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# Social Security Programs Throughout the World: The Americas, 2003

## **Abstract**

[Excerpt] This issue on the Americas marks the completion of the first four-volume series Social Security Programs Throughout the World. The combined findings of this and previous reports on Europe, Asia and the Pacific, and Africa highlight the principal features of social security programs throughout the world. The next series begins with the volume on Europe, which will be published September 2004.

## **Keywords**

Key workplace documents, federal, ILR, Catherwood, Social Security, programs, Americas, employment, disability, work, injury, retirement, income, contribution, death

## **Comments**

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# Social Security Programs Throughout the World: The Americas, 2003

This publication is substantially based on information collected and summarized by the International Social Security Association.

Social Security Administration  
Office of Policy  
Office of Research, Evaluation, and Statistics



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## Preface

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This issue completes the first four-volume series of Social Security Programs Throughout the World. In this new format, each volume focuses on a specific region of the world: Europe, Asia and the Pacific, Africa, and the Americas. The volumes are published at 6-month intervals over a 2-year period. The next issue (Europe), which will begin the second series, will appear in September 2004.

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 the countries social security systems.

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, 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 Worldwide Database and a myriad of other types of data that must be drawn together to update this report. Members of the ISSA's Information System and Databases Unit 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 2003, or the last date for which information has been received.

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:

International Social Security Association  
Information System and Databases Unit  
Case postale 1  
4 route des Morillons  
CH-1211 Geneva 22  
Switzerland

This report is available at <http://www.socialsecurity.gov/policy>. For additional copies, please telephone 202-358-6274 or e-mail [op.publications@ssa.gov](mailto:op.publications@ssa.gov).

SSA staff members were responsible for technical and editorial assistance and production. Barbara Kritzer served as technical consultant and provided overall project management. Emil Loomis designed the report and produced it for publication. Sherry Snyder edited the report, with assistance from Celine Houget. Laurie Brown prepared the Web versions of this publication.

Edward J. DeMarco  
Associate Commissioner  
for Research, Evaluation, and Statistics

March 2004

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## Guide to Reading the Country Summaries

This issue on the Americas marks the completion of the first four-volume series *Social Security Programs Throughout the World*. The combined findings of this and previous reports on Europe, Asia and the Pacific, and Africa highlight the principal features of social security programs throughout the world. The next series begins with the volume on Europe, which will be published September 2004.

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 this volume on the Americas, the data reported are based on laws and regulations in force in July 2003 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 16.

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.

### Sources of Information

Most of the information in this report was collated from the *Social Security Programs Throughout the World*

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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.

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 Developments and Trends Annual Survey. Empirical data were also provided by numerous social security officials throughout the world. (For a listing of countries and jurisdictions, see page 2.) Important sources of published information include the ISSA Documentation Center; 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 Organization for Economic Cooperation and Development, the World Bank, and the International Monetary Fund. 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.

### 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 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

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

Antigua and Barbuda  
Argentina  
Bahamas  
Barbados  
Belize  
Bermuda  
Brazil  
British Virgin Islands  
Canada  
Chile

Costa Rica  
Dominica  
Dominican Republic  
Ecuador  
El Salvador  
Grenada  
Guatemala  
Guyana  
Honduras  
Jamaica

Mexico  
Nicaragua  
Panama  
Peru  
Saint Kitts and Nevis  
Saint Lucia  
Saint Vincent and the Grenadines  
United States  
Uruguay  
Venezuela

old-age pensions for persons over a certain age; pensions for disabled workers, 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 mandatory private insurance, publicly operated provident funds, and employer-liability systems.

**Mandatory Private Insurance.** This type of coverage may have been introduced to substitute for, or to complement, social insurance systems that are mainly pay-as-you-go (PAYG). Private insurance is funded either through mandatory employee contributions or a combination of mandatory employee and employer contributions.

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

**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 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 out in the form of 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**

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 in order 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, below.)

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 members of the armed forces, 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 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, domestics, 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 step toward creating a social security system has commonly been to cover wage and salary workers against loss of income due to 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 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. Reflecting public pressure to lower the age limits, a major policy issue in the 1970s and 1980s was the age at which retirement benefits first become payable. More recently, several countries have increased the age limit for entitlement, due, in part, to budgetary constraints.

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 5 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 5 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 3 to 5 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 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 mandatory 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 is disabled. 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 objec-



tive 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 Benefit.** 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 the totally disabled, 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 Benefit.** Most systems provide periodic benefits for survivors of covered persons or 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 are disabled.

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 is disabled. 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 disabled orphans 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 divided 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.

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, a fixed percentage of wages, up to a ceiling, is contributed by employees and employers directly to a separate program that administers 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 1 month to 6 months or more and is ordinarily somewhat longer for cash maternity benefits. Usually the period must be fairly recent, such as during the last 6 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 2 to 7 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 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 2 to 3 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 6 weeks before the expected date of childbirth and end 6 to 8 weeks afterward.

A nursing allowance—usually 20 percent or 25 percent of the regular maternity benefit and payable for up to 6 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 new-born 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 medicines, 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 on the basis of 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 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 medicines.

**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 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 1 to 3 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 equal to several years' 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 equal to 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 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 disabled widower; 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 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. 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. Noninsured 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.

**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 6 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 3 and 7 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 8 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.

**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. Gov-



ernments 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 in order 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 disabled children, 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 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

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employers, regardless of the number of children in their employees' families. It also eliminates any effect allowances might have in inducing employers to discriminate in hiring workers with children.

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

Country	Old age, disability, survivors	Sickness and maternity		Work injury	Unemployment	Family allowances
		Cash benefits for both	Cash benefits plus medical care <sup>a</sup>			
Antigua and Barbuda	X	X	b	b	b	b
Argentina	X	X	X	X	X	X
Bahamas	X	X	b	X	b	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	b
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	d	d	X	b	b
Honduras	X	X	X	X	b	b
Jamaica	X	d	b	X	b	b
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.**  
**Continued**

Country	Old age, disability, 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	X	X	b	X
United States	X	X	X	X	X	X
Uruguay	X	e	e	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. Maternity benefits only.

e. Coverage is provided under other programs.

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

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

(Continued)



**Table 2.**  
**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>e</sup>	X <sup>e</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 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. The benefit increases with the length of the contribution period.

b. The universal pension is increased by an income-tested supplement.

c. The earnings-related social insurance system is closed to new entrants and is being phased out.

d. The government provides a guaranteed minimum pension.

e. The pension formula contains a flat-rate component as well as an earnings-related element.

f. The guaranteed minimum pension has not been implemented.

