pension the deceased received or was eligible to receive is paid for each orphan younger than age 14 (age 18 if a student, no limit if disabled); 50% for a full orphan.

**Other dependents in the absence of the above (social insurance):** 30% of the deceased's pension is paid to the deceased's mother or aged or father with a disability.

All survivor benefits combined must not exceed 100% of the deceased's pension.

**Survivor pension (individual account):** The accumulated capital plus interest is paid to eligible survivors in programmed withdrawals, according to rules set by the advisory board of the Social Insurance Fund.

**Survivor grant (social insurance):** A lump sum of one month of old-age pension is paid for each six-month period of contributions.

Benefit adjustment: Benefits are adjusted on an ad hoc basis depending on economic conditions.

**Funeral grant (social insurance):** A lump sum of 300 balboas is paid.

## **Administrative Organization**

Social Insurance Fund (<http://www.css.org.pa>), managed by a director general with an advisory board, administers the social insurance and individual account programs.

## **Sickness and Maternity**

### **Regulatory Framework**

**First law:** 1941.

**Current law:** 2005 (social insurance).

**Type of program:** Social insurance system.

### **Coverage**

Public- and private-sector employees, including voluntary and household workers; and pensioners.

### **Source of Funds**

**Insured person:** 0.5% of gross earnings; 8.75% for the voluntarily insured; pensioners pay a percentage of the monthly pension.

The minimum earnings used to calculate contributions are the legal monthly minimum wage.

There are no maximum earnings used to calculate contributions.

**Self-employed person:** 8.5% of declared earnings.

The minimum earnings used to calculate contributions are the legal monthly minimum wage.

There are no maximum earnings used to calculate contributions.

**Employer:** 8% of gross payroll.

The minimum earnings used to calculate contributions are the legal monthly minimum wage.

There are no maximum earnings used to calculate contributions.

**Government:** 10% of income received from the sale of rights to fiber optic business operations.

### **Qualifying Conditions**

**Cash sickness benefits:** The insured must have at least six months of contributions in the last nine months prior to the onset of sickness.

**Cash maternity benefits:** The insured must have at least nine months of contributions in the year before the seventh month of pregnancy.

**Medical benefits:** Must be currently insured or a pensioner; if the insured becomes unemployed, coverage continues for three months after employment ceases (two years for insured persons with at least 18 years of contributions; 20 years as of 2013).

### **Sickness and Maternity Benefits**

**Sickness benefit:** 70% of the insured's average earnings in the last two months is paid after a three-day waiting period for up to 26 weeks for any one incapacity; may be extended for up to 26 additional weeks for the same incapacity with the agreement of the Social Insurance Fund.

There are no minimum or maximum benefits.

**Maternity benefit:** 100% of the insured's average earnings in the last nine months is paid for up to six weeks before and eight weeks after the expected date of childbirth.

There is no provision for paid parental leave.

### **Workers' Medical Benefits**

Benefits include general and specialist care, surgery, hospitalization, laboratory services, medicine, maternity care, dental care, dental prosthesis (50% of up to 200 balboas every five years), eyeglasses (50% of up to 125 balboas every five years) and appliances.

Medical services are normally provided directly through the facilities of the Social Insurance Fund or are provided by the Ministry of Health, with the total cost reimbursed. In special cases, including those in which the Fund or Ministry have no facilities, the fund may authorize full or partial reimbursement of the cost of private care obtained in the country or abroad.

### **Dependents' Medical Benefits**

Medical benefits for dependents: Medical benefits for dependents are the same as those for the insured. Eligible dependents include the insured's wife or partner who lived with the insured for at least nine months; children younger than age 18 (age 25 if a student, no limit if disabled); and dependent parents.

### **Administrative Organization**

Social Insurance Fund (<http://www.css.org.pa>), managed by a director general with an advisory board, administers the program.

Social Insurance Fund operates its own hospitals and other medical facilities in larger cities.

### **Work Injury**

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#### **Regulatory Framework**

**First law:** 1916.

**Current laws:** 1970 (occupational risks).

**Type of program:** Employer-liability system, involving compulsory insurance with a public carrier.

#### **Coverage**

Public- and private-sector employees.

Exclusions: Self-employed persons and household workers.

#### **Source of Funds**

**Insured person:** None.

**Self-employed person:** Not applicable.

**Employer:** The total cost is met through the payment of insurance premiums. The cost of premiums varies with the assessed degree of risk.

**Government:** None.

#### **Qualifying Conditions**

**Work injury benefits:** There is no minimum qualifying period. Accidents that occur while commuting to and from work are covered.

#### **Temporary Disability Benefits**

Temporary disability benefit: 100% of the insured's earnings is paid until recovery or certification of permanent disability.

#### **Permanent Disability Benefits**

**Permanent disability pension:** If assessed with a 100% disability, 60% of the insured's earnings is paid.

The minimum monthly pension is 185 balboas (2010).

The maximum monthly pension is 1,500 balboas.

Partial disability: If assessed with a disability of at least 35%, a percentage of the full pension is paid according to the assessed degree of disability.

A lump sum of three years of the full pension is paid if the assessed degree of disability is less than 35%.

The Medical Qualification Commission assesses the disability.

The permanent disability pension is paid for life when the insured reaches age 60 (men) or age 55 (women).

The pension is payable abroad.

Benefit adjustment: Unless otherwise stated, the minimum pension will increase by 10 balboas a month every five years.

#### **Workers' Medical Benefits**

Benefits include general and specialist care, surgery, medicine, hospitalization, and appliances.

#### **Survivor Benefits**

**Survivor pension:** 25% of the deceased's earnings (30% if the sole beneficiary or disabled) is paid to the widow or female partner; 25% of the deceased's earnings (30% if the sole beneficiary) is paid to a disabled or aged widower.

**Orphan's pension:** 15% of the deceased's earnings is paid for one orphan younger than age 18 (no age limit if

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disabled); 25% for two orphans; 35% for three orphans; 40% for four or more orphans. If there is no a widow(er), 20% of the deceased's earnings is paid for one orphan; 15% each for two or more full orphans.

**Other dependent's pension:** If there are no other survivors, 20% to 30% of the deceased's earnings is paid to the mother for up to 10 years; 10% to a father who is aged 60 or older or disabled. Brothers or sisters of the deceased who are younger than age 18 (no limit if disabled) receive the same amount as an orphan would have received.

The value of all survivor benefits combined must not exceed 75% of the deceased's earnings.

The pension is payable abroad.

**Funeral grant:** A lump sum of 300 balboas is paid.

### ***Administrative Organization***

Social Insurance Fund (<http://www.css.org.pa>), managed by a director general with an advisory board, administers the program.

Social Insurance Fund operates its own hospitals and other medical facilities in larger cities.

### ***Unemployment***

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#### ***Regulatory Framework***

No statutory benefits are provided.

Under the 1972 Labor Code, employers are required to provide workers with a severance payment at the end of the labor contract.

## Paraguay

Exchange rate: US\$1.00 = 3,950 guaraníes.

### Old Age, Disability, and Survivors

#### Regulatory Framework

**First law:** 1943.

**Current laws:** 1992 (unified pension scheme), 2005 (retirement); and 2011 (reduced proportional pension).

**Type of program:** Social insurance system.

#### Coverage

Employed persons, including employees of decentralized state entities and enterprises partially owned by the state, municipal workers, and apprentices.

Exclusions: Self-employed persons.

Special systems for public-sector employees, teachers, police and military personnel, railroad employees, bank employees, and household workers.

#### Source of Funds

**Insured person:** 9% of gross earnings.

The minimum monthly earnings used to calculate contributions are the legal monthly minimum wage.

The legal monthly minimum wage is 1,658,232 guaraníes.

There are no maximum earnings used to calculate contributions.

The insured's contributions also finance sickness and maternity benefits and work injury benefits.

**Self-employed person:** Not applicable.

**Employer:** 14% of gross payroll.

The minimum monthly earnings used to calculate contributions are the legal monthly minimum wage.

The legal monthly minimum wage is 1,658,232 guaraníes.

There are no maximum earnings used to calculate contributions.

The employer's contributions also finance sickness and maternity benefits and work injury benefits.

**Government:** 1.5% of gross earnings; contributes as an employer.

The minimum monthly earnings used to calculate contributions are the legal monthly minimum wage.

The legal monthly minimum wage is 1,658,232 guaraníes.

There are no maximum earnings used to calculate contributions.

Government contributions also finance sickness and maternity benefits and work injury benefits.

#### Qualifying Conditions

**Old-age pension:** Age 60 with at least 1,250 weeks of contributions. Employment must cease.

Insured persons may claim a pension under the old scheme if they were aged 60 or older and had at least 750 weeks of contributions before February 28, 1999.

**Early pension:** Age 55 with at least 1,500 weeks of contributions. Employment must cease.

**Reduced proportional pension:** Age 65 with at least 750 weeks of contributions. Employment must cease.

**Disability pension:** The insured must be assessed with at least a 30% loss of earning capacity and have at least 150 weeks of contributions if younger than age 55; 150 weeks to 250 weeks if aged 55 to 59; or 250 weeks to 400 weeks if aged 60 to 65.

A medical commission made up of three Social Security Institute doctors assesses the degree of disability. The degree of disability is reviewed at least once every five years.

**Survivor pension:** The insured was a pensioner at the time of death or had at least 750 weeks of contributions.

Eligible survivors include a widow(er) or a partner who lived with the deceased for at least five years (two years if they had children); a child younger than age 18 (no limit if disabled); and dependent parents if there are no other eligible survivors.

**Survivor grant:** The deceased had less than 750 weeks of contributions.

**Funeral grant:** If there are no eligible survivors, paid to the person who pays for the funeral.

#### Old-Age Benefits

**Old-age pension:** 100% of the insured's average earnings is paid.

**Early pension:** The monthly pension is 80% of the insured's average earnings plus 4% of average earnings for each year the insured is older than age 55, up to age 59.

**Reduced proportional pension:** 60% of the insured's average earnings in the last 36 months is paid.

Average earnings are based on earnings in the last 36 months (excluding the last month) before retirement.

The minimum monthly old-age pension is 33% of the legal monthly minimum wage.

The maximum monthly old-age pension is 300 times the minimum daily wage.



The legal monthly minimum wage is 1,658,232 guaraníes. The pension is paid monthly plus a December bonus of one month of pension.

Old-age benefits are payable abroad under bilateral or multilateral agreement.

Benefit adjustment: Benefits are adjusted annually according to changes in the cost of living, depending on available funds.

### **Permanent Disability Benefits**

**Disability pension:** The monthly benefit is 50% of the insured's average earnings in the last 36 months before the disability began plus 1.5% of average earnings for each 50-week period of contributions exceeding 150 weeks, up to 100%.

The minimum monthly disability pension is 33% of the legal monthly minimum wage.

The maximum disability pension is 300 times the minimum daily wage.

The legal monthly minimum wage is 1,658,232 guaraníes.

The pension is paid monthly plus a December bonus of one month of pension.

Disability benefits are payable abroad under bilateral or multilateral agreement.

Benefit adjustment: Benefits are adjusted annually according to changes in the cost of living, depending on available funds.

### **Survivor Benefits**

**Survivor pension:** 60% of the pension the deceased received or was eligible to receive is split equally between a widow(er) or partner older than age 40 and children younger than age 18.

A lump sum of three times the annual pension the deceased received or was eligible to receive is paid to a widow(er) or partner younger than age 40.

Remarriage and cohabitation settlement: A lump sum of twice the deceased's annual pension is paid.

The pension is paid monthly plus a December bonus of one month of pension.

**Other eligible survivors:** In the absence of an eligible widow(er), partner, or child, the pension is paid to the deceased's parents.

**Survivor grant:** A lump sum of one month of minimum wage is paid for each year of contributions.

The legal monthly minimum wage is 1,658,232 guaraníes.

Survivor benefits are payable abroad under bilateral or multilateral agreement.

Benefit adjustment: Benefits are adjusted annually according to changes in the cost of living.

**Funeral grant:** A lump sum of 75 times the legal daily minimum wage is paid.

The legal monthly minimum wage is 1,658,232 guaraníes.

### **Administrative Organization**

Social Insurance Institute (<http://www.ips.gov.py>) administers the program.

### **Sickness and Maternity**

#### **Regulatory Framework**

**First law:** 1943.

**Current laws:** 1992 (unified pension scheme); and 1996 (medical benefits).

**Type of program:** Social insurance system.

#### **Coverage**

Employed persons, including employees of decentralized state entities and enterprises partially owned by the state, and teachers.

Voluntary coverage for self-employed persons.

Exclusions: Public-sector employees police and military personnel, railroad employees, and bank employees, and household workers.

Special systems for household workers, pensioners, and war veterans.

#### **Source of Funds**

**Insured person:** See source of funds under Old Age, Disability, and Survivors. (Pensioners contribute 6% of pensions.)

**Self-employed person:** Voluntary contributions only.

**Employer:** See source of funds under Old Age, Disability, and Survivors.

**Government:** See source of funds under Old Age, Disability, and Survivors.

#### **Qualifying Conditions**

**Cash sickness and maternity benefits:** The insured must have at least six weeks of contributions in the last four months. (Insured women cannot receive cash maternity benefits and cash sickness benefits at the same time.)

**Medical benefits:** Must be currently insured. The number of contributions required depends on the procedure or service.

### **Sickness and Maternity Benefits**

**Sickness benefit:** 50% of the insured's average earnings in the four months immediately before the incapacity began is paid from the day after the incapacity began for

## Paraguay

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up to 26 weeks; may be extended an additional 24 weeks in special cases. The benefit is reduced by half during periods of hospitalization if there are no dependents.

**Maternity benefit:** 50% of the insured's average earnings in the four months immediately before the maternity leave is paid for three weeks before and six weeks after the expected date of childbirth.

Benefits in kind: Milk vouchers are provided for up to eight months if the mother is unable to nurse the child.

### **Workers' Medical Benefits**

The Social Insurance Institute provides medical services directly to patients. Benefits include general and specialist care, hospitalization, laboratory services, medicine, prostheses, dental care, and maternity care.

The duration of benefits is 26 weeks for any one illness; may be extended to up to 52 weeks in special cases.

### **Dependents' Medical Benefits**

Medical benefits for dependents are the same as those for the insured.

Eligible dependents include the wife of the insured or pensioner (or a partner who has lived with the insured or pensioner for at least two years before the sickness began); unemployed husband; unmarried children younger than age 18 (no limit if disabled); and the insured's dependent parents older than age 60.

### **Administrative Organization**

Social Insurance Institute (<http://www.ips.gov.py>) administers the program.

Social Insurance Institute operates its own clinics and hospitals.

### **Work Injury**

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#### **Regulatory Framework**

**First laws:** 1927 and 1943.

**Current law:** 1992 (unified pension scheme).

**Type of program:** Social insurance system.

#### **Coverage**

Employed persons, including employees of decentralized state entities and enterprises partially owned by the state, municipal workers, and apprentices.

Exclusions: Self-employed persons. Special systems for public-sector employees, teachers, police and military personnel, railroad employees, bank employees.

### **Source of Funds**

**Insured person:** See source of funds under Old Age, Disability, and Survivors.

**Self-employed person:** Not applicable.

**Employer:** See source of funds under Old Age, Disability, and Survivors.

**Government:** See source of funds under Old Age, Disability, and Survivors.

### **Qualifying Conditions**

**Work injury benefits:** There is no minimum qualifying period.

### **Temporary Disability Benefits**

75% of the insured's average earnings in the last four months or the total contribution period if shorter is paid from the day after the disability began, for up to 52 weeks.

A medical commission made up of three Social Security Institute doctors assess the degree of disability. The degree of disability is reviewed at least once every five years.

### **Permanent Disability Benefits**

**Permanent disability pension:** 30% to 100% of the insured's average earnings in the last 36 months before the disability began is paid, according to the number of contributions and the assessed degree of disability.

Partial disability: If the assessed degree of disability is greater than 30%, 60% of lost earnings is paid, according to a schedule in law. If the value of the partial disability pension is less than 30% of the total disability pension, a lump sum of five years of pension is paid.

A medical commission made up of three Social Security Institute doctors assesses the degree of disability. The degree of disability is reviewed at least once every five years.

### **Workers' Medical Benefits**

Benefits include general and specialist care, hospitalization, medicine, and prostheses.

### **Survivor Benefits**

**Survivor pension:** 40% of the pension the deceased received or was eligible to receive is paid to a widow(er) or partner aged 40 or older.

If the widow(er) or partner remarries or cohabits, the benefit ceases and a lump sum of twice the annual pension the deceased received or was eligible to receive is paid.

A lump sum of three times the annual pension the deceased received or was eligible to receive is paid to widow(er) or partner younger than age 40.

**Orphan's pension:** 20% of the pension the deceased received or was eligible to receive is paid to each child younger than age 16 (no limit if disabled).

**Other eligible survivors:** If there is no eligible widow(er), partner, or child, the pension is paid to the deceased's parents.

All survivor benefits combined must not exceed 100% of the pension the deceased received or was eligible to receive.

Survivor benefits are payable abroad under bilateral or multilateral agreement.

**Survivor grant:** If the insured had less than 750 weeks of contributions at the time of death, a lump sum of one month of the legal monthly minimum wage for each year of contributions is paid.

The legal monthly minimum wage is 1,658,232 guaraníes.

Survivor benefits are payable abroad under bilateral or multilateral agreement.

**Benefit adjustment:** Benefits are adjusted annually according to changes in the cost of living.

**Funeral grant:** A lump sum of 75 times the legal daily minimum wage is paid.

The legal monthly minimum wage is 1,658,232 guaraníes.

### **Administrative Organization**

Social Insurance Institute (<http://www.ips.gov.py>) administers the program.

Social Insurance Institute operates its own clinics and hospitals.

### **Family Allowances**

#### **Regulatory Framework**

No statutory benefits are provided.

The 1993 labor code requires employers to provide specified maternity benefits and family allowance benefits based on the number of children.

## Peru

Exchange rate: US\$1.00 = 2.75 nuevos soles.

### Old Age, Disability, and Survivors

#### Regulatory Framework

**First laws:** 1936 (wage earners) and 1962 (salaried employees).

**Current laws:** 1973 (unified social security), 1992 (individual account) and 2002 (early retirement).

**Type of program:** Social insurance and individual account system.

Note: When public- and private-sector employees enter the workforce, they may choose between the individual account system (SPP) and the public social insurance system (SNP). Insured persons who do not make a choice become SPP members. SNP members may switch to the SPP but may not switch back, except under certain circumstances.

#### Coverage

**Social insurance (SNP):** Wage earners and salaried employees in the private and public sectors, employees of worker-owned and cooperative enterprises, teachers, artists, household workers, seamen, journalists, tannery workers, and certain self-employed workers.

Voluntary coverage for housewives.

Special systems for fishermen and military and police personnel.

**Individual account (SPP):** Private- and public-sector employees.

Voluntary coverage for self-employed persons.

#### Source of Funds

##### Insured person

**Social insurance (SNP):** 13% of gross earnings.

The minimum earnings used to calculate contributions are the legal monthly minimum wage.

The legal monthly minimum wage is 675 nuevos soles.

There are no maximum earnings used to calculate contributions.

**Individual account (SPP):** 10% of gross earnings plus an average of 1.87% of gross earnings for administrative fees and 0.96% of covered earnings for disability and survivor insurance.

There are no maximum earnings used to calculate contributions for old-age benefits or administrative fees.

The maximum monthly earnings used to calculate contributions for disability and survivor benefits are 7,306.96 nuevos soles.

##### Self-employed person

**Social insurance (SNP):** 13% of gross declared earnings.

The minimum earnings used to calculate contributions are the legal monthly minimum wage.

The legal monthly minimum wage is 675 nuevos soles.

There are no maximum earnings used to calculate contributions.

**Individual account (SPP):** 10% of gross earnings plus an average of 1.87% of gross earnings for administrative fees and 0.96% of covered earnings for disability and survivor insurance.

There are no maximum earnings used to calculate contributions for old-age benefits or administrative fees.

The maximum monthly earnings used to calculate contributions for disability and survivor benefits are 7,306.96 nuevos soles.

##### Employer

**Social insurance (SNP):** None.

**Individual account (SPP):** None.

##### Government

**Social insurance (SNP):** The cost of the minimum pension; special subsidies as needed to finance the program.

**Individual account (SPP):** Finances the guaranteed minimum pension and the value of accrued rights under the SNP.

#### Qualifying Conditions

##### Social insurance (SNP)

**Old-age pension:** Age 65 with at least 20 years of contributions.

**Early pension:** Age 55 with at least 30 years of contributions (men) or age 50 with at least 25 years of contributions (women); age 55 (men) or age 50 (women) with at least 20 years of contributions in the event of a collective lay-off from employment.

**Constant-attendance supplement:** Paid if the insured requires the constant attendance of others to perform daily functions.

**Disability pension:** The insured is assessed with a loss of at least 66.7% of earning capacity and was employed when the disability began and had at least 36 months of contributions, including at least 18 in the last 36 months; at least 12 months of contributions in the last 36 months with a total of at least three to 15 years of contributions; or 15 years or more of contributions.

Constant-attendance supplement: Paid if the insured requires the constant attendance of others to perform daily functions.

*Survivor pension:* The insured received or was entitled to receive a pension at the time of death.

Eligible survivors are a widow, a dependent widower older than age 60 or with a disability, children younger than age 18 (age 21 if a student, no limit if disabled), a father older than age 60 or with a disability, and a mother older than age 55 or with a disability.

Constant-attendance supplement: Paid if the insured requires the constant attendance of others to perform daily functions.

*Funeral grant:* The deceased had at least three months of contributions immediately before the time of death or a total of four months of contributions in the eight months before the time of death.

### Individual account (SPP)

*Old-age pension:* Age 65 or at any age if the individual account has accumulated assets that will replace at least 50% of average indexed earnings in the last 120 months.

Guaranteed minimum pension: The insured was born no later than December 31, 1945; is at least age 65; has at least 20 years of contributions paid on earnings equal to or greater than the minimum wage; and the accumulated capital and interest in the individual account is insufficient to provide the minimum pension set by law.

The legal monthly minimum pension is 415 nuevos soles.

*Disability pension:* Paid if the insured is assessed with at least a 50% loss of earning capacity and does not receive an old-age pension.

The degree of disability is assessed by a medical committee or the Superintendent of Banks, Insurance, and AFPs.

*Survivor pension:* The deceased received or was entitled to receive a pension at the time of death.

Eligible survivors are a widow or partner, children younger than age 18 (no limit if disabled), and a father or mother older than age 60.

### Old-Age Benefits

#### Social insurance (SNP)

*Old-age pension:* Men and women born after December 31, 1946, receive from 30% to 45% of average earnings in the last 60 months, according to the insured's age on June 14, 2002 (30% if younger than age 31, 35% if aged 31 to 39, 40% if aged 40 to 49, or 45% if older than age 49) plus 2% for each additional year of contributions exceeding 20, up to 100%.

Men born after December 18, 1932, and women born after December 18, 1937, but not later than December 31,

1946, receive 50% of the reference salary plus 4% for each additional year of contributions exceeding 20 years.

The reference salary for those with 20 to 25 years of contributions is average earnings in the last five years; for those with 25 to 30 years, average earnings in the last four years; for those with more than 30 years, average earnings in the last three years.

Men born up to December 18, 1932, and women born up to December 18, 1937, receive 50% of the reference salary plus 2% (men) or 2.5% (women) for each additional year of contributions exceeding 15 and 13 years, respectively.

The reference salary is average earnings in the last 12 months.

Early pension: The pension is reduced by 4% for each year that the pension is taken before the normal pensionable age.

Dependent's supplement: From 2% to 10% of earnings is paid for a spouse and from 2% to 5% is paid for each child.

The legal monthly minimum pension is 415 nuevos soles.

The maximum monthly pension is 857.36 nuevos soles.

Constant-attendance supplement: A monthly amount is paid equal to the minimum wage.

The legal monthly minimum wage is 675 nuevos soles.

Pensioners may continue in paid employment and receive both the salary and the pension if their total monthly income does not exceed 1,725 nuevos soles.

Benefit adjustment: Benefits are adjusted periodically according to budget resources.

### Individual account (SPP)

*Old-age pension:* The value of the pension depends on the insured's contributions to the individual account plus accrued earnings. (The value of accrued rights under the social insurance system is combined with the individual account balance at retirement.)

At retirement, the accumulated capital can be used to make periodic withdrawals from the individual's account or to purchase a personal annuity, a joint survivor life annuity, or a deferred annuity combined with temporary periodic withdrawals.

Guaranteed minimum pension: The government makes up the difference between the insured's accrued capital and interest and the legal monthly minimum pension amount.

The legal monthly minimum pension is 415 nuevos soles.

### Permanent Disability Benefits

#### Social insurance (SNP)

*Disability pension:* The pension is 50% of the reference salary plus 1.5% for each year of contributions exceeding three years. For a contribution period from one and three years, 16.7% of average earnings is paid for each year of contributions.

The reference salary is average earnings in the last 12 months; for voluntarily insured self-employed persons, the reference salary is average earnings in the last 60 months.

The legal monthly minimum pension is 415 nuevos soles.

Dependent's supplement: 2% to 10% of earnings is paid for a spouse and 2% to 5% is paid for each child. The amount is reduced if earnings plus pension income exceed the insured's former average earnings.

Constant-attendance supplement: A monthly amount is paid equal to the minimum wage.

The legal monthly minimum wage is 675 nuevos soles.

Benefit adjustment: Benefits are adjusted periodically according to budget resources.

### Individual account (SPP)

*Disability pension:* The pension is calculated based on the insured's average monthly earnings and the assessed degree of disability. (Disability insurance tops up the accumulated capital in the individual account if the balance is less than the required minimum to finance the permanent disability pension.)

### Survivor Benefits

#### Social insurance (SNP)

*Survivor pension:* 50% of the pension the deceased received or would have been entitled to receive is paid to a widow or a dependent widower older than age 60 with a disability.

The pension ceases if the widow(er) remarries or if a widower with a disability is assessed as capable of work.

The legal monthly minimum pension is 415 nuevos soles.

*Orphan's pension:* 50% of the pension the deceased received or would have been entitled to receive is paid to orphans younger than age 18 (age 21 if a student, no limit if disabled).

The legal monthly minimum pension is 415 nuevos soles.

*Other eligible survivors (in the absence of the above):* Each dependent parent receives 20% of the deceased's pension.

All survivor benefits combined must not exceed 100% of the monthly pension the deceased received or would have been entitled to receive or 857.36 nuevos soles a month (whichever is less).

Constant-attendance supplement: An amount equal to the legal monthly minimum wage is paid.

The legal monthly minimum wage is 675 nuevos soles.

*Funeral grant:* Up to six times the legal monthly minimum wage is paid.

The legal monthly minimum wage is 675 nuevos soles.

Benefit adjustment: Benefits are adjusted periodically according to budget resources.

### Individual account (SPP)

*Survivor pension:* The pension for a widow(er), orphans, and dependent parents is calculated based on the deceased's average monthly earnings, according to a schedule in law. (Life insurance tops up the accumulated capital in the deceased's individual account if the balance is less than the required minimum to finance the survivor pension.)

*Funeral grant:* Up to 3,313.47 nuevos soles financed by life insurance or the deceased's individual account is paid.

### Administrative Organization

#### Social insurance (SNP)

Comptroller General of the Republic (<http://www.contraloria.gob.pe>) provides general supervision.

Office of Social Security Normalization (<http://www.sunat.gob.pe>) administers the program and some special regimes.

National Superintendent of Tax Administration (<http://www.sunat.gob.pe>) collects contributions.

#### Individual account (SPP)

Superintendent of Banks, Insurance, and AFPs (<http://www.sbs.gob.pe>) is responsible for licensing and supervising pension fund administrators and insurance companies.

Pension fund administrators (AFPs) administer the individual accounts and contract with insurance companies for disability and survivor insurance.

### Sickness and Maternity

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#### Regulatory Framework

**First laws:** 1936 (wage earners) and 1948 (salaried employees).

**Current laws:** 1997 (modernizing health), 1999 (social security health insurance, EsSalud), 2002 (integrated health system), 2003 (administration of social security health insurance, EsSalud), 2003 (household workers and 2009 (universal health insurance).

**Type of program:** Social insurance and private insurance system.

Note: Insured persons and their dependents can opt out of the social security health insurance program (EsSalud) and receive health care from a private health care provider (EPS).

#### Coverage

##### EsSalud

Public- and private-sector employees; worker-owned and cooperative enterprise employees; professional artists; household workers; self-employed persons; agricultural workers; and spouses, partners, and children of insured persons.

Pensioners are covered for health benefits, the nursing allowance and the funeral grant only.

Exclusions: Employees whose employers provide health services directly.

Special systems for fishermen, dock workers, and employees not covered under the national system.

### **EPS**

All persons opting out of EsSalud and their dependents.

### **Source of Funds**

**Insured person:** None; pensioners contribute 4% of the pension.

**Self-employed person:** Contributions vary, depending on the health plan chosen.

**Employer:** 9% of payroll. (Employers providing health services directly to their employees or who use services provided under contract by a private health care provider (EPS) receive a 25% credit toward the cost of contributions.)

The minimum earnings used to calculate contributions are the legal monthly minimum wage.

The legal monthly minimum wage is 675 nuevos soles.

**Government:** None; contributes as an employer.

### **Qualifying Conditions**

**Sickness cash benefits:** The insured must have at least three months of consecutive contributions or at least four months of contributions in the six months before the incapacity began.

**Maternity care and cash benefits:** The insured must have at least three months of consecutive contributions or at least four months of contributions in the six months prior to becoming pregnant.

### **Sickness and Maternity Benefits**

**Sickness benefit:** The monthly benefit is 100% of the insured's average daily earnings in the last four months and is paid after a 20-day waiting period for up to 18 months. The employer pays the full salary during the waiting period.

**Maternity benefit:** 100% of earnings, up to a maximum. The benefit is paid for 45 days before and 45 days after the expected date of childbirth; may be extended for up to 30 additional days for multiple births.

**Nursing allowance:** A lump sum of 820 nuevos soles.

The legal monthly minimum wage is 675 nuevos soles.

**Funeral grant:** Up to six times the minimum wage is paid.

The legal monthly minimum wage is 675 nuevos soles.

### **Workers' Medical Benefits**

Benefits include general, specialist, maternity, and dental care; hospitalization; laboratory services; appliances; medicine; rehabilitation; health education; preventative care; and immunization.

Benefits are provided for up to 12 months; may be extended in certain cases.

Employees have the option of receiving medical benefits from EsSalud or from an EPS provider. To opt for an EPS provider, 51% of employees must agree to the change.

Medical benefits provided by an EPS provider require a copayment of 2% of monthly income, up to 10% of income.

### **Dependents' Medical Benefits**

The insured's spouse or partner receives the same benefits for sickness and maternity as the insured. Children younger than age 18 (no limit if disabled) are covered for medical care.

### **Administrative Organization**

Comptroller General of the Republic (<http://www.contraloria.gob.pe>) provides general supervision.

Social Security Health Insurance (EsSalud) (<http://www.essalud.gob.pe>) administers the program.

Superintendent of National Health Insurance (<http://www.sunasa.gob.pe>) authorizes and supervises private health providers.

Private health care providers (EPS) under contract provide complementary and private medical care to employees and self-employed persons. Each EPS must provide a care plan at least equivalent to the statutory care provided by EsSalud.

### **Work Injury**

#### **Regulatory Framework**

**First laws:** 1911 (work injury) and 1935 (occupational diseases).

**Current laws:** 1997 (health) and 2011 (health and safety at work).

**Type of program:** Social insurance system.

#### **Coverage**

Public- and private-sector employees and worker-owned and cooperative enterprise employees working in high risk activities listed by the government.

#### **Source of Funds**

**Insured person:** None.

**Self-employed person:** A flat-rate contribution from 10 to 30 nuevos soles.

**Employer:** 0.63% to 1.84% of covered payroll, according to the assessed degree of risk and the reported accident rate.

The maximum earnings used to calculate contributions are six times the local minimum wage.

The legal monthly minimum wage is 675 nuevos soles.

**Government:** None; contributes as an employer.

### **Qualifying Conditions**

**Work injury benefits:** There is no minimum qualifying period. Accidents that occur while commuting to and from work are not covered.

### **Temporary Disability Benefits**

100% of the insured's covered earnings is paid after a 20-day waiting period for up to 11 months and 10 days or 340 days. The employer pays the insured's full earnings during the waiting period.

The maximum duration of benefit is 18 months in a 36-month period.

The maximum earnings used to calculate benefits are six times the local minimum wage.

### **Permanent Disability Benefits**

**Permanent disability pension:** If the insured has an assessed degree of disability greater than 65%, the pension is 80% of the insured's average earnings (100% if the insured requires constant attendance to perform daily functions).

**Partial disability:** If the insured has an assessed degree of disability of 40% to 65%, a reduced pension is paid according to the assessed degree of disability. If the assessed degree of disability is less than 40%, a lump sum of two years of pension is paid.

### **Workers' Medical Benefits**

Benefits include necessary medical, surgical, rehabilitation, and hospital care and appliances until full recovery or certification of permanent disability.

### **Survivor Benefits**

**Survivor pension:** 50% of the pension the deceased received or would have been entitled to receive is paid to a widow or a dependent widower aged 60 or older (at any age if disabled).

The pension ceases if the widow(er) remarries or if a widower with a disability is assessed as capable of work.

The legal monthly minimum pension is 415 nuevos soles.

**Orphan's pension:** 50% of the pension the deceased received or would have been entitled to receive is paid to orphans younger than age 18 (age 21 if a student, no limit if disabled).

The legal monthly minimum pension is 415 nuevos soles.

**Other eligible survivors (in the absence of the above):** Each dependent parent receives 20% of the pension the deceased received or would have been entitled to receive.

All survivor benefits combined must not exceed 100% of the monthly pension the deceased received or would have been entitled to receive or 857.36 nuevos soles a month (whichever is less).

**Funeral grant:** Up to six times the minimum wage is paid.

The legal monthly minimum wage is 675 nuevos soles.

### **Administrative Organization**

Comptroller General of the Republic (<http://www.contraloria.gob.pe>) provides general supervision.

Office of Social Security Normalization (<http://www.sunat.gob.pe>) administers the program.

### **Unemployment**

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#### **Regulatory Framework**

No statutory benefits are provided.

The labor code requires private-sector employers to provide a severance payment to employees at the end of the labor contract.