**Table 3.**  
**Demographic and other statistics related to social security, 2003**

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 (U.S.\$)
				Men	Women	Men	Women	Men	Women	
Antigua and Barbuda	0.067	4.5	48.3	68.9	73.7	60	60	c	c	10,541
Argentina	37	9.7	59.8	70.6	77.7	65	60	c	c	12,377
Bahamas	0.304	5.4	53.7	65.2	73.9	65	65	c	c	17,012
Barbados	0.267	10.4	45	74.5	79.5	65	65	64	64	15,494
Belize	0.226	4.2	74.2	73	75.9	65	65	60	60	5,606
Bermuda	0.064	11.5	44.3	75.3	79.4	65	65	c	c	35,200
Bolivia	8.3	4	77.4	61.9	65.3	65	65	c	c	2,424
Brazil	170.4	5.1	51.4	64.7	72.6	65 <sup>d</sup>	60 <sup>d</sup>	c	c	7,625
British Virgin Islands	0.021	5	36.7	75	77.1	65	65	c	c	16,000
Canada	30.7	12.6	46.5	76.2	81.8	65	65	c	c	27,840
Chile	15.2	7.2	55.3	73	79	65	60	c	c	9,417
Colombia	42.1	4.7	60.1	69.2	75.3	60	55	c	c	6,248
Costa Rica	4	5.1	59.9	75	79.7	61	59	c	c	8,650
Cuba	11.1	9.6	44.5	74.8	78.7	60	55	c	c	2,300
Dominica	0.069	7.9	55.5	71.2	77.1	60	60	c	c	5,880
Dominican Republic	8.3	4.3	60.8	64.4	70.1	60	60	57	57	6,033
Ecuador	12.6	4.7	62.7	68.3	73.5	55	55	c	c	3,203
El Salvador	6.2	5	68.3	67.7	73.7	60	55	c	c	4,497
Grenada	0.089	3.6	63.1	62.7	66.3	60	60	c	c	7,580
Guatemala	11.3	3.5	89.2	63	68.9	62	62	c	c	3,821
Guyana	0.76	5	55.1	58	66.9	60	60	c	c	3,963
Haiti	8.1	3.7	79.5	50.2	56.5	55	55	c	c	1,700
Honduras	6.4	3.4	82.4	63.2	69.1	65	60	c	c	2,453
Jamaica	2.5	7.2	63.1	73.7	77.8	65	60	c	c	3,639
Mexico	98.8	4.7	60.9	70.4	76.4	65	65	c	c	9,023
Nicaragua	5	3	84.1	67.2	71.9	60	60	c	c	2,366
Panama	2.8	5.5	58.3	72.6	77.3	62	57	c	c	6,000
Paraguay	5.4	3.5	75.4	68.6	73.1	60	60	c	c	4,426
Peru	25.6	4.8	61.8	67.3	72.4	65	65	c	c	4,799
Saint Kitts and Nevis	0.038	8.5	60	68.7	74.5	62	62	c	c	12,510
Saint Lucia	0.147	5.7	60.7	71.1	76.4	61	61	c	c	5,703

(Continued)

**Table 3.**  
**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 (U.S.\$)
				Men	Women	Men	Women	Men	Women	
Saint Vincent and the Grenadines	0.116	6.4	52.8	71.3	74.9	60	60	c	c	5,555
Trinidad and Tobago	1.2	6.7	46.3	72.5	77.2	65	65	60	60	8,964
United States	283.2	12.3	51.5	74.6	80.4	65	65	c	c	34,142
Uruguay	3.3	12.9	60.5	71.6	78.9	60	60	c	c	9,035
Venezuela	24.1	4.4	62.6	70.9	76.7	60	55	c	c	5,794

SOURCES: United Nations Population Division, Department of Economic and Social Affairs. 2002. *World Population Ageing 1950–2050*. New York: United Nations; *Human Development Report 2002*. 2002. Prepared for the United Nations Development Programme. New York: Oxford University Press; U.S. Central Intelligence Agency. 2003. *The World Factbook, 2003*. Washington D.C.: Central Intelligence Agency. Information on statutory and pensionable ages is taken from the country summaries in this volume.

NOTE: GDP = gross domestic product.

a. Population aged 14 and under 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.

d. Urban employees.

**Table 4.**  
**Contribution rates for social security programs, 2003 (in percent)**

Country	Old age, disability, survivors			All social security programs <sup>a</sup>		
	Insured person	Employer	Total	Insured person	Employer	Total
Antigua and Barbuda	2 <sup>b</sup>	5 <sup>b</sup>	7 <sup>b</sup>	2	5	7 <sup>c</sup>
Argentina	7 <sup>d</sup>	0	7 <sup>d</sup>	13	13.4 <sup>e</sup>	26.4 <sup>c</sup>
Bahamas	1.7 <sup>b</sup>	7.1 <sup>b</sup>	8.8 <sup>b</sup>	1.7	7.1 <sup>e</sup>	8.8 <sup>c</sup>
Barbados	5.25	5.25	10.5	6.82	7.57	14.39 <sup>c</sup>
Belize	b,f	b,f	b,f	f	f	c,f
Bermuda	4 <sup>d,g</sup>	4 <sup>d,g</sup>	8 <sup>d,g</sup>	4 <sup>g</sup>	4 <sup>e,g</sup>	8 <sup>c,g</sup>
Bolivia <sup>h</sup>	10 <sup>d</sup>	2	12 <sup>d</sup>	10	14 <sup>i</sup>	24 <sup>c</sup>
Brazil	7.65 <sup>b</sup>	20 <sup>b</sup>	27.65 <sup>b</sup>	7.65	20 <sup>e</sup>	27.65 <sup>c,j,k</sup>
British Virgin Islands	3.25	3.25	6.5	4	4.5	8.5 <sup>c</sup>
Canada	4.95	4.95	9.9	7.05 <sup>l</sup>	8.89 <sup>e,l</sup>	15.94 <sup>c,k</sup>
Chile	10 <sup>d</sup>	0	10 <sup>d</sup>	17.6	2.4 <sup>e</sup>	20 <sup>c,k</sup>
Colombia	3.375	10.125	13.5	7.375	30.773	38.148
Costa Rica	3.5	6.25	9.75	9	20.5 <sup>e</sup>	29.5
Cuba <sup>h</sup>	0	14 <sup>b</sup>	14 <sup>b</sup>	0	14	14
Dominica	3 <sup>b</sup>	7 <sup>b</sup>	10 <sup>b</sup>	3	7 <sup>e</sup>	10 <sup>c</sup>
Dominican Republic	1.98	5.02	7	4.68	11.32 <sup>e</sup>	16
Ecuador	9.15	11.15	20.3	12.65	18.36	31.01 <sup>c</sup>
El Salvador	3.25 <sup>d</sup>	6.75	10 <sup>d</sup>	6.25	14.25	20.5 <sup>c</sup>
Grenada	4 <sup>b</sup>	5 <sup>b</sup>	9 <sup>b</sup>	4	5	9 <sup>c</sup>
Guatemala	1.83	3.67	5.5	4.83	10.67	15.5 <sup>c</sup>
Guyana	4.8 <sup>b</sup>	7.2 <sup>b</sup>	12 <sup>b</sup>	4.8	8.73	13.53 <sup>c</sup>
Haiti <sup>h</sup>	2	2	4	2	4	6
Honduras	1	2	3	3.5	7	10.5 <sup>c</sup>
Jamaica	2.5 <sup>b</sup>	2.5 <sup>b</sup>	5 <sup>b</sup>	2.5	2.5	5 <sup>c</sup>
Mexico	1.75	4.9	6.65	2	6.6 <sup>m</sup>	8.6 <sup>c</sup>
Nicaragua	4 <sup>b</sup>	6 <sup>b</sup>	10 <sup>b</sup>	6.25	13.5	19.75 <sup>c</sup>
Panama	6.75	2.75	9.5	7.25	10.75 <sup>e</sup>	18
Paraguay <sup>h</sup>	9 <sup>b</sup>	14 <sup>b</sup>	23 <sup>b</sup>	9	14	23 <sup>c</sup>
Peru	8 <sup>d</sup>	0	8 <sup>d</sup>	8	9 <sup>e</sup>	17 <sup>c</sup>
Saint Kitts and Nevis	5 <sup>b</sup>	5 <sup>b</sup>	10 <sup>b</sup>	5	6	11 <sup>c</sup>
Saint Lucia	5 <sup>b</sup>	5 <sup>b</sup>	10 <sup>b</sup>	5	5	10 <sup>c</sup>

(Continued)

**Table 4.**  
**Continued**

Country	Old age, disability, survivors			All social security programs <sup>a</sup>		
	Insured person	Employer	Total	Insured person	Employer	Total
Saint Vincent and the Grenadines	2.5 <sup>b</sup>	3.5 <sup>b</sup>	6 <sup>b</sup>	2.5	3.55	6.05 <sup>c</sup>
Trinidad and Tobago <sup>h</sup>	2.8 <sup>b</sup>	5.6 <sup>b</sup>	8.4 <sup>b</sup>	2.8	5.6	8.4 <sup>c,k</sup>
United States	6.2	6.2	12.4	8.85 <sup>n</sup>	13.85 <sup>e,n</sup>	22.7 <sup>c,k,n</sup>
Uruguay	15	12.5	27.5	18	17.5 <sup>e</sup>	35.5 <sup>c</sup>
Venezuela	1.93 <sup>b</sup>	4.82 <sup>b</sup>	6.75 <sup>b</sup>	4.22	9.98	14.2 <sup>c</sup>

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, or the country has a dual system with different contribution rates, either the average or the lowest rate in the range is used.
- b. Also includes the contribution rates for other programs.
- c. Contributions are subject to an upper earnings limit for some benefits.
- d. The contribution rate is for old-age benefits only. Additional contributions are required for survivor and disability insurance.
- e. Employers pay the total cost of Work Injury.
- f. Contributions are flat-rate according to earnings classes.
- g. Plus flat-rate social insurance contributions.
- h. Data are at least 4 years old.
- i. Employer pays the cost of Family Allowances.
- j. Government pays the cost of Unemployment Benefits.
- k. Government pays the cost of Family Allowances.
- l. Contribution rates may be higher in some provinces.
- m. Contribution rates may be higher or lower in some states.
- n. Plus flat-rate contributions for medical benefits.





# Country Summaries

## Antigua and Barbuda

Exchange rate: U.S.\$1.00 equals  
2.70 East Caribbean dollars (E.C.\$).

### Old Age, Disability, and Survivors

#### Regulatory Framework

**First and current laws:** 1972 (social insurance), with amendments; and 1993 (social assistance).

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

#### Coverage

Employees and self-employed persons aged 16 to 59.

Exclusions: Family and casual employment with weekly wages under E.C.\$7.50.

#### Source of Funds

**Insured person:** 3% of earnings (private sector) or 2% of earnings (public sector); the self-employed contribute 8% of earnings.

**Employer:** 5% of payroll.

**Government:** None, except as an employer. The total cost of social assistance pensions.

The maximum annual earnings for contribution and benefit purposes are E.C.\$54,000.

#### Qualifying Conditions

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

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 156 weeks of contributions starting before 1975.

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

**Old-age assistance:** Age 65 or older; age 60 if blind or disabled.

**Disability pension:** Under age 60 with a minimum of 156 weeks of contributions.

**Disability settlement:** Under age 60 and does not meet the qualifying conditions for the disability pension, but has at least 52 weeks of contributions.

**Survivor pension:** The insured person was eligible for, or receiving, the disability pension or an old-age pension at the time of death. The pension ceases on remarriage.

**Survivor settlement:** If the insured person was eligible for, or receiving, the old-age grant or the disability grant.

**Funeral grant:** The insured person had at least 26 weeks of paid contributions.

#### Old-Age Benefits

**Old-age pension:** The full pension is 25% of covered earnings, plus 1% for every 50-week period of contributions above 500 contributions, up to a maximum of 50%.

Partial pension: The full pension is reduced in proportion to the number of weeks of contributions.

Transitional pension: 25% of earnings.

The minimum monthly pension is E.C.\$150.15.

The maximum monthly pension is E.C.\$250.25.

**Old-age settlement:** E.C.\$1,000 or 75% of the combined employer and employee contributions, whichever is higher.

**Old-age assistance:** E.C.\$136.50 a month.

#### Permanent Disability Benefits

**Disability pension:** 25% of covered earnings, plus 1% for every 50-week period of contributions above 500 contributions, up to a maximum of 50%.

The minimum monthly pension is E.C.\$136.50.

The maximum monthly pension is E.C.\$227.50.

**Disability settlement:** E.C.\$1,000 or 75% of the combined employer and employee contributions, whichever is higher.

#### Survivor Benefits

**Survivor pension:** 50% of the insured's actual or prospective pension, payable to a widow aged 50 or older. A limited pension is paid for 1 year if the widow is under age 50 at the time of the insured's death and is employed. The pension is also payable to a dependent disabled widower.

**Orphan's pension:** 25% of the insured's pension (40% if a full orphan) is payable to an orphan under age 16 (age 18 if a student).

**Survivor settlement:** The benefit should not exceed the value of the old-age or the disability settlement.

**Funeral grant:** E.C.\$2,500, payable to the person who paid for the funeral.

#### Administrative Organization

Ministry of Finance provides general supervision.

Social Security Board administers the program.

## ***Sickness and Maternity***

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### ***Regulatory Framework***

**First and current laws:** 1973 (sickness) and 1973 (maternity).

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

### ***Coverage***

Employees and self-employed persons aged 16 to 59.

Exclusions: Family and casual employment with weekly wages under E.C.\$7.50.

### ***Source of Funds***

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

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

**Government:** None.

The maximum annual earnings for contribution purposes are E.C.\$54,000.

### ***Qualifying Conditions***

**Cash sickness benefits:** Insured for at least 26 weeks; worked at least 8 weeks in the 13 weeks immediately before the onset of illness and was employed the day before the onset of illness. The illness is not the result of an occupational injury.

**Cash maternity benefits:** Twenty-six weeks of contributions in the year preceding the expected date of childbirth.

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

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

**Sickness benefit:** 60% of the insured's average weekly earnings, payable after a 3-day waiting period.

Average insurable weekly earnings are based on earnings in the 13 weeks prior to the onset of illness.

**Maternity benefit:** 60% of the insured's average weekly earnings, payable for a maximum of 13 weeks commencing not earlier than 6 weeks before the expected date of childbirth or later than the expected week of childbirth.

Average insurable weekly earnings are based on earnings in the 52 weeks prior to the 6 weeks before the expected week of childbirth.

**Maternity grant:** A lump sum of E.C.\$400.

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

No statutory benefits are provided.

Medical services are provided by the Ministry of Health directly through public health facilities. Necessary medical treatment is permitted abroad, up to a maximum of E.C.\$2,000.

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

No statutory benefits are provided.

Medical services are provided by the Ministry of Health directly through public health facilities. Necessary medical treatment is permitted abroad, up to a maximum of E.C.\$2,000.

## ***Administrative Organization***

Ministry of Finance provides general supervision.

Social Security Board administers the program.



## Argentina

Exchange rate: U.S.\$1.00 equals 2.87 pesos.

### Old Age, Disability, and Survivors

#### Regulatory Framework

**First laws:** 1904 to 1958 (various laws on special categories), 1944 (commerce), 1946 (industry), and 1954 (rural workers).

**Current law:** 1993, implemented in 1994.

**Type of program:** Social insurance and individual account system.

Note: Beginning in 1994, the insured, including new entrants, can opt to direct part of the contribution to an individual account or to remain only in the social insurance system.

#### Coverage

**Social insurance and individual account:** Employed and self-employed persons, except for military personnel and security forces, police personnel, and persons younger than age 18.

**Social assistance:** The needy elderly and disabled.

#### Source of Funds

**Insured person:** 11% of earnings if opting for social insurance only; 7% of earnings, plus an additional amount for disability and survivor insurance and administrative fees, if opting into the individual account system; the self-employed contribute 27% of earnings.

**Employer:** 17% to 21% of payroll (according to the type of enterprise) for social insurance only.

The employer contributions also help finance family allowances and unemployment benefits.

**Government:** Contributes to the social insurance system through general revenue, investment income, and certain earmarked taxes. The cost of social assistance pensions.