## Saint Kitts and Nevis

Exchange rate: US\$1.00 = 2.70 East  
Caribbean dollars (EC\$).

### Old Age, Disability, and Survivors

#### Regulatory Framework

**First law:** 1968 (provident fund).

**Current laws:** 1977 (social security), implemented in 1978; and 1998 (social assistance).

**Type of program:** Social insurance and social assistance system.

#### Coverage

**Social insurance:** Employed and self-employed persons, including apprentices.

Voluntary coverage for those who cease compulsory coverage but have at least two years of contributions.

Exclusions: Unpaid family labor.

Special system for civil servants.

**Social assistance:** Elderly or disabled persons residing in Saint Kitts and Nevis.

#### Source of Funds

##### Social insurance

**Insured person:** 5% of weekly or monthly covered earnings (including voluntarily insured persons).

The maximum monthly earnings used to calculate contributions are EC\$6,500.

The insured's contributions, except if voluntarily insured, also finance cash sickness and maternity benefits.

**Self-employed person:** 10% of monthly earnings, according to earnings categories ranging from EC\$200 to EC\$1,500 a week.

The self-employed person's contributions also finance cash sickness and maternity benefits.

**Employer:** 5% of monthly covered payroll.

The maximum monthly earnings used to calculate contributions are EC\$6,500.

The employer's contributions also finance cash sickness and maternity benefits.

**Government:** Contributes as an employer.

##### Social assistance

**Insured person:** None.

**Self-employed person:** None.

**Employer:** None.

**Government:** The total cost.

#### Qualifying Conditions

**Old-age pension (social insurance):** Age 62 with at least 500 weeks of paid or credited contributions, including at least 150 weeks of paid contributions.

**Old-age grant (social insurance):** Age 62 with at least 50 weeks of paid or credited contributions but does not meet the qualifying conditions for the old-age pension.

Old-age benefits are payable abroad under specific conditions.

**Old-age social assistance (means-tested):** Older than age 62, not in gainful employment, and does not meet the qualifying conditions for the old-age pension.

Social assistance benefits are not payable abroad.

**Disability pension (social insurance):** Younger than age 62, assessed with a disability, and has at least 150 weeks of paid contributions.

The Social Security Medical Board assesses the degree of disability at least every three years or at any period according to the advice of a medical practitioner.

Disability benefits are payable abroad under specific conditions.

**Disability social assistance (means-tested):** Aged 16 to 62, assessed with a disability, and does not meet the qualifying conditions for the disability pension.

The Social Security Medical Board assesses the degree of disability at least every three years or at any period according to the advice of a medical practitioner.

Social assistance benefits are not payable abroad.

**Survivor pension (social insurance):** The deceased had at least 150 weeks of paid contributions or was receiving the old-age pension or disability pension.

Eligible survivors are a widow(er) who was married to or cohabited with the deceased for at least three years, orphans younger than age 16 (age 18 if a full-time student, no limit if disabled), and dependent parents.

The widow(er)'s pension ceases on remarriage or cohabitation.

Survivor benefits are payable abroad under specific conditions.

**Survivor grant (social insurance):** The deceased did not meet the qualifying conditions for a pension.

Eligible survivors are a widow(er) aged 45 or older who was married to or cohabited with the insured for at least three years and orphans younger than age 16 (age 18 if a full-time student, no limit if disabled).

Survivor benefits are payable abroad under specific conditions.

**Funeral grant:** The deceased had at least 26 weeks of paid contributions.

### **Old-Age Benefits**

**Old-age pension (social insurance):** The monthly pension is 30% of the insured's average annual earnings plus 2% for each 50-week period of paid or credited contributions exceeding 500, up to 799, and 1% for each 50-week period of contributions exceeding 799; the sum is divided by 52.

Average annual earnings are based on earnings in the best three years of the last 15 years of contributions.

The minimum monthly pension is EC\$400.

The maximum monthly pension is 60% of monthly earnings or EC\$3,900 (whichever is less).

**Old-age grant (social insurance):** The grant is six times average weekly earnings for each 50-week period of paid or credited contributions, up to 499.

The insured person's contributions are refunded if they have less than 50 weeks of contributions.

**Old-age social assistance (means-tested):** The monthly pension is EC\$250.

### **Permanent Disability Benefits**

**Disability pension:** The monthly pension is 30% of the insured's average annual earnings plus 2% for each 50-week period of paid or credited contributions exceeding 500, up to 799, and 1% for each 50-week period of contributions exceeding 799; the sum is divided by 52.

Average annual earnings are based on earnings in the best three years of the last 15 years of contributions.

The benefit is paid after 26 weeks of sickness benefit has ended or after the disability has lasted for at least 26 weeks, and is paid for as long as the disability continues.

The minimum monthly pension is EC\$400.

The maximum monthly pension is 60% of monthly earnings or EC\$3,900, whichever is less.

**Disability social assistance (means-tested):** The monthly pension is EC\$250.

### **Survivor Benefits**

**Survivor pension:** The pension is 50% of the pension the deceased received or was eligible to receive.

A limited pension is paid for a year if the widow(er) is younger than age 45 or was married to, or cohabited with, the deceased for less than three years.

The minimum monthly widow(er)'s pension is EC\$200.

**Orphan's pension:** The pension is 16.7% of the pension the deceased received or was eligible to receive. If the orphan has a disability, the pension is 33.3% of the maximum family survivor pension.

The minimum monthly orphan's pension is EC\$96.

**Parent's pension:** Up to 16.7% of the maximum family survivor pension is paid.

The minimum annual survivor pension is EC\$720.

The maximum family survivor pension must not exceed 100% of the deceased's pension.

**Survivor grant:** The grant is six times the deceased's average weekly earnings for each 50-week period of paid or credited contributions.

The deceased's contributions are refunded if the deceased had less than 50 weeks of contributions.

**Funeral grant:** EC\$2,500 is paid for the funeral of the insured or his or her spouse; up to EC\$1,600 for a dependent child. The grant is paid to the person who pays for the funeral.

### **Administrative Organization**

**Social insurance:** Ministry of Foreign Affairs, National Security, Labour, Immigration and Social Security provides general supervision.

Social Security Board (<http://www.socialsecurity.kn>) administers the program.

**Social assistance:** Social Development Assistance Board administers the program.

### **Sickness and Maternity**

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#### **Regulatory Framework**

**First and current law:** 1977 (social security).

**Type of program:** Social insurance system. Cash benefits only.

#### **Coverage**

Employed and self-employed persons aged 16 to 62.

Voluntary coverage is not available.

#### **Source of Funds**

**Insured person:** See source of funds under Old Age, Disability, and Survivors.

**Self-employed person:** See source of funds under Old Age, Disability, and Survivors.

**Employer:** See source of funds under Old Age, Disability, and Survivors.

**Government:** None; contributes as an employer.

## Qualifying Conditions

**Cash sickness benefits:** The insured must be younger than age 62, be employed the day before the incapacity began, and have at least 26 weeks of paid contributions including eight in the 13 weeks before the incapacity began.

**Cash maternity benefit:** The insured must have at least 39 weeks of contributions, including 20 weeks immediately before making the claim.

**Maternity grant:** Paid to an insured woman or the wife of an insured man with at least 39 weeks of contributions, including 20 in the 39 weeks before the expected date of childbirth.

## Sickness and Maternity Benefits

**Sickness benefit:** The daily benefit is 65% of average weekly covered earnings divided by six and is paid retroactively from the first day if the incapacity lasts for four or more days. The benefit is paid for up to 26 weeks.

**Maternity benefit:** The daily benefit is 65% of average weekly covered earnings divided by six and is paid for 13 weeks, beginning up to six weeks before the expected date of childbirth.

**Maternity grant:** EC\$450 is paid for each childbirth.

## Workers' Medical Benefits

No statutory benefits are provided.

Medical care is available at public hospitals and health centers.

## Dependents' Medical Benefits

No statutory benefits are provided.

Medical care is available at public hospitals and health centers.

## Administrative Organization

Ministry of Foreign Affairs, National Security, Labour, Immigration and Social Security provides general supervision.

Social Security Board (<http://www.socialsecurity.kn>) administers the program.

## Work Injury

### Regulatory Framework

**First law:** 1955 (workmen's compensation).

**Current law:** 1985 (social security), implemented in 1986.

**Type of program:** Social insurance system.

### Coverage

Employed persons regardless of age.

Voluntary coverage is not available.

Exclusions: Unpaid family labor and self-employed persons.

## Source of Funds

**Insured person:** None.

**Self-employed person:** Not applicable.

**Employer:** 1% of covered payroll.

The maximum monthly earnings used to calculate contributions are EC\$6,500.

**Government:** None; contributes as an employer.

## Qualifying Conditions

**Work injury benefits:** There is no minimum qualifying period for a work injury or an occupational disease.

## Temporary Disability Benefits

75% of average weekly covered earnings is paid retroactively from the first day if the disability lasts for four or more days. The benefit is paid for up to 26 weeks.

## Permanent Disability Benefits

**Permanent disability benefit:** If the insured has a total disability (100%), 75% of average weekly covered earnings is paid.

The Social Security Medical Board periodically assesses and reviews the degree of disability.

**Constant-attendance supplement:** Paid if the insured has a total disability and requires the constant attendance of others to perform daily functions. The supplement should meet the reasonable cost of care.

**Partial disability:** If the assessed degree of disability is at least 20%, a percentage of the full pension is paid according to the assessed degree of disability. If the assessed degree of disability is less than 20%, a lump sum is paid.

## Workers' Medical Benefits

Benefits include the reimbursement of reasonable expenses for medical, surgical, dental, hospital, and nursing care; medicine; appliances; and transportation.

## Survivor Benefits

**Survivor pension:** 50% of the permanent total disability pension the deceased received or was eligible to receive is paid to the widow(er).

**Orphan's pension:** Up to 16.7% of 75% of the deceased's average weekly earnings is paid to each child younger than age 16 (age 18 if a full-time student, no limit if disabled).

**Parent's pension:** Up to 16.7% of the maximum family survivor pension is paid.

## Saint Kitts and Nevis

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The maximum family survivor pension must not exceed 100% of the deceased's permanent total disability pension.

**Funeral grant:** If the insured's death was as a result of a work-related injury, EC\$4,000 is paid to the person who paid for the funeral.

### ***Administrative Organization***

Ministry of Foreign Affairs, National Security, Labour, Immigration and Social Security provides general supervision.

Social Security Board (<http://www.socialsecurity.kn>) administers the program.

## Saint Lucia

Exchange rate: US\$1.00 = 2.70 East  
Caribbean dollars (EC\$).

### Old Age, Disability, and Survivors

#### Regulatory Framework

**First law:** 1970 (provident fund).

**Current laws:** 2000 (national insurance corporation) and 2003 (national insurance).

**Type of program:** Social insurance system.

#### Coverage

Employed persons, self-employed persons, and apprentices.

Voluntary coverage is available for old-age benefits.

Exclusions: Civil servants prior to February 1, 2003.

Special system for civil servants not covered by the National Insurance Corporation.

#### Source of Funds

**Insured person:** 5% of covered monthly earnings.

There are no minimum earnings used to calculate contributions.

The maximum annual earnings used to calculate contributions are EC\$60,000.

The insured's contributions also finance sickness and maternity benefits and work injury benefits.

**Self-employed person:** Contributions are paid according to wage categories.

The minimum monthly earnings used to calculate contributions are EC\$50.

The maximum annual earnings used to calculate contributions are EC\$60,000.

The self-employed person's contributions also finance sickness and maternity benefits.

**Employer:** 5% of covered monthly payroll.

There are no minimum earnings used to calculate contributions.

The maximum annual earnings used to calculate contributions are EC\$60,000.

The employer's contributions also finance sickness and maternity benefits and work injury benefits.

**Government:** None; contributes as an employer.

#### Qualifying Conditions

**Old-age pension:** Age 63 (gradually rising to 65 by 2015) with at least 168 months of contributions (rising to 180 months in 2012). Employment must cease.

Early pension: Age 60 with at least 168 months of contributions (rising to 180 months in 2012). Employment must cease.

The pension may be deferred until age 65.

**Old-age grant:** Age 63 (rising gradually to age 65 by 2015) and ineligible for the old-age pension.

All old-age benefits are payable abroad, subject to conditions.

**Disability pension:** Younger than the normal pensionable age with at least 60 months of contributions, including at least 36 consecutive months before the disability began; or meets the requirements for an old-age pension. The insured must have an assessed disability that is not the result of a work injury and must not receive a cash sickness benefit.

A registered medical doctor assesses the degree of disability at least every two years.

**Disability grant:** The insured is assessed with a degree of disability of less than 30% or does not meet the contribution conditions for the disability pension.

A registered medical doctor assesses the degree of disability.

All disability benefits are payable abroad, subject to conditions.

**Survivor pension:** The insured met the qualifying conditions for an old-age or disability pension or was a pensioner at the time of death.

Eligible survivors are a widow(er) married to the insured for at least three years, including a common-law spouse; children younger than age 16 (age 18 if a full-time student, no limit if disabled); and parents or grandparents of pensionable age if there are no other survivors.

If the spouse, parent, or grandparent is of pensionable age, the benefit is paid for life. If the spouse is younger than the pensionable age, a benefit is paid for a year or until the youngest child reaches age 16 (age 18 if a full-time student). If a survivor has a disability, the benefit is paid for the duration of the disability. The widow(er)'s pension ceases on remarriage or cohabitation.

**Survivor grant:** Paid to an eligible survivor if the insured did not meet the qualifying conditions for an old-age or disability pension at the time of death.

**Funeral grant:** Paid for the death of an insured person, spouse, or dependent child who met the contribution requirements for any benefit other than a grant or allowance, had at least six months of contributions in the 12 months before the date of death, or had paid contributions in the amount of the benefit (up to EC\$1,750).

All survivor benefits are payable abroad, subject to conditions.

### **Old-Age Benefits**

**Old-age pension:** The benefit is 40% of the insured's average covered earnings plus 0.5% of average covered earnings for each month of contributions exceeding 168 months (180 months in 2012).

Average covered earnings are calculated based on the insured's earnings in the best five years, up to a maximum.

The minimum monthly pension is EC\$300.

**Early pension:** The pension is reduced by 0.5% for each month the pension is taken before the normal pensionable age.

**Old-age grant:** The benefit is a lump sum of 100% of the balance of the provident fund plus accrued interest and 0.67% of yearly average covered earnings for each month of contributions after March 1979.

### **Permanent Disability Benefits**

**Disability pension:** If the insured has at least 60 months of contributions but less than the minimum contribution required for an old-age pension, 35% of the insured's average covered earnings is paid. If the insured meets the requirements for an old-age pension, the benefit is 40% of the insured's average covered earnings plus 0.1% of average covered earnings for each month that contributions exceed the requirements for an old-age pension.

Average covered earnings are calculated based on the insured's earnings in the best five years, up to a maximum.

The minimum monthly pension is EC\$300.

The maximum pension is 60% of the insured's average covered earnings.

**Disability grant:** The benefit is a lump sum of 100% of the balance of the provident fund plus accrued interest and 0.67% of yearly average covered earnings for each month of contributions after March 1979.

### **Survivor Benefits**

**Survivor pension:** If there are no other survivors, 75% of the old-age or disability pension the deceased received or was eligible to receive is paid to a widow(er). If there are other dependent survivors, 50% of the deceased's pension is paid to the widow(er).

**Orphan's pension:** 50% of the deceased's pension (50% of each insured parent's pension if a full orphan) is paid to a dependent child younger than age 16 (age 18 if a full-time student).

If there are no other survivors, 50% of the deceased's pension is paid to a parent or grandparent.

All survivor benefits combined must not exceed 100% of the old-age or disability pension the deceased received or was eligible to receive.

**Survivor grant:** The benefit is a lump sum at least equal to the value of the old-age grant or disability grant that would have been paid to the deceased.

**Funeral grant:** The cost of the funeral, up to EC\$1,750 for an insured person, EC\$1,500 for a spouse, and EC\$150 to EC\$1,500 for a child, depending on the child's age, is paid.

### **Administrative Organization**

Ministry of Finance ([http://www.stlucia.gov.lc/agencies/ministry\\_of\\_finance.htm](http://www.stlucia.gov.lc/agencies/ministry_of_finance.htm)) provides general supervision.

National Insurance Corporation (<http://www.stlucianis.org>) administers the program.

### **Sickness and Maternity**

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#### **Regulatory Framework**

**First law:** 1978 (national insurance).

**Current laws:** 2000 (national insurance corporation) and 2003 (national insurance).

**Type of program:** Social insurance system. Cash benefits only.

#### **Coverage**

Employed persons, self-employed persons, and apprentices.

Exclusions: Civil servants prior to February 1, 2003.

Special system for civil servants not covered by the National Insurance Corporation.

#### **Source of Funds**

**Insured person:** See source of funds under Old Age, Disability, and Survivors.

**Self-employed person:** See source of funds under Old Age, Disability, and Survivors.

**Employer:** See source of funds under Old Age, Disability, and Survivors.

**Government:** See source of funds under Old Age, Disability, and Survivors.

#### **Qualifying Conditions**

**Cash sickness benefits:** The insured must have been employed on the day before the incapacity began and have at least six months of contributions, including at least two of the four months immediately before the incapacity began. The incapacity must not be the result of a work injury.