The maximum earnings for contribution purposes are 60 times the MOPRE (Módulo Previsional). The MOPRE is an indexed figure determined once a year. The value of the MOPRE is 80 pesos in 2003.

#### Qualifying Conditions

##### Social insurance

**Old-age pension (basic universal):** Age 65 (men) or age 60 (women) with at least 30 years of contributions and service, up to a maximum of 45 years.

**Deferred pension:** The insured may substitute 2 years of age after the retirement age for 1 year of contributions.

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

**Compensatory pension:** Age 65 (men) or age 60 (women) with at least 30 years of contributions and service, up to a maximum of 45 years. The benefit is paid if the insured has credited contributions for the period before June 1994.

In addition to the above, the following qualifying conditions apply if the insured opts to remain only in the social insurance system.

**Additional pension:** Age 65 (men) or age 60 (women) with at least 30 years of contributions and service, up to a maximum of 45 years. The additional pension is paid if the insured is credited with contributions since June 1994.

**Advanced age benefit:** Age 70 (men and women) and has at least 10 years of service with contributions paid as either employed or self-employed, including 5 of the last 8 years before leaving employment. The self-employed must have been insured for at least 5 years.

**Disability pension:** The loss of at least 66% of earning capacity, younger than the ordinary retirement age, and not receiving early retirement benefits. The insured has paid contributions on a regular or nonregular basis and meets the qualifying conditions.

**Survivor pension:** The insured must have paid contributions on a regular or nonregular basis and met the qualifying conditions.

Eligible survivors include a widow(er) or partner; an unmarried child younger than age 18 who is not receiving benefits; a daughter who is a widow and younger than age 18 who is not receiving benefits; a disabled child (regardless of age) who was dependent on the insured.

##### Social insurance and individual account

**Old-age basic universal pension (social insurance):** Age 65 (men) or age 60 (women) with at least 30 years of contributions and service, up to a maximum of 45 years.

**Deferred pension:** The insured may substitute 2 years of age after the retirement age for 1 year of contributions.

The retirement age and contribution and employment requirements are reduced by 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, up to a maximum of 45 years. The benefit is paid if the insured has credited contributions for the period before June 1994.

**Old-age pension (individual account):** Age 65 (men) or age 60 (women).

**Disability pension (individual account):** The loss of at least 66% of earning capacity, younger than the ordinary retirement age, and not receiving early retirement benefits. The insured has paid contributions on a regular or nonregular basis and meets the qualifying conditions.

*Survivor pension (individual account):* The insured must have paid contributions on a regular or nonregular basis and met the qualifying conditions.

**Social assistance:** Indigent residents and aged 70 or older or disabled.

### Old-Age Benefits

#### Social insurance

*Old-age basic universal pension:* 2.5 MOPREs, plus 1% of average earnings for every year of contributions exceeding 30 years, up to a maximum of 45 years.

The value of the MOPRE is 80 pesos in 2003.

*Deferred pension:* The base pension is increased in proportion to the additional years of contributions.

*Compensatory pension:* 1.5% of the insured's average monthly salary during the last 10 years or average updated amounts for all periods with contributions paid before July 1994, up to a maximum of 35 years for the self-employed.

In addition to the above, the following benefits are paid if the insured opts to remain only in the social insurance system.

*Additional pension:* 0.85% of the insured's average monthly salary during the last 10 years or average updated amounts for all periods with contributions paid after July 1994, up to a maximum of 35 years for the self-employed.

*Advanced age benefit:* A monthly fixed amount.

#### Social insurance and individual account

*Old-age basic universal pension (social insurance):* 2.5 MOPREs, plus 1% of average earnings for every year of contributions exceeding 30 years, up to a maximum of 45 years.

The value of the MOPRE is 80 pesos in 2003.

*Deferred pension:* The base pension is increased in proportion to the additional years of contributions.

*Compensatory pension (social insurance):* 1.5% of the insured's average monthly salary during the last 10 years or average updated amounts for all periods with contributions paid before July 1994, up to a maximum of 35 years for the self-employed.

*Old-age pension (individual account):* The pension depends on the insured's contributions plus accrued interest. The pension is payable as an annuity or as programmed withdrawals.

**Social assistance:** A monthly fixed amount.

### Permanent Disability Benefits

**Disability pension (social insurance and individual account):** 70% of average salary (regular contributor) or 50% of average salary (nonregular contributor) during the 5 years prior to the onset of disability.

**Disability pension (social assistance):** A monthly fixed amount (increments may be paid for dependents under Family Allowances).

### Survivor Benefits

#### Survivor pension (social insurance and individual account)

*Survivor pension (the deceased was a pensioner):* 70% of the insured's pension is payable to a widow(er) or partner without dependents; 50% to a widow(er) or partner with children; 20% for each eligible child.

The maximum survivor pension is 100% of the insured's pension.

*Survivor pension (the deceased was actively insured):* 70% of average earnings (regular contributor) or 50% of average earnings (nonregular contributor) in the last 5 years. The pension is payable to a widow(er) or partner without dependents; 50% to a widow(er) or partner with children; 20% for each eligible child.

The maximum survivor pension is 100% of the insured's pension.

**Funeral grant:** A lump sum equal to 3 months' minimum wage.

### Administrative Organization

National Social Security Administration (ANSES) provides supervision and administers the social insurance program.

Superintendent of Pension Fund Management Companies (SAFJP) provides general supervision of the pension funds.

Pension fund management companies (AFJPs) administer the pension funds and benefits.

Ministry of Social Development and Environment administers the social assistance pension program.

### Sickness and Maternity

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#### Regulatory Framework

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

**Current laws:** 1996 (maternity), 1988 (sickness), and 1988 (medical benefits).

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

#### Coverage

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

**Cash maternity benefits:** Employed women, except domestic servants.

**Medical benefits:** Employed persons and pensioners, except the military police, provincial and municipal public-sector employees, and beneficiaries of noncontributory or social assistance benefits.

## Source of Funds

### Cash maternity benefits

**Insured person:** None.

**Employer:** See source of funds under Family Allowances, below. (The average employer contribution is 4.7% of payroll.)

**Government:** See source of funds under Family Allowances, below.

### Medical benefits

**Insured person:** 6% of earnings, plus 1.5% of earnings for each covered dependent besides the spouse or children. Pensioners contribute between 3% and 6% of the pension.

**Employer:** The average contribution is 7.2% of payroll.

**Government:** Subsidizes coverage of persons who would not otherwise qualify.

## Qualifying Conditions

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

**Cash maternity benefits:** At least 3 months' continuous employment before the expected date of childbirth.

**Medical benefits:** Currently employed or a pensioner.

## Sickness and Maternity Benefits

**Sickness benefit:** No statutory benefits are provided. (Under employment law, employers must provide 100% of salary for 3 months to employees with less than 5 years of service; 6 months with more than 5 years of service. The cash benefit is payable for twice as long (6 months or 12 months, respectively) to workers with dependents.)

**Maternity benefit:** The benefit is equal to 3 months' average gross earnings before the maternity leave period.

## Workers' Medical Benefits

Benefits include medical and hospital care included in the PMOEM (Mandatory Emergency Medical Program).

## Dependents' Medical Benefits

Eligible dependents include a spouse, single children under age 21 (up to age 25 if a student), children older than age 21 if disabled and dependent on the insured.

Other dependents are eligible only with the payment of additional contributions.

## Administrative Organization

Ministry of Health provides general supervision.

Superintendent of Health Services provides control, coordination, and administration of the program.

## Work Injury

### Regulatory Framework

**First law:** 1915.

**Current law:** 1995.

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

The employer may self-insure if solvency requirements are met and medical care services can be guaranteed. In case the employer does not meet both conditions, mandatory insurance must be taken with a work injury insurer (ART).

### Coverage

Employed persons in the private and public sectors.

### Source of Funds

**Insured person:** None.

**Employer:** Total cost, met through a work injury insurer or through self-insurance.

**Government:** None.

## Qualifying Conditions

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

## Sickness and Maternity Benefits

Base earnings are payable monthly starting from the day after the disability arises. The employer pays for the first 10 days, with the remaining period covered by the ART. The benefit is payable until recovery or certification of disability.

The disability is presumed to be permanent if it continues beyond 1 year.

## Permanent Disability Benefits

For an assessed degree of disability of 66% or more (provisional total disability), the benefit is 70% of base earnings.

**Permanent total disability:** The disability benefit plus a lump-sum benefit of 40,000 pesos.

**Provisional partial disability:** The insured's monthly base earnings multiplied by the assessed degree of disability, plus family allowances.

**Permanent partial disability:** A lump-sum benefit equal to 53 times the monthly base earnings multiplied by the assessed degree of disability and a coefficient resulting from dividing 65 by the age of the worker at the date of the start of disability; when the assessed degree of disability is 50% or less, the sum cannot be higher than the amount of 180,000 pesos multiplied by the assessed degree of disability. For an assessed degree of disability of more than 50% but less than 66%, the benefit cannot exceed 180,000 pesos. In addition, the insured receives a lump-sum benefit of 30,000 pesos.



Severe disability: The disability benefit plus a lump-sum benefit of 40,000 pesos and a monthly benefit equal to 3 MOPRE paid by the ART.

### **Workers' Medical Benefits**

Benefits include the cost of medical attention, appliances, and pharmaceuticals covered by the ART.

### **Survivor Benefits**

70% of average earnings (regular contributor) or 50% of average earnings (nonregular contributor) in the last 5 years, plus a monthly complementary benefit financed through the ART. The complementary benefit is equal to 53 times the monthly base earnings multiplied by a coefficient resulting from dividing 65 by the age of the worker at the date of the first sign of disability. The amount cannot exceed 180,000 pesos. In addition, eligible survivors receive a lump sum of 55,000 pesos.

The pension is payable to a widow(er) or partner without dependents; 50% to a widow(er) or partner with children; 20% for each eligible child.

### **Administrative Organization**

Superintendent of Work Injury provides general supervision.

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

## **Unemployment**

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### **Regulatory Framework**

**First and current laws:** 1967 (construction workers only) and 1991 (social insurance).

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

### **Coverage**

Employed persons under a labor contract and contributing to the National Employment Fund.

### **Source of Funds**

**Insured person:** None.

**Employer:** 1.5% of payroll.

**Government:** Provides subsidies.

### **Qualifying Conditions**

**Unemployment benefits:** Twelve months of contributions before the date of unemployment. Must be registered and available for suitable employment and not be a recipient of any other social security benefit.

### **Unemployment Benefits**

50% of the insured's best wage in the 6 months before the date of unemployment (not less than 150 pesos and not more than 300 pesos), plus a percentage amount based on the number of months of paid contributions (never less than 150 pesos). The benefit varies from 100% of the calculated amount for the first 4 months to 85% of the same amount for the fifth to the eighth months and to 75% for the ninth to the twelfth months.

In the construction industry, employers must pay a severance indemnity to dismissed employees. From the fifth to the eighth month, the monthly benefit is equal to 85% of the amount paid for the first 4 months.

### **Administrative Organization**

Ministry of Labor and Social Security provides general supervision.

National Social Security Administration administers the program.

## **Family Allowances**

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### **Regulatory Framework**

**First law:** 1957.

**Current law:** 1996.

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

### **Coverage**

**Social insurance:** Employed persons in the private sector and beneficiaries of work injury and unemployment programs.

**Social assistance:** Beneficiaries from the social insurance, individual account, and social assistance programs.

### **Source of Funds**

#### **Social insurance**

**Insured person:** None.

**Employer:** The average contribution is 4.7% of payroll.

**Government:** Cost of benefits for pensioners and other recipients of noncontributory benefits.

#### **Social assistance**

**Insured person:** None.

**Employer:** None.

**Government:** Total cost.

### **Qualifying Conditions**

**Child benefit:** A monthly benefit is paid to an employed person or to a beneficiary of the new pension system who qualifies for family allowances or to an ART beneficiary for

every child under age 18. The benefit is paid to one of the parents or to the guardian.

**Disabled child benefit:** A monthly benefit is paid to an employed person or to a beneficiary of the new pension system who qualifies for family allowances or to an ART beneficiary for every disabled child of any age. The benefit is paid to one of the parents or to the guardian.

**Prenatal grant:** A monthly benefit is paid to an employed person or to an ART beneficiary from the time of conception to the date of childbirth or end of pregnancy. Current continuous employment for 3 months is required.

**School allowance:** An annual benefit is paid to an employed person or to a beneficiary of the new pension system who qualifies for family allowances or to an ART beneficiary who qualifies for a child benefit or a disabled child benefit.

**Birth grant:** A benefit is paid to an employed person or to an ART beneficiary for the birth of a child. The grant is paid to one of the parents or to the guardian. Current continuous employment for 6 months is required.

**Adoption grant:** A benefit is paid to an employed person or to an ART beneficiary for the adopted child. It is paid to one of the parents or to the adopter. Current continuous employment for 6 months is required.

**Marriage grant:** A benefit is paid to both spouses if they are employed or are ART beneficiaries who qualify for family allowances. Current continuous employment for 6 months is required.

**Spouse benefit:** A monthly benefit is paid to a beneficiary of the new pension system for a legal spouse who resides in the country, is totally and permanently disabled, and has no income.

**Social assistance pensions:** Noncontributory pensions are provided for a number of contingencies.

### **Family Allowance Benefits**

Benefits vary by geographic region.

**Child benefit:** The monthly benefit is between 40 pesos and 86 pesos.

**Disabled child benefit:** The monthly benefit is between 160 pesos and 320 pesos.

**Prenatal allowance:** The allowance is between 40 pesos and 86 pesos.

**School allowance:** The annual benefit is between 130 pesos and 520 pesos.

**Birth grant:** 200 pesos.

**Adoption grant:** 1,200 pesos.

**Marriage grant:** 300 pesos.

**Spouse benefit:** The monthly benefit is 30 pesos.

**Social assistance pensions:** Fixed monthly amounts.

### **Administrative Organization**

Ministry of Labor and Social Security and the Secretariat of Social Security provide general supervision.

National Administration of Social Security (ANSES) administers the program.

Ministry of Social Development and Environment administers the social assistance pension program.

## Bahamas

Exchange rate: U.S.\$1.00 equals  
1 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), with 1999 amendment.

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

#### Coverage

**Social insurance:** Employed persons, self-employed persons, and the voluntarily insured.

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

#### Source of Funds

##### Social insurance

**Insured person:** 1.7% of earnings, if weekly insurable earnings are under B\$60; 3.4% for earnings above B\$60. The self-employed contribute 8.8% of earnings if eligible for the work injury program; 6.8% if not eligible.

**Employer:** 7.1% of payroll, for weekly insurable wages under B\$60, 5.4% for wages above B\$60. (0.75% of the employer's contribution is earmarked for work injury benefits.)

**Government:** None.

Maximum earnings for contribution and benefit purposes are B\$20,800 a year.

All of the above contributions also finance cash sickness, maternity, and work injury benefits (except for certain categories of self-employed persons).

##### Social assistance

**Insured person:** None.

**Employer:** None.

**Government:** Total cost of all income-tested allowances in force prior to October 1974.

#### Qualifying Conditions

##### Social insurance

**Retirement pension:** Age 65 with 150 weeks of paid contributions. Employees who were over age 35 in 1974 (self-employed over age 35 in 1976) receive a 25-week credit for each year that they were over age 35, up to a maximum of 600 weeks, provided that contributions were paid for 150 weeks during the first 3 years that the program was in operation.