**Cash maternity benefits:** The insured must have at least seven months of contributions in the 10 months immediately before the expected month of childbirth.

**Maternity grant:** The insured must have at least seven months of contributions in the 10 months immediately before the expected month of childbirth. The grant may be paid to the mother or an insured cohabitating partner who has lived with the mother for a continuous period of at least five years.

### **Sickness and Maternity Benefits**

**Sickness benefit:** 65% of the insured's average earnings is paid after a three-day waiting period.

Average earnings are calculated based on the insured's earnings in the last four months.

**Maternity benefit:** 65% of the insured's average earnings is paid for up to three months, beginning the month before the expected month of childbirth.

Average earnings are calculated based on the insured's earnings in the last 10 months.

**Maternity grant:** A lump sum of EC\$600 is paid.

### **Workers' Medical Benefits**

No statutory benefits are provided.

Insured persons who meet the requirements for a cash sickness benefit receive hospitalization and medical treatment at approved hospitals through the national insurance scheme.

### **Dependents' Medical Benefits**

No statutory benefits are provided.

### **Administrative Organization**

Minister of Finance ([http://www.stlucia.gov.lc/agencies/ministry\\_of\\_finance.htm](http://www.stlucia.gov.lc/agencies/ministry_of_finance.htm)) provides general supervision.

National Insurance Corporation (<http://www.stlucianis.org>) administers the program.

### **Work Injury**

#### **Regulatory Framework**

**First law:** 1964 (employer liability).

**Current law:** 2000 (national insurance corporation).

**Type of program:** Social insurance system.

#### **Coverage**

Employed persons and apprentices.

Exclusions: Self-employed persons; civil servants prior to February 1, 2003.

Special system for civil servants not covered by the National Insurance Corporation.

### **Source of Funds**

**Insured person:** See source of funds under Old Age, Disability, and Survivors.

**Self-employed person:** Not applicable.

**Employer:** See source of funds under Old Age, Disability, and Survivors.

**Government:** See source of funds under Old Age, Disability, and Survivors.

### **Qualifying Conditions**

**Work injury benefits:** There is no minimum qualifying period. Benefits are paid for work injuries and prescribed occupational diseases.

### **Temporary Disability Benefits**

65% of average covered earnings in the month of the injury or the average covered earnings in the best two of the last four months of contributions is paid for up to 12 months or until the award of a permanent disability benefit or full recovery (whichever is earlier).

### **Permanent Disability Benefits**

**Permanent disability pension:** For a total disability of at least 30%, the monthly pension is 65% of covered earnings in the month of the accident.

For an assessed degree of disability less than 30%, a lump sum of 60 months of the permanent disability pension the deceased would have been entitled to receive is paid.

An appointed medical board assesses the disability every six months.

Pensions are payable abroad, subject to conditions.

### **Workers' Medical Benefits**

All medical expenses, including surgical, dental, and hospital treatment and medicine, are paid, up to EC\$20,000 per work injury or occupational disease.

### **Survivor Benefits**

**Survivor benefit:** A benefit is paid to a widow(er) of pensionable age or with an incapacity for work, including a common-law spouse; children younger than age 16 (age 18 if full-time students); parents and grandparents of pensionable age or other dependent relatives if there are no other survivors.

If the spouse, parent, or grandparent is of pensionable age, the benefit is paid for life. If the spouse is younger than the pensionable age, a benefit is paid for a year or until the youngest child reaches age 16 (age 18 if a full-time student). If a survivor has a disability, the benefit is paid for the duration of the disability. The widow(er)'s pension ceases on remarriage or cohabitation.

## Saint Lucia

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If there are no other survivors, 75% of the old-age or disability pension the deceased received or was eligible to receive is paid to a widow(er). If there are other dependent survivors, 50% of the deceased's pension is paid to a widow(er).

50% of the deceased's pension (50% of each insured parent's pension if a full orphan) is paid to a dependent child younger than age 16 (age 18 if a full-time student).

If there are no other survivors, 50% of the deceased's pension is paid to a parent or grandparent.

All survivor benefits combined must not exceed 100% of the old-age or disability pension the deceased received or was eligible to receive.

**Funeral grant:** The cost of the funeral is paid, up to EC\$1,750.

### ***Administrative Organization***

Minister of Finance ([http://www.stlucia.gov.lc/agencies/ministry\\_of\\_finance.htm](http://www.stlucia.gov.lc/agencies/ministry_of_finance.htm)) provides general supervision.

National Insurance Corporation (<http://www.stlucianis.org>) administers the program.



## St. Vincent and the Grenadines

Exchange rate: US\$1.00 = 2.70 East  
Caribbean dollars (EC\$).

### Old Age, Disability, and Survivors

#### Regulatory Framework

**First law:** 1970 (provident fund).

**Current law:** 1986 (social insurance).

**Type of program:** Social insurance system.

Note: The Family Services Division of the Ministry of Social Development administers social assistance cash benefits for needy persons, including needy elderly persons, persons with disabilities, and orphans.

#### Coverage

Employed and self-employed persons aged 16 to 59.

Voluntary coverage for citizens of St. Vincent and the Grenadines aged 16 to 59 who are no longer in covered employment or live abroad.

#### Source of Funds

**Insured person:** 3.5% of covered earnings; certain government workers contribute 3.29% of covered earnings; the voluntarily insured contribute 6.84% of declared income.

The minimum weekly earnings used to calculate contributions are EC\$15.

The maximum weekly earnings used to calculate contributions are EC\$1,000 (EC\$4,330 a month).

The insured person's contributions also finance sickness and maternity benefits.

**Self-employed person:** 7.5% of declared income, according to eight income categories.

The self-employed person's contributions also finance sickness and maternity benefits.

**Employer:** 4.5% of monthly payroll.

The minimum weekly earnings used to calculate contributions are EC\$15.

The maximum weekly earnings used to calculate contributions are EC\$1,000 (EC\$4,330 a month).

The employer's contributions also finance sickness and maternity benefits.

**Government:** 4.25% or 4.5% of monthly payroll for government workers, depending on the category of work.

Government contributions also finance sickness and maternity benefits.

#### Qualifying Conditions

**Old-age pension:** Age 60 with at least 500 weeks of contributions.

Early pension: Paid at age 60 to insured persons who were aged 37 or older on January 5, 1987. The insured must have at least 150 weeks of contributions, plus an additional 50 weeks of contributions for each year the insured was younger than age 50 on January 5, 1987.

**Old-age grant:** Age 60 with at least 50 weeks of contributions.

Benefits are payable abroad.

**Disability pension:** The insured must be younger than age 60, assessed with a disability, and have at least 150 weeks of contributions.

**Disability grant:** The insured must be younger than age 60, assessed with a disability, and have at least 50 weeks of contributions.

Benefits are payable abroad.

**Survivor pension:** The deceased had at least 150 weeks of contributions at the time of death.

Eligible survivors are a widow(er) and children younger than age 16 (age 18 if a student, no limit if disabled) or dependent parents aged 60 or older.

The widow(er)'s pension ceases on remarriage or cohabitation.

**Survivor grant:** The deceased did not meet the qualifying conditions for an old-age or disability pension but was eligible for an old-age grant or disability grant.

Eligible survivors are a widow(er) and children younger than age 16 (age 18 if a student, no limit if disabled) or dependent parents aged 60 or older.

Benefits are payable abroad.

**Funeral grant:** The insured had at least 26 weeks of paid contributions. The grant is paid for the death of the insured, the insured's spouse, and the insured's dependent children younger than age 16 (age 18 if a full-time student, no limit if disabled).

#### Old-Age Benefits

**Old-age pension:** The base pension is 30% of the insured's average annual earnings with at least 500 weeks of contributions. The pension is increased by 0.5% of average annual earnings for each 25-week period of contributions exceeding 500 weeks.

Average annual earnings are based on the insured's earnings in the best three of the last 15 years before the year in which the insured reached age 60. The annual amount is then divided by 52 to determine the weekly pension.

The maximum pension is 60% of the insured's average annual earnings.

## St. Vincent and the Grenadines

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**Early pension:** The base pension is 16% of the insured's average annual earnings in the best three of the last 15 years before the year in which the insured reached age 60. The pension is increased by 1% of average annual earnings for each 25-week period of contributions exceeding 150 weeks, up to 499 weeks.

The minimum weekly pension is EC\$70. The pension is paid every two weeks.

**Benefit adjustment:** Benefits are adjusted for inflation every three years, subject to an actuarial review.

**Old-age grant:** A lump sum of six times the average weekly covered earnings is paid for each 50-week period of contributions.

### **Permanent Disability Benefits**

**Disability pension:** The base pension is 30% of the insured's average annual earnings with at least 500 weeks of contributions. The pension is increased by 0.5% of average annual earnings for each 25-week period of contributions exceeding 500 weeks.

Average annual earnings are based on the insured's earnings in the best three of the last 15 years. The annual amount is then divided by 52 to determine the weekly pension.

The minimum weekly pension is EC\$70. The pension is paid every two weeks.

The maximum pension is 60% of average earnings.

**Benefit adjustment:** Benefits are adjusted for inflation every three years, subject to an actuarial review.

**Disability grant:** A lump sum of six times the average weekly covered earnings is paid for each 50-week period of contributions.

### **Survivor Benefits**

**Survivor pension:** 75% of the pension the deceased received or was entitled to receive at the time of death is paid to the widow(er).

A limited pension is paid for a year to a widow(er) younger than the age 50 with no dependent children.

**Orphan's pension:** 25% of the pension the deceased received or was entitled to receive is paid to each dependent child younger than age 16 (age 18 if a full-time student, no limit if disabled); 50% to a full orphan.

**Dependent parent's pension:** If there are no other survivors, up to 50% of the pension the deceased received or was entitled to receive is paid to each eligible parent.

All survivor benefits combined must not exceed 100% of the deceased's old-age pension or disability pension.

**Survivor grant:** A lump sum of 75% of the old-age grant the deceased received or was entitled to receive is paid to a widow(er); 25% to an orphan (50% to a full orphan); if there

are no other eligible survivors, 50% is paid to each dependent parent.

All survivor grants combined must not exceed 100% of the old-age grant the deceased was entitled to receive.

**Funeral grant:** EC\$4,330 is paid to the person who pays for all or part of the insured's funeral. A reduced grant is paid for the funeral of a spouse or child.

### **Administrative Organization**

National Insurance Board (<http://www.nissvg.org>) administers the program.

### **Sickness and Maternity**

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#### **Regulatory Framework**

**First and current law:** 1986 (social insurance).

**Type of program:** Social insurance system. Cash benefits only.

#### **Coverage**

Employed and self-employed persons aged 16 to 59.

Special systems for certain categories of civil servants.

#### **Source of Funds**

**Insured person:** See source of funds under Old Age, Disability, and Survivors.

**Self-employed person:** See source of funds under Old Age, Disability, and Survivors.

**Employer:** See source of funds under Old Age, Disability, and Survivors.

**Government:** See source of funds under Old Age, Disability, and Survivors.

#### **Qualifying Conditions**

**Cash sickness benefits:** The insured must be currently employed with at least 26 weeks of contributions, including at least eight weeks in the 13-week period immediately before the incapacity began.

**Cash maternity benefits:** The insured must have at least 20 weeks of contributions, including 20 weeks in the 30-week period immediately preceding the claim or the expected date of child birth, whichever is later.

**Maternity grant:** The insured must have at least 20 weeks of contributions in the 30 weeks immediately before a live birth.

#### **Sickness and Maternity Benefits**

**Sickness benefit:** 65% of the insured's average earnings in the 13 weeks before the incapacity began is paid for up to 26 weeks.

**Maternity benefit:** 65% of the insured's average earnings in the last 30 weeks of employment is paid for 13 weeks, from up to six weeks before the expected date of childbirth.

**Maternity grant:** EC\$630 is paid.

### **Workers' Medical Benefits**

No statutory benefits are provided.

### **Dependents' Medical Benefits**

No statutory benefits are provided.

### **Administrative Organization**

National Insurance Board (<http://www.nissvg.org>) administers the program.

### **Work Injury**

#### **Regulatory Framework**

**First law:** 1939.

**Current law:** 1997 (work injury).

**Type of program:** Social insurance system.

#### **Coverage**

Employed persons.

Exclusions: Self-employed persons and voluntary contributors.

#### **Source of Funds**

**Insured person:** None.

**Self-employed person:** Not applicable.

**Employer:** 0.5% of payroll.

**Government:** None; contributes as an employer.

#### **Qualifying Conditions**

**Work injury benefits:** The insured must be employed. Benefits are paid for work injuries or prescribed occupational diseases.

#### **Temporary Disability Benefits**

70% of average weekly covered earnings is paid for up to 52 weeks.

Average weekly covered earnings are based on the insured's earnings in the last 13 weeks or the total number of weeks of employment before the disability began (whichever is lower).

#### **Permanent Disability Benefits**

**Permanent disability pension:** 70% of average weekly covered earnings multiplied by the assessed degree of

disability is paid. The assessed degree of disability must be greater than 30% and the insured must have exhausted entitlement to the temporary disability benefit.

Average weekly insurable earnings are based on the insured's earnings in the 13 weeks before the disability began.

A medical doctor assesses and reviews the degree of disability every 26 weeks.

Constant-attendance allowance: 150% of the disability pension is paid. The insured must be an outpatient receiving a permanent disability pension (100% disability) and require the constant attendance of others to perform daily functions.

If the assessed degree of disability is 30% or less, a lump sum of 365 times the insured's average weekly covered earnings multiplied by the assessed degree of disability is paid. The insured must have exhausted entitlement to a temporary disability benefit.

### **Workers' Medical Benefits**

Benefits include medical, surgical, dental and hospital treatment; skilled nursing services; medicine; prosthetics; and transportation costs.

### **Survivor Benefits**

**Survivor pension:** 50% of the deceased's permanent disability pension is paid to the widow(er).

The pension ceases on remarriage. A one-year gratuity is payable on remarriage (52 times the weekly rate of the person's entitlement).

**Orphan's pension:** 16.6% of the deceased's permanent disability pension (33.3% if the orphan is disabled) is paid to each dependent child younger than age 16 (age 18 if a full-time student).

**Other dependent's pension:** 16.6% of the deceased's permanent disability pension is paid.

Eligible survivors are a widow(er), unmarried, dependent children, and any other dependent person named by the deceased.

**Funeral grant:** EC\$4,330 is paid to the person who paid for the funeral.

### **Administrative Organization**

National Insurance Board (<http://www.nissvg.org>) administers the program.

## Trinidad and Tobago

Exchange rate: US\$1.00 = 6.35 Trinidad and Tobago dollars (TT\$).

### Old Age, Disability, and Survivors

#### Regulatory Framework

**First and current laws:** 1939 (social assistance); and 1971 (social insurance).

**Type of program:** Social insurance and social assistance system.

#### Coverage

**Social insurance:** Employed persons, including agricultural and household workers, apprentices, and public-sector employees.

Voluntary coverage for the old-age pension, survivor pension, and funeral grant for persons younger than age 60 who cease to work in covered employment.

Exclusions: Self-employed persons, persons who earn less than TT\$120 a week or TT\$520 a month, and persons employed by international organizations who are granted exemptions.

**Social assistance:** Needy persons with little or no means of support.

#### Source of Funds

##### Social Insurance

**Insured person:** 3.2% of covered weekly or monthly earnings (January 2010) or one third of the overall contribution rate, according to 16 wage classes. The voluntarily insured contribute 10.8% of covered earnings (January 2010).

The minimum weekly earnings used to calculate contributions are TT\$120.

The maximum weekly earnings used to calculate contributions are TT\$1,915.

**Self-employed person:** Not applicable.

**Employer:** 6.4% of covered weekly or monthly payroll (January 2010) or two thirds of the overall contribution rate, according to 16 wage classes.

**Government:** None; contributes as an employer.

The overall contribution rate is 10.8% (rising to 11.4% in January 2012) of covered weekly or monthly earnings or payroll, according to 16 wage classes.

The overall contribution rate is the combined employee and employer contributions rates for old age, disability and sur-

vivors benefits; sickness and maternity benefits; and work injury benefits.

##### Social Assistance

**Insured person:** None.

**Self-employed person:** None.

**Employer:** None.

**Government:** The total cost.

#### Qualifying Conditions

**Old-age pension (social insurance):** Age 60 with at least 750 weeks of contributions paid or credited.

Retirement is not necessary if aged 65 or older.

**Old-age settlement (social insurance):** Age 60 and does not meet the qualifying conditions for an old-age pension.

Retirement is not necessary if aged 65 or older.

Old-age benefits are payable abroad under reciprocal agreements with other Caribbean countries and Canada.

##### Means-tested old-age pension (social assistance):

Aged 65 or older with at least 20 years of residence in Trinidad and Tobago and monthly income not exceeding TT\$2,800.

The social assistance pension is not payable abroad.

**Disability pension (social insurance):** Younger than age 60, assessed with an incapacity to work, and has at least 150 weeks of contributions, including 50 weeks in the three years immediately before the disability began; 250 weeks in the seven years immediately before the disability began; or 750 weeks of contributions immediately before the disability began.

Disability benefits are payable abroad under reciprocal agreements with other Caribbean countries and Canada.

##### Means-tested disability pension (social assistance):

The insured must have a medically certified permanent disability with monthly income not exceeding TT\$1,000.

The social assistance disability pension is not payable abroad.

**Survivor pension (social insurance):** The deceased had at least 50 weeks of contributions or was a pensioner.

Eligible survivors are a widow(er), unmarried children up to age 19, and dependent parents.

The pension ceases on remarriage.

Survivor benefits are payable abroad under reciprocal agreements with other Caribbean countries and Canada.

**Funeral grant (social insurance):** The deceased had at least 25 weeks of contributions.

### Old-Age Benefits

**Old-age pension (social insurance):** 30% to 48% of the insured's average weekly earnings is paid according to 16 wage classes, plus 0.56% to 0.71% of average weekly earnings for each 25-week period of contributions exceeding 750 weeks.

Average weekly earnings are based on career average earnings, according to 16 wage classes.

The minimum old-age pension is TT\$2,000 a month.

**Old-age settlement (social insurance):** A lump sum of three times the total insured person and employer contributions is paid.

The minimum old-age settlement is TT\$2,000.

**Means-tested old-age pension (social assistance):** Up to TT\$3,000 a month is paid, depending on income.

### Permanent Disability Benefits

**Disability pension (social insurance):** 30% to 48% of the insured's average weekly earnings is paid according to 16 wage classes, plus 0.56% to 0.71% of average weekly earnings for each 25-week period of contributions exceeding 750 weeks.

Average weekly earnings are based on career average earnings, according to 16 wage classes.

There is no minimum disability pension.

The disability pension is replaced by the old-age pension at age 60.

**Means-tested disability pension (social assistance):** TT\$1,300 a month is paid.

### Survivor Benefits

**Survivor pension (social insurance):** 60% of the disability pension the deceased received or was eligible to receive is paid to a widow(er).

The minimum widow(er) pension is TT\$400 a month.

Remarriage settlement: A lump sum of 52 weeks of benefit is paid.

**Orphan's pension (social insurance):** 30% of the disability pension the deceased received or was eligible to receive is paid to each orphan until age 16 (age 19 if a full-time student); 60% for a full orphan.

The minimum orphan's pension is TT\$400 a month; TT\$800 for a full orphan.

**Dependent parent's pension (social insurance):** 30% of the deceased's pension is paid to one dependent parent or is split equally between two dependent parents.

The minimum dependent parent's pension is TT\$200 a month.

All survivor benefits combined must not exceed 100% of the deceased's pension.

**Funeral grant (social insurance):** TT\$5,000 is paid to the person who paid for the funeral.

### Administrative Organization

Ministry of Finance (<http://www.finance.gov.tt>) provides general supervision of the social insurance program.

National Insurance Board (<http://www.nibtt.co.tt>), a tripartite body comprising government, labor, and employer representatives, administers the social insurance program.

Ministry of the People and Social Development, Social Welfare Division, provides general supervision of the social assistance program.

### Sickness and Maternity

#### Regulatory Framework

**First and current laws:** 1939 (social assistance); and 1971 (social insurance).

**Type of program:** Social insurance and social assistance system.

#### Coverage

Employed persons, including agricultural and household workers, apprentices, and public-sector employees.

Exclusions: Self-employed persons, persons who earn less than TT\$120 a week or TT\$520 a month, and persons employed by international organizations who are granted exemptions.

#### Source of Funds

**Insured person:** 0.22% of covered weekly or monthly earnings (January 2010) or one third of the overall contribution rate, according to 16 wage classes.

The overall contribution rate is the combined employee and employer contributions rates for old age, disability and survivors benefits; sickness and maternity benefits; and work injury benefits.

The minimum weekly earnings used to calculate contributions are TT\$120.

The maximum weekly earnings used to calculate contributions are TT\$1,915.

**Self-employed person:** Not applicable.

**Employer:** 0.44% of covered weekly or monthly earnings (January 2010) or two thirds of the overall contribution rate, according to 16 wage classes.

The overall contribution rate is the combined employee and employer contributions rates for old age, disability and survivors benefits; sickness and maternity benefits; and work injury benefits.

The minimum weekly earnings used to calculate contributions are TT\$120.

The maximum weekly earnings used to calculate contributions are TT\$1,915.

**Government:** None; contributes as an employer.

### Qualifying Conditions

**Cash sickness benefits:** The insured must have at least 10 weeks of contributions in the 13 weeks before the incapacity began.

**Cash maternity benefits:** The insured must have at least 10 weeks of contributions in the 13 weeks before the last six weeks prior to the expected date of childbirth; or be receiving sickness benefits in the 13 weeks before the last six weeks prior to the expected date of childbirth.

**Maternity grant:** Paid if the pregnancy lasts at least 26 weeks. Also paid for each birth in the case of multiple births. May be paid based on the father's contributions if the mother's are insufficient.

### Sickness and Maternity Benefits

**Sickness benefit:** 60% of average weekly earnings before the incapacity began, according to 16 wage classes, is paid after a three-day waiting period for up to 52 weeks.

Average earnings are based on earnings in the 10 best weeks of contributions in the 13 weeks before the incapacity began.

**Maternity benefit:** 60% of average weekly earnings in the 13 weeks before the last six weeks prior to the expected date of childbirth, according to 16 wage classes, is paid for up to 13 weeks.

Average earnings are based on earnings in the 10 best weeks of contributions in the 13 weeks before the expected date of childbirth.

**Maternity grant:** A lump sum of TT\$2,500 is paid.

### Workers' Medical Benefits

No statutory social insurance benefits are provided for nonwork-related medical conditions.

Means-tested social assistance medical benefits are provided to persons receiving care in public hospitals and health centers.

### Dependents' Medical Benefits

No statutory benefits are provided.

Means-tested social assistance medical benefits are provided to persons receiving care in public hospitals and health centers.

### Administrative Organization

Ministry of Finance (<http://www.finance.gov.tt>) provides general supervision of the social insurance program.

National Insurance Board (<http://www.nibtt.co.tt>), a tripartite body comprising government, labor, and employer representatives, administers the social insurance program.

Ministry of the People and Social Development, Social Welfare Division, provides general supervision of the social assistance program.

### Work Injury

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#### Regulatory Framework

**First and current laws:** 1960 (workmen's compensation); and 1976 (social insurance).

**Type of program:** Social insurance system and employer liability system.

Note: Employers are required to provide compensation to all employed persons for work injuries through the direct provision of lump sum benefits or the purchase of insurance premiums. If the work injury results in the death of the insured, benefits are paid to dependents that were wholly dependent on the insured.

#### Coverage

##### Social Insurance

Employed persons, including agricultural and household workers, apprentices, and public-sector employees.

Exclusions: Self-employed persons, persons who earn less than TT\$120 a week or TT\$520 a month, and persons employed by international organizations who are granted exemptions.

#### Source of Funds

##### Social insurance

**Insured person:** 0.185% of covered weekly or monthly earnings (January 2010) or one third of the overall contribution rate, according to 16 wage classes.

The overall contribution rate is the combined employee and employer contributions rates for old age, disability and survivors benefits; sickness and maternity benefits; and work injury benefits.

The minimum weekly earnings used to calculate contributions are TT\$120.

The maximum weekly earnings used to calculate contributions are TT\$1,915.

**Self-employed person:** Not applicable.

**Employer:** 0.370% of covered weekly or monthly payroll (January 2010) or two thirds of the overall contribution rate, according to 16 wage classes.

The overall contribution rate is the combined employee and employer contributions rates for old age, disability and survivors benefits; sickness and maternity benefits; and work injury benefits.

The minimum weekly earnings used to calculate contributions are TT\$120.

The maximum weekly earnings used to calculate contributions are TT\$1,915.

*Government:* None; contributes as an employer.

### Qualifying Conditions

**Work injury benefits:** There is no minimum qualifying period. The insured person must not be working due to an incapacity for work as a result of a work injury or disease.

### Temporary Disability Benefits

66.6% of average weekly earnings, according to 16 wage classes, is paid for up to 52 weeks. There is no waiting period.

Average weekly earnings are based on career average earnings, according to 16 wage classes.

Benefits are payable abroad under reciprocal agreements with other Caribbean countries and Canada.

### Permanent Disability Benefits

#### Social Insurance

*Permanent disability pension:* If the insured has an assessed degree of disability of at least 20%, the pension is a percentage of the temporary disability benefit, according to the assessed degree of disability.

The benefit is paid after the temporary disability benefit ceases.

The insured's doctor assesses the degree of disability.

*Partial disability benefit:* If the insured has an assessed degree of disability of more than 3% but less than 20%, the benefit is a percentage of average weekly earnings, according to half the assessed degree of disability multiplied by the period of disability (up to 365 weeks).

The benefit is paid after the temporary disability benefit ceases.

Average weekly earnings are based on career average earnings, according to 16 wage classes.

Benefits are payable abroad under reciprocal agreements with other Caribbean countries and Canada.

### Workers' Medical Benefits

Benefits include medical expenses, including doctor and specialist fees, hospital expenses, medicine, operations, physiotherapy, appliances, and transportation costs.

Medical costs are reimbursed, up to TT\$22,500 per injury.

The cost of magnetic resonance imaging is covered up to TT\$2,000 per examination per body part.

### Survivor Benefits

#### Social insurance

*Survivor pension:* 40% of the contribution paid by the deceased or the work injury benefit received by the deceased in the week before death is paid to a widow(er).

The widow(er)'s pension is TT\$277.33 a month to TT\$3,319.33 a month, according to 16 wage classes.

*Remarriage settlement:* The pension ceases on remarriage, and a lump sum of 52 weeks of benefit is paid.

*Orphan's pension:* 20% of the contribution paid by the deceased or the work injury benefit received by the deceased in the week before death is paid to each unmarried orphan up to age 19.

The minimum orphan's pension is TT\$400 a month; TT\$640 for a full orphan.

*Dependent parent's pension:* 20% of the contribution paid by the deceased or the work injury benefit received by the deceased in the week before death is paid to a dependent parent.

The minimum dependent parent's pension is TT\$200 a month per parent.

Survivor benefits are payable abroad under reciprocal agreements with other Caribbean countries and Canada.

*Funeral grant:* A lump sum of TT\$5,000 is paid.

### Administrative Organization

Ministry of Finance (<http://www.finance.gov.tt>) provides general supervision of the social insurance program.

National Insurance Board (<http://www.nibtt.co.tt>), a tripartite body comprising government, labor, and employer representatives, administers the social insurance program.

Judiciary of the Republic of Trinidad and Tobago (<http://www.ttlawcourts.org>) adjudicates work injury claims under the employment liability system.

### Family Allowances

#### Regulatory Framework

**First and current law:** 1939 (social assistance).

**Type of program:** Social assistance system.

#### Coverage

Individuals and families assessed as needy.

#### Source of Funds

**Insured person:** None.

**Self-employed person:** None.

**Employer:** None.

**Government:** The total cost.

### **Qualifying Conditions**

**Family allowances (means-tested):** Paid to needy individuals and families with little or no means of support.

*Public assistance:* Paid to families where the adult is unable to earn an income due to ill health, or for children if the father (or both parents) is deceased, incarcerated, disabled, or whose whereabouts is unknown.

*Burial assistance:* Paid to families to help pay for the cost of a burial.

*Clothing grant:* Paid to help purchase clothing, including school uniforms and shoes for children. The grant is paid for up to four persons per household.

*Dietary grant:* Paid to help purchase prescribed foodstuffs for persons diagnosed with certain ailments, such as diabetes or heart disease.

*Disability assistance:* Paid to persons aged 18 to 65 with a disability certified by a doctor. The person must have resided in Trinidad and Tobago for the last three years and have annual income less than TT\$12,000.

*Education grant:* Paid to families to help meet the cost of school fees, school transportation, and other essentials. The grant is paid for up to four children per household, based on family circumstances.

*Free bus pass:* Provided to social assistance beneficiaries and citizens older than age 65.

*House rent assistance:* Paid to persons unable to pay housing rental payments.

*Medical equipment grant:* Paid to help purchase necessary medical aids, such as wheelchairs, eyeglasses, and hearing aids.

*Home help grant:* Paid to help finance short-term care at home.

*School textbook grant:* Paid to help purchase necessary textbooks and writing material for school. The grant is paid for up to four children per household.

*Special child grant:* Paid to parents of children up to age 18 with a mental or physical disability. The grant is paid for up to four children per household.

### **Family Allowance Benefits**

#### **Family allowances (means-tested):**

*Public assistance:* Up to TT\$1,450 is paid.

*Burial assistance:* A lump sum of TT\$7,000 is paid.

*Clothing grant:* Up to TT\$500 per person is paid for up to four persons per household.

*Dietary grant:* Up to TT\$600 a month is paid.

*Disability assistance:* TT\$1,300 a month is paid.

*Education grant:* Up to TT\$500 a month per child is paid for up to four children per household.

*Free bus pass:* Free travel on public transport for eligible persons.

*House rent assistance:* Up to TT\$2,500 is paid directly to the beneficiary's landlord in a three-month period.

*Medical equipment grant:* Up to TT\$7,500 is paid. The purchase of any particular item may only be approved once in each two-year period.

*Home help grant:* TT\$1,800 a month is paid to the caregiver for up to three months.

*School textbook grant:* A one-time sum of TT\$500 per child is paid for up to four children per household.

*Special child grant:* TT\$800 a month is paid to parents for up to four children per household.

### **Administrative Organization**

Ministry of the People and Social Development, Social Welfare Division, provides general supervision of the social assistance program.



## United States of America

Exchange rate: US dollar (US\$).

### Old Age, Disability, and Survivors

#### Regulatory Framework

**First and current law:** 1935 (social security).

**Type of program:** Social insurance system.

#### Coverage

Gainfully employed persons, including self-employed persons.

Exclusions: Casual agricultural, household, and election employees; some categories of self-employed persons (when annual net income is below \$400); and certain federal employees hired before January 1, 1984.

Voluntary coverage for employees of state and local governments (mandatory coverage for employees of state and local governments not covered under a retirement system, effective July 1, 1991) and clergy. Voluntary coverage applies in the United States, Puerto Rico, Northern Mariana Islands, U.S. Virgin Islands, Guam, and American Samoa, and to citizens and residents employed abroad by United States employers.

Special systems for railroad employees, certain federal employees, and many employees of state and local governments.

#### Source of Funds

**Insured person:** 6.2% (temporarily reduced to 4.2% for 2011 and 2012) of covered earnings.

The maximum annual earnings used to calculate contributions are \$110,100. (The maximum earnings used to calculate contributions are automatically adjusted to wage levels.)

**Self-employed person:** 12.4% of covered earnings (temporarily reduced to 10.4% for 2011 and 2012).

The maximum annual earnings used to calculate contributions are \$110,100. (The maximum earnings used to calculate contributions are automatically adjusted to wage levels.)

**Employer:** 6.2% of covered payroll.

The maximum annual earnings used to calculate contributions are \$110,100. (The maximum earnings used to calculate contributions are automatically adjusted to wage levels.)

**Government:** The total cost of means-tested supplemental income benefits.

#### Qualifying Conditions

**Old-age pension:** Age 66 (rising to age 67 by 2027) with at least 40 quarters of coverage.

Early pension: A reduced pension is paid from age 62.

Deferred pension: The pension may be deferred up to age 70.

Pensions are payable abroad to noncitizens under reciprocal agreement. However, noncitizens' dependents who were first eligible after 1984 generally must meet a residency requirement.

**Old-age supplemental income benefit (means-tested):** Age 65 or older with low income and limited resources. The means test is based on earned and unearned income, including benefits.

**Disability pension:** The insured must be assessed as incapable of substantial gainful activity as the result of a physical or mental impairment that is expected to last at least a year or result in death. The insured must have a quarter of coverage for each year since age 21 up to the year the disability began, up to 40 quarters of coverage. The insured must also have 20 quarters of coverage in the 10-year period before the disability began.

The qualifying conditions for young and blind persons are less strict.

Pensions are payable abroad to noncitizens under reciprocal agreement. However, noncitizens' dependents who were first eligible after 1984 generally must meet a residency test.

**Disability supplemental income benefit (means-tested):**

Paid to persons with a disability and blind persons younger than age 65 with low income and limited resources. The means test is based on earned and unearned income, including benefits. Certain impairment-related work expenses are deductible from income.

**Survivor pension:** The deceased was a pensioner or had a quarter of coverage for each year since age 21 up to the year before the year of death, up to 40 quarters of coverage.

For orphans or a nonaged widow(er) with an eligible dependent orphan, the deceased had six quarters of coverage in the 13 quarters ending with the quarter in which the death occurred.

Eligible survivors are a widow(er) (or a surviving divorced spouse, if the marriage lasted at least 10 years), orphans younger than age 18 (aged 18 to 19 if attending elementary or secondary school full time, no limit if disabled before age 22), and dependent parents aged 62 or older and at least 50% dependent on the deceased.

## United States of America

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Pensions are payable abroad to noncitizens under reciprocal agreement. However, noncitizens' survivors who were first eligible after 1984 generally must meet a residency test.

### **Old-Age Benefits**

**Old-age pension:** The pension is based on the average of the insured's 35 highest years of earnings indexed for past wage inflation, up to age 62.

Early pension: The pension is reduced for each month of receipt before the full retirement age.

There is no minimum pension for insured persons reaching age 62 after 1981.

The maximum monthly pension for workers retiring in 2011 at the full retirement age is \$2,366.

Deferred pension: An increment is provided for each month the insured defers retirement after the full retirement age, up to age 70. The increment amount depends on the year the insured person reached age 62. In 2011, the annual increment is 8% for those aged 62.