Entitlement ceases if the insured person earns B\$200 or more a week.

Benefit is paid locally for insured persons who live abroad.

**Disability pension:** Under age 65 and permanently incapable of any work. Employees who were over age 35 in 1974 (self-employed over age 35 in 1976) receive a 25-week credit for each year that they were over age 35, up to a maximum of 600 weeks, provided that contributions were paid for 150 weeks during the first 3 years that the program was in operation.

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

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

##### Social assistance

**Noncontributory old-age pension (income-tested):** For resident retired workers aged 65 or older who do not qualify under the National Insurance Act.

**Disability assistance (income-tested):** For residents who are assessed as disabled and who do not qualify under the National Insurance Act.

**Survivor assistance (income-tested):** If the deceased did not qualify under the National Insurance Act.

#### Old-Age Benefits

##### Social insurance

**Retirement pension:** 40% of the covered wage with 750 weeks of paid or credited contributions; 15% to 38% of the covered wage for between 150 and 749 weeks of paid or credited contributions. The pension is increased by 1% of the covered wage for every 50-week period of paid or credited contributions above 750, up to a maximum of 60%.

The minimum benefit is B\$53.07 a week.

##### Social assistance

**Noncontributory old-age pension (income-tested):** B\$46.15 a week.

#### Permanent Disability Benefits

##### Social insurance

**Disability pension:** 40% of the covered wage, according to wage class, with 750 weeks of paid or credited contributions; 15% to 38% of covered wage for between 150 and 749 weeks of paid or credited contributions. The pension is increased by 1% of the covered wage for every 50-week period of paid or credited contributions paid above 750, up to a maximum of 60%.

The minimum benefit is B\$53.07 a week.

##### Social assistance

**Disability assistance (income-tested):** B\$46.15 a week.

## Survivor Benefits

### Social insurance

**Survivor pension:** 50% of the insured's pension, payable to a widow aged 40 or older who is incapable of gainful employment or is caring for a child eligible for survivor's benefits. The pension is also payable to a dependent disabled widower with weekly income less than B\$46.15.

The full pension is awarded to a dependent mother over age 40 or a disabled father with income under B\$46.15 a week on the condition that no other survivor has prior entitlement.

The minimum survivor pension is B\$53.07 a week.

**Orphan's pension:** 10% of the insured's pension for each dependent child under age 16 (age 21 if a full-time student) up to a family maximum of 100%.

Full orphans receive B\$21.92 a week each; up to B\$25.50 a week each if over age 12, a student, or disabled.

The minimum orphan's pension is B\$21.92.

**Funeral grant:** A lump sum of B\$1,500 is payable to the person paying for the funeral expenses. If the funeral costs less than B\$1,500, the remaining balance is payable at the discretion of the National Insurance Board.

### Social assistance

**Survivor assistance (income-tested):** Adults receive B\$46.15 a week; children receive B\$18.46 a week each.

## Administrative Organization

Ministry of Housing and National Insurance provides general supervision.

National Insurance Board administers the program.

## Sickness and Maternity

### Regulatory Framework

**First and current law:** 1972 (national insurance), with 1999 amendment.

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

### Coverage

Employed persons and the self-employed.

### Source of Funds

**Insured person:** See contributions under Old Age, Disability, and Survivors, above.

**Employer:** See contributions under Old Age, Disability, and Survivors, above.

**Government:** None.

## Qualifying Conditions

**Cash sickness benefits:** Forty weeks of paid contributions with 26 weeks paid or credited contributions in the year preceding the onset of illness, or in the last contribution year, or 13 weeks paid or credited contributions in the 26 weeks preceding the onset of illness.

**Cash maternity benefits:** Fifty weeks of contributions since entry into the system with 26 weeks of paid or credited contributions in the preceding contribution year, or 26 weeks of contributions in the 40 weeks before benefit is due.

**Maternity grant:** At least 50 paid contributions.

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

## Sickness and Maternity Benefits

**Sickness benefit:** 60% of average weekly insurable earnings. The benefit is payable after a 3-day waiting period for up to 26 weeks (may be extended to 40 weeks in certain circumstances).

The minimum benefit is B\$53.07 a week.

**Sickness allowance (means-tested):** B\$46.15 a week for an insured person who does not meet the qualifying conditions for sickness benefit.

**Maternity benefit:** 60% of average weekly insurable earnings. The benefit is payable for 13 weeks (may be extended to 15 weeks) beginning not earlier than 6 weeks before the expected date of childbirth.

The minimum benefit is B\$43.85 a week.

**Maternity grant:** A lump sum of B\$400 for each live birth.

**Funeral benefit:** A lump sum of B\$1,500.

## 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 indigent persons.

## Dependents' Medical Benefits

No statutory benefits are provided.

## Administrative Organization

Prime Minister's Office provides general supervision.

National Insurance Board 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 certain categories of the self-employed.

Exclusions: Family labor.

### **Source of Funds**

**Insured person:** None, except for some categories of the self-employed. (See source of funds under Old Age, Disability, and Survivors, above.)

**Employer:** Total cost. (See source of funds under Old Age, Disability, and Survivors, above.)

**Government:** None.

### **Qualifying Conditions**

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

### **Temporary Disability Benefits**

**Temporary disability pension:** 66.6% of average weekly covered earnings, payable after a 3-day waiting period for up to 40 weeks.

The minimum benefit is B\$53.07 a week.

### **Permanent Disability Benefits**

**Permanent disability pension:** 66.6% of average weekly covered earnings, if the assessed degree of permanent disability is 100%.

The minimum benefit is B\$53.07 a week for total disability.

Partial disability: The pension is proportionately reduced for an assessed degree of disability of 25% or more.

The minimum benefit is B\$36.92 a week for partial disability.

Lump-sum grant: A lump sum of between B\$100 and B\$2,400 is also payable, depending on the assessed degree of disability.

### **Workers' Medical Benefits**

Benefits include hospitalization, general and specialist care, medicines, and transportation.

### **Survivor Benefits**

**Survivor pension:** 50% of the insured's temporary disability pension.

**Orphan's pension:** 10% of the insured's temporary disability pension for each dependent child under age 16 (age 21 if a full-time student) up to a family maximum of 100%.

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

**Industrial funeral benefit:** A lump sum of B\$1,500.

### **Administrative Organization**

Ministry of Housing and National Insurance provides general supervision.

National Insurance Board administers the program.



## Barbados

Exchange rate: U.S.\$1.00 equals  
2.02 Barbadian dollars (B\$).

### Old Age, Disability, and Survivors

#### Regulatory Framework

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

**Current law:** 1966 (national insurance and social security), with 1982 amendment.

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

#### Coverage

**Social insurance:** All employed persons, public-sector employees, and the self-employed aged 16 to 64.

Exclusions: Unpaid family labor.

**Social assistance:** Residents aged 65 or older (aged 18 or older and incapable of work due to defective eyesight or serious hearing and speech problems).

#### Source of Funds

##### Social insurance

**Insured person:** 5.25% of earnings; self-employed persons contribute 10.5% of earnings.

**Employer:** 5.25% of payroll.

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

The minimum earnings for contribution purposes are B\$21 a week for employees paid weekly or B\$91 a month for employees paid monthly; self-employed persons, B\$1,092 a year.

The maximum earnings for contribution and benefit purposes are B\$715 a week for employees paid weekly or B\$3,100 a month for employees paid monthly.

##### Social assistance

**Insured person:** None.

**Employer:** None.

**Government:** Total cost.

#### Qualifying Conditions

##### Social insurance

**Old-age pension:** Age 65 with 500 weeks of contributions, including at least 150 weeks of paid contributions.

**Early pension:** Under the approval of the Director of the National Insurance Board, the pension may be paid at age 64 if the insured is no longer employed or self-employed.

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

**Old-age grant:** Age 65 and does not meet the qualifying conditions for the old-age pension.

**Disability pension:** Under age 65 with 150 weeks of contributions.

**Disability grant:** Under age 65 and does not meet the qualifying conditions for the disability pension.

**Survivor pension:** The insured person had at least 150 weeks of paid contributions.

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

#### Social assistance

**Noncontributory old-age pension:** Age 65, satisfies the residency conditions, and does not meet the qualifying conditions for a social insurance pension.

**Noncontributory disability pension (income-tested):** Age 18, satisfies the residency conditions, and is assessed as incapable of work due to defective eyesight or serious hearing and speech problems.

#### Old-Age Benefits

##### Social insurance

**Old-age pension:** 40% of average insurable earnings during the best 5 years out of the last 15 years (maybe less if the insured person has fewer contribution years), plus 1% of earnings for every 50-week period of contributions beyond 500 weeks of contributions.

The minimum weekly pension is B\$105.

**Old-age grant:** A lump sum equal to 6 weeks' earnings for every 50-week period of contributions.

**Benefit adjustment:** Benefits are adjusted periodically in accordance with cost-of-living changes.

##### Social assistance

**Noncontributory old-age pension:** The minimum weekly pension is B\$86.00.

**Benefit adjustment:** Benefits are adjusted periodically in accordance with cost-of-living changes.

#### Permanent Disability Benefits

##### Social insurance

**Disability pension:** 40% of average annual insurable earnings during the best 5 years out of the last 15 years (maybe less if the insured person has fewer contribution years), plus 1% of earnings for every 50-week period of contributions beyond 500 weeks of contributions.

The minimum weekly pension is B\$105.

**Disability grant:** A lump sum equal to 6 weeks' average insurable earnings for every 50-week period of paid or credited contributions.

**Benefit adjustment:** Benefits are adjusted periodically according to cost-of-living changes.

### Social assistance

**Noncontributory disability pension (income-tested):** The minimum weekly pension is B\$86.

**Benefit adjustment:** Benefits are adjusted periodically according to cost-of-living changes.

### Survivor Benefits

**Survivor pension:** 50% of the pension paid or payable to the insured person if the widow(er) is aged 50 or older; the pension is payable for a limited period of 12 months only to a widow(er) under age 50. The pension is paid to a disabled widow(er) under age 50 for the duration of the disability.

**Orphan's pension:** 16.6% of the insured's pension is payable to each child under age 16 (age 21 if student; no limit if disabled before age 16); 33.3% if a full orphan or disabled.

The minimum survivor pension is B\$105 a week.

The maximum survivor pension is 100% of the insured's pension.

**Funeral grant:** B\$1,400 is payable to the person covering the cost of the funeral of the insured person or his or her spouse.

**Benefit adjustment:** Benefits are adjusted periodically according to cost-of-living changes.

### Administrative Organization

Ministry of Labor provides general supervision.

Directed by a tripartite board, the National Insurance Office administers the program.

### Sickness and Maternity

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#### Regulatory Framework

**First and current law:** 1966 (national insurance and social security), with amendment.

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

#### Coverage

All employed persons, public-sector employees, and the self-employed aged 16 to 64.

**Exclusions:** Unpaid family labor. Permanent government employees are excluded for sickness insurance.

#### Source of Funds

**Insured person:** 0.82% of wages; self-employed persons contribute 1.64% of earnings.

**Employer:** 0.82% of payroll.

**Government:** None; 0.32% of earnings toward the cost of maternity benefit for government employees.

The minimum earnings for contribution purposes are B\$21 a week for employees paid weekly or B\$91 a month for employees paid monthly; self-employed persons, B\$1,092 a year.

The maximum earnings for contribution and benefit purposes are B\$715 a week for employees paid weekly or B\$3,100 a month for employees paid monthly.

### Qualifying Conditions

**Cash sickness benefits:** At least 13 weeks of insurance coverage; 7 weeks of paid contributions in the last but 1 quarter before the quarter in which the onset of incapacity began; employed immediately prior to becoming ill or have at least 39 paid or credited contributions in the 4 consecutive quarters ending with the last quarter but one before the quarter of the onset of incapacity.

**Cash maternity benefits:** At least 26 weeks of insurance coverage, including 16 weeks of paid contributions in the 2 consecutive quarters ending with the last but 1 quarter before the quarter in which the benefit is paid.

**Self-employed women:** At least 39 weeks of contributions in the 4 consecutive quarters ending with the last but 1 quarter before the quarter in which the benefit is paid; 16 weeks of paid contributions in the 2 consecutive quarters ending with the last but 1 quarter before the quarter in which the benefit is paid.

**Funeral grant:** For an insured person who was receiving, or was entitled to, sickness benefit or maternity benefit.

**Maternity grant:** For a woman who is not insured or who fails to meet the coverage requirements for cash maternity benefits but whose spouse does meet the requirements.

### Sickness and Maternity Benefits

**Sickness benefit:** 66.6% of average insurable weekly earnings. The benefit is payable after a 3-day waiting period for up to 26 weeks; may be extended to 52 weeks if the insured has 150 weeks of paid contributions, including 75 contributions paid or credited in the 3 years before the year of onset. The waiting period is waived if the illness lasts 21 or more days.

**Maternity benefit:** 100% of average insurable weekly earnings, payable for up to 6 weeks before and 6 weeks after the expected date of childbirth.

**Funeral grant:** B\$1,400 is payable to the person paying for the cost of the funeral.

**Maternity grant:** A lump sum of B\$800.

### 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 Labor provides general supervision.

Directed by a tripartite board, the National Insurance Office administers the program.

## ***Work Injury***

### ***Regulatory Framework***

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

**Current law:** 1966 (national insurance and social security), with amendment.

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

### ***Coverage***

All employed persons, public-sector employees, and some categories of fishermen aged 16 to 64.

Exclusions: Self-employed persons and unpaid family labor.

### ***Source of Funds***

**Insured person:** None.

**Employer:** 0.75% of payroll.

**Government:** None, except as an employer.

The minimum earnings for contribution purposes are B\$21 a week for employees paid weekly or B\$91 a month for employees paid monthly.

The maximum earnings for contribution and benefit purposes are B\$715 a week for employees paid weekly or B\$3,100 a month for employees paid monthly.

### ***Qualifying Conditions***

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

### ***Temporary Disability Benefits***

90% of average insurable earnings, payable after a 3-day waiting period for up to 52 weeks. The waiting period is waived if the disability lasts for at least 3 weeks.

### ***Permanent Disability Benefits***

**Permanent disability pension:** 90% of average earnings if totally disabled.

Partial disability: A percentage of the full pension in proportion to the assessed degree of disability.

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

Constant-attendance supplement: 50% of the pension.

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

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

## ***Survivor Benefits***

**Survivor pension:** 50% of the insured's temporary disability benefit, payable to a dependent spouse.

Remarriage settlement: If the spouse remarries or cohabits, the pension ceases and a lump sum equal to 1 year's pension is paid.

**Orphan's pension:** 16.6% of the insured's temporary disability benefit for each child under age 16; 33.3% if a full orphan or disabled. There is no age limit for a disabled orphan.

The maximum survivor pension is 100% of the insured's temporary disability benefit.

**Funeral grant:** B\$1,400, payable to the person paying for the cost of the funeral of the insured worker.

## ***Administrative Organization***

Ministry of Labor provides general supervision.

National Insurance Office administers the program.