Benefit adjustment: Benefits are adjusted automatically according to changes in the cost of living.

Dependent's allowance: 50% of the insured's primary insurance amount is paid to a wife or a husband (or an unmarried divorced spouse, if the marriage lasted at least 10 years) at the full retirement age (reduced from age 62 up to the full retirement age) or to a wife or a husband at any age caring for a child younger than age 16 or disabled; to each child (or dependent grandchild) younger than age 18 or aged 18 to 19 and attending elementary or secondary school full time (no age limit if disability began before age 22).

The primary insurance amount is derived from the insured's covered lifetime earnings and is the basis for determining benefit amounts for the insured and the insured's family members.

The maximum family pension ranges from 150% to 188% of the insured's primary insurance amount.

The maximum monthly family pension for an insured person retiring in 2011 at the full retirement age is \$4,140.

**Old-age supplemental income benefit (means-tested):** The maximum monthly benefit is \$674 for an individual; \$1,011 for a couple.

Benefit adjustment: Benefits are adjusted automatically according to changes in the cost of living.

### **Permanent Disability Benefits**

**Disability pension:** The pension is based on the insured's average covered earnings (indexed for past wage inflation) from age 21 up to the onset of disability, excluding up to five years of the lowest earnings.

There is no minimum pension for insured persons disabled after 1981.

The maximum monthly pension for insured persons disabled at age 50 in 2010 is \$2,485. The maximum pension for insured persons disabled at any other age is computed based on that age.

Dependent's allowance: 50% of the insured's pension is paid to a wife or a husband (or an unmarried divorced spouse aged 62 or older, if the marriage lasted at least 10 years) at the full retirement age (reduced from age 62 up to the full retirement age) or to a wife or a husband at any age caring for a child younger than age 16 or disabled; to each child (or dependent grandchild) younger than age 18 or aged 18 to 19 and attending elementary or secondary school full time (no age limit if disabled before age 22).

The maximum family benefit ranges from 100% to 150% of the insured's primary insurance amount.

The primary insurance amount is derived from the insured's covered lifetime earnings and is the basis for determining benefit amounts for the insured and the insured's family members.

The maximum monthly family pension for an insured person who became disabled in 2010 is \$3,728.

Benefit adjustment: Benefits are adjusted automatically according to changes in the cost of living.

### **Disability supplemental income benefit (means-tested):**

The maximum monthly benefit is \$674 for an individual; \$1,011 for a couple.

Benefit adjustment: Benefits are adjusted automatically according to changes in the cost of living.

### **Survivor Benefits**

**Survivor pension:** The pension is 100% of the deceased's primary insurance amount at the full retirement age (reduced if at least aged 60 and up to the full retirement age); a reduced pension is paid if the deceased was disabled at age 50 to 59 or received the early old-age pension.

The pension is paid to a widow(er) (or a surviving divorced spouse, if the marriage lasted at least 10 years); 75% of the insured's primary insurance amount is paid for a widow(er) or surviving divorced spouse at any age caring for a child younger than age 16 or disabled.

The primary insurance amount is derived from the deceased's covered lifetime earnings and is the basis for determining benefit amounts for survivors.

The pension is not paid before age 50 if the survivor has a disability.

The pension ceases if the survivor remarries before age 60.

Death benefit: A lump sum of \$255 is paid to a surviving spouse or to children younger than age 18 who meet certain requirements.

**Orphan's pension:** 75% of the deceased's pension is paid to each child.

**Dependent parent's pension:** The pension is 82.5% of the deceased's pension at age 62; 150% for two eligible parents. The maximum family pension ranges from 150% to 188% of the deceased's primary insurance amount.

The primary insurance amount is derived from the deceased's covered lifetime earnings and is the basis for determining benefit amounts for survivors.

The maximum monthly family pension, if the insured died at age 40 in 2010, is \$4,380.

### Administrative Organization

Social Security Administration (<http://www.socialsecurity.gov>) an independent agency within the executive branch of government, administers the program through regional program centers, district offices, and branch offices.

Treasury Department (<http://www.treasury.gov>) supervises the collection of Social Security taxes through the Internal Revenue Service and supervises the payment of benefits and the management of funds.

Supplemental Security Income (SSI) program (<http://www.ssa.gov/ssi>), administered by the Social Security Administration, provides means-tested benefits.

### Sickness and Maternity

#### Regulatory Framework

**First and current laws:** 1965 (health insurance for older persons); 1972 (health insurance for the disabled); and 2003 (prescriptions drugs), implemented in 2006.

**Type of program:** Social insurance system. Medical benefits only.

Note: The Family and Medical Leave Act of 1993 entitles eligible employees of most public agencies or private-sector employers with 50 or more workers to take up to 12 weeks of unpaid, job-protected leave for qualified circumstances such as a serious illness, the birth or care of a newborn, or the care of a family member with a serious health condition.

#### Coverage

**Cash sickness and maternity benefits:** There is no national program. Cash benefits may be provided at the state level. Cash benefits for workers in industry and commerce are available in five states (Rhode Island, California, New Jersey, New York, and Hawaii) and Puerto Rico; agricultural workers are covered to varying degrees in three states (California, Hawaii, and New Jersey) and Puerto Rico. Contribution rates and benefits vary by jurisdiction.

Special federal system for railroad employees.

#### Medical benefits

**Hospitalization:** Persons eligible for a pension and aged 65 or older and certain others who qualify at age 65; persons

who have been receiving disabled worker benefits for more than two years; and persons with end-stage renal disease.

**Other medical services:** Persons eligible for a pension and aged 65 or older and certain others who qualify at age 65; persons who have been receiving disabled worker benefits for more than two years; persons with end-stage renal disease; and all other persons aged 65 or older, through voluntary coverage.

**Prescription drugs:** Persons entitled to basic hospitalization coverage and persons enrolled in the voluntary physician and other services plan may enroll voluntarily in a Medicare stand-alone prescription drug plan or an integrated Medicare Advantage plan that offers drug coverage.

Separate federal and state systems for the medically needy.

### Source of Funds

#### Insured person

**Cash benefits:** There is no national program.

**Hospitalization:** 1.45% of gross earnings is paid by all workers covered for old-age, disability, and survivor benefits, plus some federal, state, and local employees.

There are no maximum earnings used to calculate contributions for hospitalization.

**Other medical services:** Pensioners contribute \$115.40 a month.

**Prescription drugs:** Pensioners pay a monthly premium that varies according to the plan they choose. Low-income individuals may be eligible for premium or cost-sharing subsidies.

#### Self-employed person

**Cash benefits:** There is no national program.

**Hospitalization:** 2.9% of declared earnings.

There are no maximum earnings used to calculate contributions for hospitalization.

**Other medical services:** Pensioners contribute \$114.40 a month.

**Prescription drugs:** Pensioners pay a monthly premium that varies according to the plan they choose. Low-income individuals may be eligible for premium or cost-sharing subsidies.

#### Employer

**Cash benefits:** There is no national program.

**Hospitalization:** 1.45% of gross payroll.

There are no maximum earnings used to calculate contributions for hospitalization.

**Other medical services:** None.

**Prescription drugs:** Not applicable.

### Government

*Cash benefits:* There is no national program.

*Hospitalization:* The total cost of hospitalization benefits for certain uninsured elderly persons.

*Other medical services:* The balance of the cost for voluntary insurance.

*Prescription drugs:* The balance of the cost for voluntary insurance.

### Qualifying Conditions

**Cash sickness and maternity benefits:** There is no national program. Cash benefits may be provided at the state level.

#### Medical benefits

*Hospitalization:* Pensioners aged 65 or older, persons with disabilities who have been entitled to disability benefits for at least two years, or persons with end-stage renal disease.

*Other medical services:* Meets the requirement for hospitalization benefits, election of coverage, and payment of required premiums.

*Prescription drugs:* Must be entitled to hospitalization benefits or other medical services.

### Sickness and Maternity Benefits

**Sickness benefit:** There is no national program. Cash benefits may be provided at the state level.

**Maternity benefit:** There is no national program. Cash benefits may be provided at the state level.

### Workers' Medical Benefits

#### Medical benefits

*Hospitalization:* Inpatient care is provided for stays of up to 90 days; the beneficiary is responsible for the first-day deductible of \$1,132 (amount adjusted each year) and, for the 60th to the 90th day, \$283 per day. For inpatient care longer than 90 days, coverage is available for up to 60 lifetime reserve days (may be used only once); the beneficiary is responsible for \$566 per day. Posthospital skilled nursing facility care for an additional 100 days (the patient pays \$141.50 for the 21st to the 100th day), laboratory and X-ray services for inpatients, and posthospital home health services.

*Other medical services:* Payment for 80% of medically necessary charges above \$162 a year for physician's services, outpatient diagnostic and physical therapy, laboratory services, appliances, and transportation.

Persons eligible for both hospitalization and other medical services under the regular Medicare program, except for those with end-stage renal disease, can alternatively elect to

participate in one of several types of Medicare Advantage plans if one is available in their jurisdiction.

*Prescription drugs:* The payment varies depending on the plan chosen. In general, the insured pays an annual premium, up to \$310. The plan and the insured share the cost of prescription drugs, up to a combined limit of \$2,840. The insured pays the combined total cost of prescription drugs between \$2,840 and \$4,550. If the combined total cost of prescription drugs is greater than \$4,550, the insured pays 5% of the costs and Medicare pays 95% of the costs for the insured year.

*Federal and state assistance programs:* Medical services are provided to medically needy persons of any age.

### Dependents' Medical Benefits

Benefits are only for persons aged 65 or older who satisfy other qualifying requirements or who have end-stage renal disease.

*Hospitalization:* Inpatient care is provided for stays of up to 90 days; the beneficiary is responsible for the first-day deductible of \$1,132 (amount adjusted each year) and, for the 60th to the 90th day, \$283 per day. For inpatient care longer than 90 days, coverage is available for up to 60 lifetime reserve days (may be used only once); the beneficiary is responsible for \$566 per day. Posthospital skilled nursing facility care for an additional 100 days (the patient pays \$141.50 for the 21st to the 100th day), laboratory and X-ray services for inpatients, and posthospital home health services.

*Other medical services:* Payment for 80% of medically necessary charges above \$162 a year for physician's services, outpatient diagnostic and physical therapy, laboratory services, appliances, and transportation.

Persons eligible for both hospitalization and other medical services under the regular Medicare program, except for those with end-stage renal disease, can alternatively elect to participate in one of several types of Medicare Advantage plans if one is available in their jurisdiction.

*Prescription drugs:* Payment varies depending on the plan chosen. The plan and the insured share the cost of prescription drugs, up to a combined limit of \$2,840. The insured pays the combined total cost of prescription drugs between \$2,840 and \$4,550. When the combined total cost of prescription drugs is greater than \$4,550, the insured pays 5% of the costs and Medicare pays 95% of the costs for the rest of the calendar year.

*Federal and state assistance programs:* Medical services are provided to medically needy persons of any age.

### Administrative Organization

**Medical benefits:** Department of Health and Human Services provides general supervision. Centers for Medicare and Medicaid Services (CMS) (<http://www.cms.hhs>)

.gov) provide the national administration of the program in cooperation with the Public Health Service, Social Security Administration, and state health departments.

Private carriers and public agencies, serving under contract as intermediary administrative agents, determine and make payments to providers of services or to patients.

Medical services are furnished by providers paid for directly by carriers, or through refunds to patients by carriers of part of the medical expenses.

Includes nonprofit Blue Cross and Blue Shield plans, commercial insurance companies, and group-practice prepayment plans.

CMS contracts with individual companies that provide prescription drugs directly to the insured.

## Work Injury

### Regulatory Framework

**First laws:** 1908 (federal employees) and 1911 (nine state laws).

**Current laws:** All states, Puerto Rico, District of Columbia, Guam, and U.S. Virgin Islands; federal employees, longshoremen, and harbor workers. Most laws were enacted before 1920.

**Type of program:** Compulsory (elective for employers in one state) insurance through a public or private carrier (according to the state) or self-insurance.

### Coverage

Employees in industry and commerce generally and most public-sector employees.

Exclusions: Common exemptions from coverage are household workers, agricultural employees, small employers, casual labor, and self-employed persons.

Special federal program for miners (pneumoconiosis).

### Source of Funds

**Insured person:** Nominal contributions in a few states.

**Self-employed person:** Not applicable.

**Employer:** The total cost in most states and most of the cost in others, met through either insurance premiums varying with the assessed degree of risk or self-insurance. (The average cost in 2009 was 1.30% of payroll.) The total cost of pneumoconiosis benefits for insured persons who entered the workforce after 1973.

**Government:** None; contributes as an employer. The total cost of pneumoconiosis benefits for insured persons who entered the workforce before 1974.

## Qualifying Conditions

**Work injury benefits:** There is no minimum qualifying period, except for exposure to occupational disease.

### Temporary Disability Benefits

In most states, the benefit is 66.6% of earnings. The benefit is paid after a waiting period of three to seven days (depending on the state). Benefits are paid retroactively if the disability lasts a specified period, ranging from five days to six weeks.

**Dependent's supplement:** About 20% of all states provide supplements for dependents, in some instances as a lump sum.

The maximum weekly benefit varies by state.

**Benefit adjustment:** About 80% of all states increase benefits automatically according to increases in state wages.

### Permanent Disability Benefits

**Permanent disability pension:** In most states, the pension is 66.6% of earnings for a total disability and is payable for the duration of the disability.

**Partial disability:** A reduced pension is paid according to the assessed loss of earning capacity, or at the full rate for fewer weeks in the case of certain injuries.

**Pneumoconiosis pension:** The basic monthly pension is \$625. The maximum monthly family pension is \$1,251.

**Constant-attendance supplement:** Provided in some states if the insured requires the constant attendance of others to perform daily functions. The supplement is paid for life or for the duration of the disability in 80% of all states. Some states provide limited supplements for a duration of 104 to 500 weeks.

**Dependent's supplement:** Provided in some states, the supplement is paid for life or for the duration of the disability in 80% of all states. Some states provide limited supplements for a duration of 104 to 500 weeks.

### Workers' Medical Benefits

Medical care is provided for as long as required in all states.

### Survivor Benefits

**Survivor pension:** The pension is between 35% and 70% of the deceased's earnings for a widow(er); 60% to 80% for a widow(er) with dependent children.

Other eligible survivors (under some work injury laws) include dependent parents, brothers, and sisters.

**Survivor pension (pneumoconiosis):** The basic monthly pension is \$625. The family maximum monthly is \$1,251.

Other eligible survivors include dependent parents, brothers, and sisters.

**Funeral grant:** A lump sum is paid. The amount varies by state.

### Administrative Organization

**Work injury:** State workers' compensation agencies administer the program in about half of all states, state Departments of Labor administer the program in about one third of all states, and courts administer the program in a few states.

Employers insure with a state fund or a private carrier.

Self-insurance by employers is also permitted under almost all state laws.

**Pneumoconiosis:** Department of Labor (<http://www.dol.gov/owcp>), through its Office of Workers' Compensation Program, administers the program and pays benefits.

## Unemployment

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### Regulatory Framework

**Federal law:** 1935.

**State laws:** All states, Puerto Rico, Virgin Islands, and District of Columbia have separate laws creating their own programs. State laws were first enacted between 1932 and 1937.

**Type of program:** Social insurance system.

### Coverage

Employees of firms in industry and commerce and employees of nonprofit organizations with four or more employees during 20 weeks in a year or that pay wages of \$1,500 or more in any calendar quarter in a year. Almost all state and local government workers, household workers, and more than 75% of farm workers are covered. Federal civilian and military employees are also covered.

Exclusions: Some agricultural employees, employees of religious organizations, casual employees, family labor, and self-employed persons.

Special federal system for railroad employees.

### Source of Funds

**Insured person:** None, except in Alaska, New Jersey, and Pennsylvania.

**Self-employed person:** Not applicable.

### Employer

**Federal tax:** 0.6% of taxable payroll. Taxable payroll is defined as the first \$7,000 earned by a worker in covered employment annually. (The full amount is 6.0%. However, there is a 5.4% credit if states meet all federal requirements.)

**State programs:** The standard rate is 5.4% of taxable payroll. Actual rates vary from zero to 10% or more, according to the individual employer's experience with unemployment benefit costs. The first \$7,000 to \$37,300 (varies according to the state) earned by each worker in covered employment is subject to this tax annually.

**Government:** Federal tax revenue is used for the federal and state administrative costs of the unemployment compensation program, federal share of benefits paid under the Federal-State Extended Unemployment Compensation Act of 1970, loans to states to pay for unemployment benefits, labor exchange services under the Wagner-Peyser Act, employment and training services for veterans and disabled veterans under Chapter 14 of Title 38 of the U.S. Code, and some labor market information program activities.

State unemployment contributions are used to pay unemployment benefits.

### Qualifying Conditions

**Unemployment benefits:** Most states require minimum earnings in the base period equal to a specified multiple of the weekly benefit amount or high-quarter wages, or a specified total amount of wages in the base period. A few states require a specified number of weeks of employment (for example, from 16 to 20 weeks). One state requires a certain number of hours of work. To be eligible, an unemployed worker must be registered with the employment service, be capable of and available for work, and must actively seek work. An unemployed worker will generally be disqualified for voluntarily leaving a job without good cause, being discharged from employment for misconduct, or refusing an offer of suitable work. Unemployed workers may be disqualified if they are participating in a labor dispute. The length of the disqualification period varies among states and may depend on the reason for disqualification.

### Unemployment Benefits

**Unemployment benefit:** The benefit is about 50% of the insured's earnings (usually capped at around 50% of the state's average weekly wage), according to diverse state formulas. The benefit is paid after a one-week waiting period for up to 26 weeks in most states.

**Dependent's supplement:** About 25% of states provide from \$1 to \$147 a week for each child and sometimes for other dependents.

Federal law provides for up to 20 additional weeks of benefits in states with high levels of unemployment.

**Unemployment assistance:** Assistance is available in some states to workers who are ineligible for unemployment benefits because of insufficient periods of covered employment, to unemployed persons who have exhausted benefit rights under the federal and state assistance programs, and to unemployed persons participating in training programs.

### ***Administrative Organization***

Department of Labor (<http://ows.doleta.gov/unemploy>) administers the program nationally through its Employment and Training Administration and Office of Unemployment Insurance.

State workforce agencies are responsible for the administration of individual state unemployment programs.

### ***Family Allowances***

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#### ***Regulatory Framework***

A federal and state system of aid (cash payments, social services, and job training) provides temporary assistance to needy families, and a system of refundable federal tax credits operates for low-income families with eligible children and for some unmarried persons.

## Uruguay

Exchange rate: US\$1.00 = 18.30 new pesos.

### Old Age, Disability, and Survivors

#### Regulatory Framework

**First laws:** 1829 to 1934 (various laws for specified groups of workers) and 1967 (national social security institutions).

**Current laws:** 1995 (social insurance and individual accounts), implemented in 1996; and 2009 (flexibility on social security).

**Type of program:** Social insurance, individual account, and social assistance system.

Note: The mixed social insurance and individual account system is mandatory for employed and self-employed persons born after April 1, 1956, with monthly earnings greater than 24,709 pesos and voluntary for those with monthly earnings of 24,709 pesos or less. All others are covered only by the social insurance system.

#### Coverage

**Social insurance only:** Employed and self-employed persons, including rural and household workers.

Special systems for bank employees, notaries, university graduates, and military and police force personnel.

**Social insurance and individual account:** Employed and self-employed persons with monthly earnings greater than 24,709 pesos.

Voluntary coverage for employed and self-employed persons with monthly earnings of 24,709 pesos or less.

Special systems for bank employees, notaries, university graduates, and military and police force personnel.

**Social assistance:** Needy elderly or disabled persons.

#### Source of Funds

##### Insured person

**Social insurance only:** 15% of gross monthly earnings of 24,709 pesos or less.

**Social insurance and individual account:** 15% of the first 24,709 pesos of gross monthly earnings to social insurance; 15% of gross monthly earnings above 24,709 pesos to the individual account; 7.5% of gross monthly earnings if enrolled voluntarily.

The insured's contribution to the individual account includes an average 0.97% of covered earnings for disability and survivor insurance and an average 1.86% of covered earnings for administrative fees.

The maximum monthly earnings used to calculate contributions are 74,128 pesos.

Earnings used to calculate contributions are adjusted according to the civil servants' average wage index.

##### Self-employed person

**Social insurance only:** 15% of gross monthly earnings of 24,709 pesos or less.

**Social insurance and individual account:** 15% of the first 24,709 pesos of gross monthly earnings to social insurance; 15% of gross monthly earnings above 24,709 pesos to the individual account; 7.5% of gross monthly earnings if enrolled voluntarily.

The insured's contribution to the individual account includes an average 0.97% of covered earnings for disability and survivor insurance and an average 1.86% of covered earnings for administrative fees.

The maximum monthly earnings used to calculate contributions are 74,128 pesos.

Earnings used to calculate contributions are adjusted according to the civil servants' average wage index.

##### Employer

**Social insurance only:** 7.5% of covered payroll.

**Social insurance and individual account:** None.

##### Government

**Social insurance only:** Finances pension deficits; the total cost of noncontributory benefits; contributes as an employer.

**Social insurance and individual account:** None.

#### Qualifying Conditions

##### Old-age pension

**Old-age pension (social insurance):** Age 60 with at least 30 years of contributions. Women are credited with one year of contributions for each biological or adopted child, up to five years. Additional years of contributions are credited to workers in hazardous occupations.

**Deferred pension:** The pension may be deferred if the insured has at least 35 years of contributions.

**Old-age pension (individual account):** Age 60 with at least 30 years of contributions; age 65 with no contributions requirement.

**Advanced-age pension (social insurance and individual account):** Age 70 with at least 15 years of contributions. Age requirements are reduced according to the number of years worked, from age 69 with at least 17 years of contributions to age 65 with at least 25 years of contributions. Employment must cease.



*Noncontributory means-tested pension (social assistance):* Age 70, assessed as needy, and a resident of Uruguay for at least 15 years.

### Disability pension

*Permanent disability pension (social insurance and individual account):* The insured must be incapable of any work and have at least a 66% assessed degree of disability. If the disability is the result of an accident, there are no other qualifying conditions. Otherwise, workers aged 26 or older must have at least two years (six months if younger than age 26) of recognized service before the disability began. Coverage is extended two years after employment ceases if the insured has at least 10 years of contributions.

*Partial disability benefit (social insurance and individual account):* The insured must be incapable of work in the current job and have a 50% to 66% assessed degree of disability. If the disability is the result of an accident, there are no other qualifying conditions. Otherwise, workers aged 26 or older must have at least two years (six months if younger than age 26) of recognized service before the disability began. The benefit is temporary and subject to reassessment of the incapacity to work.

District medical commissions of the Social Security Bank assess the degree of incapacity to work.

*Noncontributory means-tested pension (social assistance):* Must be assessed as needy with a total and permanent disability and a resident of Uruguay for at least 15 years.

### Survivor pension

*Survivor pension (social insurance and individual account):* The deceased was working; a pensioner; a partial disability, sickness, maternity, or work injury beneficiary; unemployed and receiving unemployment benefits; or died in the 12-month period after the unemployment benefit ceased. Coverage is extended for up to 12 months after employment ceases; no limit with at least 10 years of contributions.

Eligible survivors include a widow(er), divorced spouse, unmarried orphans up to age 21 (no limit if disabled), and dependent, disabled parents. A widow(er) must have average monthly earnings of no more than 59,414 pesos (2009) in the 12 months before the insured's death.

**Funeral grant:** The grant is paid to the person who paid for the funeral.

## Old-Age Benefits

### Old-age pension

*Old-age pension (social insurance):* 45% of the insured's monthly average earnings in the last 10 years or 45% of 105% of the insured's monthly average earnings in the best 20 years of earnings (whichever is lower) is paid. The pension is increased by 1% for each year of work from 30 to 35 years; 0.5% for each year of work exceeding 35 years, up to 2.5%; and 2% for each year of work after age 60 if the

contribution conditions were not met, up to age 70 or until contribution conditions are met.

*Deferred pension:* The pension is increased by 3% for each year of work after age 60 with at least 35 years of work, up to 30%; 2% if the insured has less than 35 years of work, up to age 70 or until contribution conditions are met.

The minimum monthly pension is 3,339 pesos.

The maximum monthly pension is 20,385 pesos (social insurance and individual account) or 30,145 pesos (social insurance only).

The pension is payable abroad under bilateral or multilateral agreement only.

*Benefit adjustment:* Benefits are adjusted according to the civil servants' average wage index.

*Advanced-age pension (social insurance):* 50% of the insured's monthly average earnings in the last 10 years plus 1% for each year of work exceeding the respective minimum years of service (from 15 to 25 minimum years, up to 14%) is paid.

The pension is payable abroad under bilateral or multilateral agreement only.

*Benefit adjustment:* Benefits are adjusted according to the civil servants' average wage index.

*Old-age pension (individual account):* At retirement, the insured uses the accumulated capital (contributions plus interest) to purchase an annuity from an insurance company.

The pension is payable abroad under bilateral or multilateral agreement only.

*Advanced-age pension (individual account):* The value of the pension depends on the insured's contributions plus accrued interest. At retirement, the insured uses the accumulated capital to purchase an annuity from an insurance company.

The pension is payable abroad under bilateral or multilateral agreement only.

*Noncontributory means-tested pension (social assistance):* 4,767 pesos a month is paid.

*Benefit adjustment:* Benefits are adjusted according to the civil servants' average wage index.

## Permanent Disability Benefits

### Disability pension

*Permanent disability pension (social insurance):* 65% of the insured's average indexed earnings in the 20 years before the disability began or the total number of years worked (whichever is less) is paid.

*Special allowances:* A lump sum of 1,272 pesos is paid for transportation costs, and 2,855 pesos for rehabilitation costs.

Partial disability benefit (social insurance): 65% of the insured's average indexed earnings in the 20 years before the disability began or the total number of years worked (whichever is less) is paid for up to three years.

The minimum monthly benefit is 4,742 pesos.

Benefits are payable abroad under bilateral or multilateral agreement only.

Benefit adjustment: Benefits are adjusted according to the civil servants' average wage index.

*Permanent disability pension (individual account):* 45% of the insured's average indexed earnings in the 10 years before the disability began is paid. The accumulated capital in the individual account (contributions plus accrued interest) is transferred to an insurance company, which pays the pension.

Partial disability benefit (individual account): 45% of the insured's average indexed earnings in the 10 years before the disability began is paid by disability insurance for up to three years.

*Noncontributory means-tested pension (social assistance):* 4,742 pesos a month is paid.

Benefit adjustment: Benefits are adjusted according to the civil servants' average wage index.

### Survivor Benefits

#### Survivor pension

*Survivor pension (social insurance and individual account):* 66% to 75% of the pension the deceased received or was eligible to receive is paid, depending on the number of survivors.

Widow(er)s, divorced spouses, and partners with at least five years of cohabitation with the insured share 100% of the pension if there are no other eligible survivors; 70% of the pension if they have children; 60% if there are no children but other eligible survivors. The remainder is split equally among other eligible survivors. If there is no widow(er) or a divorced spouse, 100% of the pension is split equally among other eligible survivors.

The pension ceases if the widow(er), divorced spouse, or eligible partner remarries.

For the survivors of a member of an individual account scheme, the accumulated capital in the individual account (contributions plus accrued interest) is transferred to an insurance company, which pays the pension.

Survivor pensions are payable abroad under bilateral or multilateral agreement only.

Benefit adjustment: Benefits are adjusted according to the civil servants' average wage index.

**Funeral grant:** The cost of the funeral is paid, up to 11,476 pesos.

### Administrative Organization

Ministry of Labor and Social Security (<http://www.mtss.gub.uy>) provides general supervision.

Social Insurance Bank (<http://www.bps.gub.uy>) supervises and administers the social insurance program.

Central Bank of Uruguay (<http://www.bcu.gub.uy>) oversees pension fund management companies and insurance companies.

Pension fund management companies manage the individual accounts.

### Sickness and Maternity

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#### Regulatory Framework

**First laws:** 1958 (maternity benefits) and 1960 (sickness benefits for construction workers).

**Current laws:** 1975 (sickness), 1980 (maternity), 1981 (maternity), 1995 (pensioners), 1999 (maternity), 2007 (national health fund), 2008 (national integrated health system), and 2010 (maximum sickness benefits).

**Type of program:** Social insurance system.

#### Coverage

**Sickness benefits:** Employed persons in the private sector and their children younger than age 18 (no limit if disabled), self-employed persons, persons receiving unemployment benefits, employers with up to three employees, and pensioners.

Exclusions: Workers with less than 13 days a month of covered work or who earn less than 2,782 pesos a month.

Special systems for military and police force personnel.

**Maternity benefits:** Benefits are provided under Family Allowances.

#### Source of Funds

**Insured person:** 3% to 6% of gross earnings. Small business owners with up to one employee contribute 1,374 pesos (without children) or 1,591 pesos (with children).

**Self-employed person:** 1,374 pesos (without children) or 1,591 (with children).

**Employer:** 5% of payroll, plus additional premiums.

**Government:** Finances maternity benefits and any deficits for sickness benefits.

#### Qualifying Conditions

**Cash sickness benefits:** The insured must have at least three months of contributions or 75 days of contributions in the last 12 months.

**Cash maternity benefits:** See Family Allowances.

### **Sickness and Maternity Benefits**

**Sickness benefit:** 70% of the insured's earnings is paid after a three-day waiting period (no waiting period for hospitalization) for up to a year; may be extended for an additional year.

The maximum monthly benefit is 8,904 pesos.

**Maternity benefit:** See Family Allowances.

### **Workers' Medical Benefits**

Medical services are available through mutual health institutions. Medical services include medical assistance, surgery, and pharmaceutical products.

Health institutions provide grants for eyeglasses, contact lenses, prostheses, orthopedic appliances, wheelchairs, and psychiatric hospitalization.

Maternity care is provided for insured women under Family Allowances.

### **Dependents' Medical Benefits**

Medical benefits for dependents are the same as those for the insured. Maternity care for the wife of an insured man and pediatric care for the insured's children up to age 6 (may be extended to age 14) are provided under Family Allowances.

### **Administrative Organization**

Social Insurance Bank (<http://www.bps.gub.uy>) supervises and administers cash benefits.

Collective medical assistance or mutual health institutions contracted by the Social Insurance Bank provide medical benefits.

### **Work Injury**

#### **Regulatory Framework**

**First law:** 1914.

**Current law:** 1989 (work injury).

**Type of program:** Compulsory insurance with a public carrier.

#### **Coverage**

Private-sector employees, including agricultural workers; certain public-sector workers; and apprentices.

Exclusions: Self-employed persons, professional athletes, and actors.

#### **Source of Funds**

**Insured person:** None.

**Self-employed person:** Not applicable.

**Employer:** The total cost, which varies with the assessed degree of risk. For agricultural workers, based on the land area the employer has under cultivation.

**Government:** None.

### **Qualifying Conditions**

**Work injury benefits:** There is no minimum qualifying period. Accidents that occur while commuting to and from work are not covered.

### **Temporary Disability Benefits**

66% of earnings before the disability began is paid; for occasional workers, 66% of total adjusted earnings in the last six months divided by 150. The daily benefit is paid retroactively after a four-day waiting period for the duration of the disability.

For an occupational disease, 100% of earnings before the disease was diagnosed is paid. There is no waiting period.

An additional benefit of 3.607% of earnings is paid under sickness benefits.

The Social Insurance Bank assesses the degree of loss of earnings.

Benefit adjustment: Benefits are adjusted according to the civil servants' average wage index.

### **Permanent Disability Benefits**

**Permanent disability pension:** For an assessed degree of disability of at least 20%, the monthly pension is the monthly loss of earnings.

Constant-attendance supplement: 115% of earnings before the disability began is paid if the insured needs the constant attendance of others to perform daily functions.

For an assessed degree of disability of 10% to 19%, a lump sum of 36 times the monthly loss of earnings is paid; for an assessed degree of disability less than 10%, a benefit is paid only if the assessed disability is the result of repeated accidents.

The Social Insurance Bank assesses the degree of loss of earnings.

Benefit adjustment: Benefits are adjusted according to the civil servants' average wage index.

### **Workers' Medical Benefits**

Medical services are available through the Social Insurance Bank. Benefits include medical, surgical, and dental care; hospitalization; medicine; and appliances.

There is no limit to duration.

### **Survivor Benefits**

**Survivor pension:** 75% of the deceased's earnings is paid to a widow(er), divorced spouse, or partner with

dependents. The widow(er) must have been married to the deceased for a year; a partner must have cohabited with the deceased for at least five years. If the only eligible survivors are the divorced spouse or dependent parents of the deceased, the benefit is 50% of the deceased's earnings.

**Orphan's pension:** If there are no other eligible survivors, 66% of the deceased's earnings is paid.

For survivors of a member of an individual account scheme, the accumulated capital in the individual account (contributions plus accrued interest) is transferred to an insurance company, which pays the pension.

**Benefit adjustment:** Benefits are adjusted according to the civil servants' average wage index.

### **Administrative Organization**

Social Insurance Bank (<http://www.bps.gub.uy>) supervises and administers benefits.

## **Unemployment**

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### **Regulatory Framework**

**First law:** 1934.

**Current laws:** 1981 (industry and commerce), with amendments in 2008, 2001 (rural workers), 2002 (term contracts), and 2006 (household workers).

**Type of program:** Social assistance system.

### **Coverage**

Private-sector employees in industry and commerce, rural workers, and household workers.

**Exclusions:** Self-employed persons.

### **Source of Funds**

**Insured person:** None.

**Self-employed person:** Not applicable.

**Employer:** None.

**Government:** The total cost.

### **Qualifying Conditions**

**Unemployment benefits:** The insured must have at least six months of work in the 12-month period before unemployment; workers who are paid at irregular intervals must have at least five months of work and have earned at least 13,356 pesos in the 12-month period before unemployment began.

Rural workers who are paid monthly must have at least 12 months of work in the 24-month period before unemployment; rural workers who are paid at irregular intervals must have at least 250 days of work and have earned at least

26,712 pesos in the 24-month period before unemployment began.

Household workers must be registered; household workers who are paid monthly must have at least six months of work in the 12-month period before unemployment; household workers who are paid at irregular intervals must have at least 12 months in the 24-month period before unemployment began; workers who are paid daily or weekly must have at least 150 days in the 12 months or 250 days in the 24 months of work before unemployment began.

Unemployment must not be the result of dismissal for disciplinary reasons.

**Partial unemployment benefit:** A benefit is paid to workers who are paid daily or at irregular intervals if working time is reduced by 25% or more.

**Dependent's supplement:** Paid if the unemployed person is married, has children younger than age 21 (any age if disabled), or has disabled dependents.

There is a 12-month waiting period before a new claim for unemployment benefits can be made.

### **Unemployment Benefits**

For full unemployment, workers who are paid monthly or at irregular intervals receive a monthly benefit of 50% of average earnings in the six months before unemployment; a monthly benefit of 12 days of earnings before unemployment for workers who are paid daily.

**Partial unemployment benefit:** The monthly benefit is 12 days of earnings before partial unemployment, minus the value of current monthly earnings.

**Dependent's supplement:** 20% of the benefit is paid.

The minimum monthly unemployment benefit is 2,226 pesos.

The maximum monthly unemployment benefit is 24,486 pesos.

### **Administrative Organization**

Ministry of Labor and Social Security (<http://www.mtss.gub.uy>) provides general supervision.

Social Insurance Bank (<http://www.bps.gub.uy>) supervises and administers the unemployment insurance program.

## **Family Allowances**

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### **Regulatory Framework**

**First law:** 1943.

**Current laws:** 1995 (social security), 2002 (multiple pregnancy), and 2008 (equity in family allowances).

**Type of program:** Social assistance system.

## Coverage

Needy private-sector employees, household workers, unemployment benefit recipients, newspaper vendors, small rural products vendors, and pensioners.

Exclusions: Self-employed persons.

Special system for civil servants.

## Source of Funds

**Insured person:** None.

**Self-employed person:** Not applicable.

**Employer:** None.

**Government:** The total cost.

## Qualifying Conditions

**Family allowances:** The child must be younger than age 14 (age 18 if a student, no limit if disabled). The benefit is paid from the day the pregnancy is confirmed.

Parents or guardians with up to two children and earnings of more than 22,260 pesos do not receive family allowances. For parents with three or more children, the earnings limit is increased by 2,226 pesos for each additional dependent child.

**Cash maternity benefit:** Paid for the birth of a child.

**Multiple birth allowance:** Paid to a pregnant woman expecting more than one child. The benefit is paid from the day the pregnancy is confirmed.

**Special paid leave:** Paid to a salaried worker who adopts a child.

**Low-income family allowance:** Paid from the birth of the child until age 14 if in primary school, age 16 if the child could not finish primary school for justified reasons, or age 18 if in higher education (no limit if disabled).

## Family Allowance Benefits

**Family allowances:** 356 pesos is paid for covered families with income up to 13,356 pesos; 178 pesos with income between 13,356 pesos and 22,260 pesos; for income over

22,260 pesos, 178 pesos is paid depending on the number of children. In the case of a child with a disability, the allowance is doubled.

For a family with children resulting from a multiple birth, the allowance is paid at three times the standard rate until the children reach age 5, at twice the standard rate until the children reach age 12, and at the standard rate until the children reach age 18.

The benefit is paid every two months.

**Cash maternity benefit:** 100% of average earnings in the last six months is paid on the expected date of childbirth for the period six weeks before and six weeks after the expected date of childbirth.

**Multiple birth allowance:** The allowance is paid at three times the family allowance standard rate until the children reach age 5, at twice the standard rate until the children reach age 12, and at the standard rate until the children reach age 18. The benefit is paid every two months.

**Special paid leave:** Private-sector workers receive benefits equal to six months of cash maternity benefit.

**Low-income family allowance:** Based on the number of beneficiaries in the family, the number of family members with disabilities, and their level of education, the benefit is 809 pesos for a child in primary school and 1,156 pesos for a child in secondary school or with a disability.

In-kind benefits include pediatric care for children up to age 6, dental care for children up to age 9, and medical specialist care and transportation for children up to age 14. Free medical examinations and medicine for children.

The benefit is paid monthly.

Benefit adjustment: Benefits are adjusted according to the civil servants' average wage index.

## Administrative Organization

Social Insurance Bank (<http://www.bps.gub.uy>) supervises and administers benefits.

Collective medical assistance or mutual health institutions contracted by the Social Insurance Bank provide medical benefits.

## Venezuela

Exchange rate: US\$1.00 = 2.60 new bolivares.

### Old Age, Disability, and Survivors

#### Regulatory Framework

**First law:** 1940.

**Current law:** 2010 (social security).

**Type of program:** Social insurance system.

#### Coverage

Private- and public- sector employees; cooperative members; and household, seasonal, and casual workers.

Voluntary coverage for self-employed persons, unemployed pregnant women, and persons who were previously covered.

Special system for military personnel.

#### Source of Funds

**Insured person:** 4% of monthly covered earnings for private-sector workers; 2% for public-sector workers and cooperative members.

The maximum monthly earnings used to calculate contributions are 10 times the minimum urban wage.

The minimum urban wage is 1,548 bolivares a month.

The insured's contributions also finance sickness and maternity benefits and the marriage grant (see Family Allowances, below).

**Self-employed person:** A percentage of monthly covered earnings in the last 100 weeks.

The maximum monthly earnings used to calculate contributions are five times the minimum urban wage.

The minimum urban wage is 1,548 bolivares a month.

**Employer:** From 9% to 11% of covered payroll for private-sector workers; 4.75% of covered payroll for public-sector workers.

The maximum monthly earnings used to calculate contributions are 10 times the minimum urban wage.

The minimum urban wage is 1,548 bolivares a month.

The employer's contributions also finance sickness and maternity benefits and the marriage grant (see Family Allowances, below).

**Government:** At least 1.5% of total covered earnings to cover the cost of administration.

#### Qualifying Conditions

**Old-age pension:** Age 60 (men) or age 55 (women) with at least 750 weeks of contributions (250 weeks in the last 10 years for voluntary contributors). The pensionable age is lower for those in unhealthy and arduous work.

Retirement is not necessary.

The pension is payable abroad.

**Old-age grant:** Age 60 (men) or age 55 (women) and does not satisfy the qualifying conditions for the old-age pension.

**Disability pension:** Paid for the permanent or prolonged loss of over 66.7% of working capacity with at least 250 weeks of contributions (reduced by 20 weeks of contributions for each year the insured is younger than age 35), including at least 100 weeks in the last three years before the disability began. There is no qualifying period for a disability caused by an accident.

**Partial disability pension:** Paid for an assessed degree of disability from 25% to 66.7%.

**Constant-attendance supplement:** Paid if the insured requires the constant attendance of others to perform daily functions.

**Disability grant:** Paid for an assessed degree of disability from 5% to 24%.

**Survivor pension:** The deceased satisfied the qualifying conditions for an old age pension or was a pensioner at the time of death. There is no qualifying period if the death is caused by an accident.

Eligible survivors are a widow older than age 45 or at any age with dependent children; a partner who cohabited with the deceased for at least two years who is older than age 45 or at any age with dependent children; a dependent widower aged 60 or older or with a disability; and unmarried children younger than age 14 (age 18 if a student, no limit if disabled). A widow or partner younger than age 45 is eligible for limited benefits. If there are no other survivors, brothers and sisters younger than age 14 and dependent parents are eligible.

The widow(er)'s pension ceases on remarriage and a lump sum is paid.

**Survivor grant:** The deceased did not satisfy the qualifying conditions for an old-age pension but had at least 100 weeks of contributions during the last four years.

#### Old-Age Benefits

**Old-age pension:** The pension is equal to the minimum urban wage plus 30% of the reference salary and 1% of earnings for each 50-week period of contributions exceeding 750 weeks.

The reference salary is 20% of covered earnings in the last five years or 10% in the last 10 years (whichever is greater).

The minimum pension is equal to the minimum urban wage.

The minimum urban wage is 1,548 bolivares a month.

Deferred pension: An additional 5% of the pension is paid for each year the pension is deferred after the pensionable age.

**Old-age grant:** The grant is 10% of the insured's total covered earnings.

Benefit adjustment: Benefits are adjusted periodically according to changes in prices and wages.

### **Permanent Disability Benefits**

**Disability pension:** The pension is equal to the minimum urban wage plus 30% of the reference salary and 1% of earnings for each 50-week period of contributions exceeding 750 weeks.

The reference salary is 20% of covered earnings in the last five years or 10% in the last 10 years (whichever is greater).

The minimum pension is equal to the minimum urban wage.

The minimum urban wage is 1,548 bolivares a month.

Constant-attendance supplement: Up to 50% of the disability pension is paid if the insured requires the constant attendance of others to perform daily functions.

Partial disability: For an assessed degree of disability from 25% to 66.6%, a percentage of the total disability pension is paid according to the assessed degree of disability.

**Disability grant:** The grant is 36 months of total disability pension multiplied by the assessed degree of disability.

Benefit adjustment: Benefits are adjusted periodically according to changes in prices and wages.

### **Survivor Benefits**

**Survivor pension:** An eligible widow(er) or partner receives 40% of the deceased's pension. Other widows or partners receive a lump sum of two years of survivor pension.

The pension cannot be less than the monthly urban salary.

Remarriage settlement: A lump sum of two years of pension is paid.

**Orphan's pension:** Each orphan younger than age 14 (age 18 if a student, no limit if disabled) receives 20% of the deceased's pension; one full orphan receives 40% of the pension; two or more full orphans receive 20% each.

All survivor benefits combined must not exceed 100% of the deceased's pension.

**Other eligible survivors (in the absence of the above):** Eligible siblings and parents may receive an amount equal to 10% of the deceased's total covered earnings.

The amount paid is recalculated if the number of eligible survivors changes.

Benefit adjustment: Pensions are adjusted periodically according to changes in prices and wages.

**Survivor grant:** 10% of the deceased's total covered earnings is paid.

**Funeral grant:** The grant must not be greater than five times the deceased's monthly salary.

Benefit adjustment: Benefits are adjusted periodically according to changes in prices and wages.

### **Administrative Organization**

Ministry of the People's Power for Labor and Social Security (<http://www.minpprass.gob.ve>) provides general supervision.

Social Insurance Institute (<http://www.ivss.gov.ve>) managed by a tripartite board and director general, administers the program.

### **Sickness and Maternity**

#### **Regulatory Framework**

**First law:** 1940.

**Current law:** 2010 (social security).

**Type of program:** Social insurance system.

#### **Coverage**

Private- and public- sector employees; cooperative members; household, seasonal, and casual workers; recipients of old-age, disability or survivor benefits; and certain dependents.

Exclusions: Self-employed persons.

#### **Source of Funds**

**Insured person:** See source of funds under Old Age, Disability, and Survivors, above.

**Self-employed person:** Not applicable.

**Employer:** See source of funds under Old Age, Disability, and Survivors, above.

**Government:** See source of funds under Old Age, Disability, and Survivors, above.

#### **Qualifying Conditions**

**Cash sickness and maternity benefits:** Must be currently insured.

**Medical benefits:** Must be currently insured.

### **Sickness and Maternity Benefits**

**Sickness benefit:** 66.7% of average daily earnings is paid after a three-day waiting period for up to 52 weeks; may be extended under certain conditions. The benefit is reduced by 50% if the insured is hospitalized.

**Maternity benefit:** 66.7% of earnings is paid for up to six weeks before and 12 weeks after the date of childbirth.

### **Workers' Medical Benefits**

Free medical services are normally provided directly to patients by the medical facilities of the Social Security Institute for up to 52 weeks; may be extended for another 52 weeks for convalescent care. Benefits include general and specialist care, hospitalization, laboratory services, medicine, dental care, maternity care, appliances, and transportation.

### **Dependents' Medical Benefits**

Free medical services are normally provided directly to patients by the medical facilities of the Social Security Institute. Benefits include general and specialist care, hospitalization, laboratory services, medicine, dental care, maternity care, appliances, and transportation.

The maximum duration of medical benefits for the dependents of pensioners is 26 weeks; survivors of pensioners are entitled to medical service benefits for up to 52 weeks.

### **Administrative Organization**

Ministry of the People's Power for Labor and Social Security (<http://www.minpptrass.gob.ve>) provides general supervision.

Social Insurance Institute (<http://www.ivss.gov.ve>) managed by a tripartite board and director general, administers the program.

### **Work Injury**

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#### **Regulatory Framework**

**First law:** 1923.

**Current law:** 2005.

**Type of program:** Social insurance system.

#### **Coverage**

Private- and public- sector employees; cooperative members; and household and custodial workers.

Exclusions: Members of the military and self-employed persons.

#### **Source of Funds**

**Insured person:** None.

**Self-employed person:** Not applicable.

**Employer:** 0.75% to 10% of covered payroll, according to the assessed degree of risk.

**Government:** See source of funds under Old Age, Disability, and Survivors, above.

### **Qualifying Conditions**

**Work injury benefits:** There is no minimum qualifying period.

### **Temporary Disability Benefits**

100% of the insured's earnings is paid after a three-day waiting period until the insured is rehabilitated, recovered, or certified with a permanent disability.

Constant-attendance supplement: Up to 50% of the disability pension is paid if the insured requires the constant attendance of others to perform daily functions.

### **Permanent Disability Benefits**

**Permanent disability pension:** The pension is 100% of the insured's last covered earnings. If the insured person has an assessed degree of disability of at least 66.7%, is unable to continue in the same job, and is subsequently rehabilitated and reinserted into the workforce, the pension will be reduced based on the percentage of the reassessed degree of disability.

Constant-attendance supplement: Up to 50% of the disability pension is paid if the insured requires the constant attendance of others to perform daily functions.

Partial disability: For an assessed degree of disability greater than 25% but less than 66.7%, a percentage of the full pension is paid according to the assessed degree of disability. For an assessed degree of disability of up to 25%, a lump sum of five years of the full disability pension is paid.

Schedule of payments: Fourteen payments a year.

### **Workers' Medical Benefits**

#### **Medical benefits:**

Benefits include free general, specialist, and dental care; hospitalization; medicine; laboratory services; appliances; and rehabilitation services.

### **Survivor Benefits**

**Survivor pension:** An eligible widow(er) or partner receives 60% of the deceased's last covered salary. Other widows or partners receive a lump sum of two years of survivor pension.

Eligible survivors are a widow, widower, or partner older than age 45; unmarried children younger than age 18 (age 25 if a student, no limit if disabled); brothers and sisters younger than age 18 (age 25 if a student, no limit if disabled); and other dependent family members.



**Orphan's pension:** Each eligible orphan receives 20% of the deceased's last covered salary, up to 40%; 100% if there are no other eligible survivors. If there are other eligible survivors (excluding a widow(er) or partner), 40% is split equally among orphans and other dependent family members.

**Other eligible survivors (in the absence of the above):** Other dependent family members may each receive 20% of the deceased's last covered salary, up to 60%.

Schedule of payments: Fourteen payments a year.

**Funeral grant:** 5,000 bolivares is paid.

### **Administrative Organization**

Ministry of the People's Power for Labor and Social Security (<http://www.minpptrass.gob.ve>) provides general supervision.

National Institute for Prevention, Health, and Security at Work (<http://www.inpsasel.gob.ve>) manages and administers the program.

## **Unemployment**

### **Regulatory Framework**

**First law:** 1940.

**Current law:** 2005 (unemployment).

**Type of program:** Social insurance system.

### **Coverage**

Private- and public- sector employees, cooperative members, household and custodial workers, self-employed persons, and apprentices.

### **Source of Funds**

**Insured:** 2.5% of covered earnings.

The minimum monthly earnings used to calculate contributions are one minimum urban wage.

The maximum monthly earnings used to calculate contributions are 10 ten times the minimum urban wage.

The minimum urban wage is 1,548 bolivares a month.

The insured's contributions also help finance health insurance for unemployed persons.

**Self-employed person:** 2.5% of covered earnings.

The minimum monthly earnings used to calculate contributions are one minimum urban wage.

The maximum monthly earnings used to calculate contributions are 10 times the minimum urban wage.

The minimum urban wage is 1,548 bolivares a month.

The self-employed person's contributions also help finance health insurance for unemployed persons.

**Employer:** 2% of covered payroll.

The minimum monthly earnings used to calculate contributions are one minimum urban wage.

The maximum monthly earnings used to calculate contributions are 10 times the minimum urban wage.

The minimum urban wage is 1,548 bolivares a month.

The employer's contributions also help finance health insurance for unemployed persons.

**Government:** Contributes as necessary; may subsidize up to 50% of contributions for low-income insured persons.

### **Qualifying Conditions**

**Unemployment benefits:** The insured must have at least 12 months of contributions in the 24 months before unemployment began and must be available for training or suitable employment. Self-employed persons must have involuntarily lost their income.

### **Unemployment Benefits**

The benefit is 60% of the insured's average monthly earnings in the last 12 months and is paid for up to five months.

### **Workers' Medical Benefits**

Unemployed insured persons and dependent family members are covered for health insurance for 26 weeks.

### **Administrative Organization**

Ministry of the People's Power for Labor and Social Security (<http://www.minpptrass.gob.ve>) provides general supervision.

Employment services administer training and guidance.

Social Insurance Institute (<http://www.ivss.gov.ve>) managed by a tripartite board and director general, administers the program.

## **Family Allowances**

### **Regulatory Framework**

**Marriage grant:** A lump sum of 7,000 bolivares is paid with at least 100 weekly contributions made in the three years before marriage. (The grant is provided under Old Age, Disability, and Survivors, above.)