## ***Unemployment***

### ***Regulatory Framework***

**First and current law:** 1982 (national insurance and social security).

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

### ***Coverage***

Employees aged 16 to 64.

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

### ***Source of Funds***

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

**Employer:** 0.75% of payroll.

**Government:** None, except as an employer.

The minimum earnings for contribution purposes are B\$21 a week for employees paid weekly or B\$91 a month for employees paid monthly.

The maximum earnings for contribution and benefit purposes are B\$715 a week for employees paid weekly or B\$3,100 a month for employees paid monthly.

### ***Qualifying Conditions***

**Unemployment benefit:** Under age 65 with 52 weeks of insurance coverage; at least 20 weeks of paid or credited contributions in the 3 consecutive quarters ending with the last but 1 quarter before the onset of unemployment; at least 7 weeks of paid or credited contributions in the last but 1 quarter before the onset of unemployment.

### ***Unemployment Benefits***

60% of average insurable weekly earnings for 26 weeks. The benefit is payable after a 3-day waiting period for up to 26 weeks in any 52-week period. The waiting period is waived if the insured is unemployed for 21 or more days.

### ***Administrative Organization***

Ministry of Labor provides general supervision.

National Insurance Office administers the program.

## Belize

Exchange rate: U.S.\$1.00 equals  
2.20 Belize dollars (B\$).

### Old Age, Disability, and Survivors

#### Regulatory Framework

**First and current law:** 1979, with amendments.

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

#### Coverage

**Social insurance:** Employed persons aged 14 to 64, including public servants.

Exclusions: Casual labor, persons employed less than 8 hours a week, and military personnel.

Voluntary continuation of coverage for workers entering self-employment.

**Social assistance:** Women aged 65 or older who are 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 under B\$70.00;
- B\$1.35 for earnings from B\$70.00 to B\$109.99;
- B\$1.95 if B\$110.00 to B\$139.99;
- B\$3.15 if B\$140.00 to B\$179.99;
- B\$4.75 if B\$180.00 to B\$219.99;
- B\$6.35 if B\$220.00 to B\$259.99;
- B\$7.95 if B\$260.00 to B\$299.99; and
- B\$9.55 for weekly earnings of B\$300.00 and over.

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

- B\$3.57 if weekly earnings are under B\$70.00;
- B\$5.85 for earnings from B\$70.00 to B\$109.99;
- B\$8.45 if B\$110.00 to B\$139.99;
- B\$9.65 if B\$140.00 to B\$179.99;
- B\$11.25 if B\$180.00 to B\$219.99;
- B\$12.85 if B\$220.00 to B\$259.99;
- B\$14.45 if B\$260.00 to B\$299.99; and
- B\$16.05 for weekly earnings of B\$300.00 and over.

The employer pays an additional contribution for work injury benefits on behalf of all employees between the ages of 60 and 64 who have previously received a retirement benefit and for all employees aged 65 or older.

**Government:** Covers any deficits and contributes as an employer.

All of the above contributions also finance sickness and maternity benefits and work injury benefits.

##### Social assistance

**Insured person:** None.

**Employer:** None.

**Government:** Total cost of the noncontributory old-age pension.

#### Qualifying Conditions

**Old-age pension:** Age 60 and retired from insurable employment, with 500 weeks of paid or credited contributions including 150 paid contributions.

**Retirement grant:** Paid to an insured person at age 60, who has at least 26 weeks of paid contributions but does not meet the qualifying conditions for an old-age pension.

The pensionable age is 65, with the option to retire at age 60. Retirement from employment is not necessary if aged 65 or older.

**Noncontributory old-age pension:** Women aged 65 or older who have inadequate or no source of income.

**Disability pension:** At least 150 weeks of paid contributions since the inception of the program, with at least 110 paid contributions in the 5 consecutive contribution years preceding the year of the onset of disability and 5 paid or credited contributions in the 13 weeks immediately preceding the week in which the illness leading to the onset of disability commenced.

**Disability grant:** Paid to an insured person who has at least 26 weeks of paid contributions but does not meet the qualifying conditions for a disability pension.

**Survivor pension:** The insured person was a pensioner or eligible for a pension at the time of death.

**Survivor grant:** The insured person was not entitled to a pension but had at least 26 paid contributions.

**Funeral grant:** Fifty weeks of paid contributions for a funeral grant for the insured; 150 weeks of paid contributions for a spouse or a dependent child.

#### Old-Age Benefits

**Old-age pension:** 30% of average weekly earnings based on the best 3 years of earnings in the last 15 years, plus 2% of earnings for each 50-week period of contributions beyond 500 weeks up to 750 weeks, and 1% of earnings for every 50-week period of contributions over 750 weeks.

The minimum weekly pension is B\$47.

The maximum pension is 60% of average earnings.

**Retirement grant:** Six times the average weekly insurable earnings paid or credited or 2.5 times the sum of earnings divided by the number of weeks of contributions, whichever is higher.



The minimum grant is B\$800.

**Noncontributory old-age pension:** B\$75 a month.

### **Permanent Disability Benefits**

**Disability pension:** With at least 500 weeks of contributions, 30% of average weekly earnings based on the best 3 years of earnings in the last 15 years. With less than 500 weeks of contributions, 25% of average weekly earnings with 150 to 299 contributions, plus 1% of earnings for every 50-week period of contributions from 300 to 499 weeks.

The minimum weekly pension is B\$47.

The maximum pension is 60% of average earnings.

**Disability grant:** Six times the average weekly insurable earnings paid or credited or 2.5 times the sum of earnings divided by the number of weeks of contributions, whichever is higher.

The minimum grant is B\$800.

### **Survivor Benefits**

**Survivor pension:** 66.6% of the pension paid or payable to the insured is payable to a widow who is pregnant or caring for the insured's children; aged 50 or older (or disabled) and was married to the insured for at least 3 years; or to a widower who was dependent on the insured for at least 3 years.

**Orphan's pension:** 25% of the pension paid or payable to the insured is payable to each child under age 16 (age 21 if a full-time student); 40% if disabled.

**Dependent parent (in the absence of other eligible survivors):** 40% of the pension paid or payable to the insured is payable to a parent aged 55 or older.

The minimum weekly pension is B\$47.

The combined maximum survivor pension for all survivors is 100% of the pension paid or payable to the insured. If the maximum pension exceeds the limit, each pension is reduced accordingly.

**Survivor grant:** Six times the sum of insurable earnings in the best 3 years of contributions divided by 150 times the number of units of 50 contributions or 2.5 times the sum of weekly insurable earnings divided by the number of contributions times the number of units of 50 contributions, whichever is higher.

The minimum grant is B\$800.

**Funeral grant:** B\$1,500 on the death of the insured person; 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 and Social Security provides general supervision.

Social Security Board administers the program.

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## **Sickness and Maternity**

### **Regulatory Framework**

**First and current law:** 1979, with amendments.

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

### **Coverage**

Employed persons aged 14 to 64, including public servants.

Exclusions: Casual labor, persons employed less than 8 hours a week, and military personnel.

### **Source of Funds**

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

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

**Government:** Covers any deficits and contributes as an employer.

### **Qualifying Conditions**

**Cash sickness benefits:** Currently employed, with 50 weeks of contributions including 5 of the 13 weeks preceding the onset of illness.

**Maternity benefits:** Fifty weeks of contributions, including 25 of the 39 weeks ending 6 weeks before the expected date of childbirth or the day on which the benefit was claimed.

**Maternity grant:** Fifty weeks of contributions, including 25 of the 50 weeks preceding childbirth.

### **Sickness and Maternity Benefits**

**Sickness benefit:** 80% of average insurable earnings. The benefit is payable for up to 156 days; the period may be extended for an additional 13 weeks at 60% of average insurable earnings.

**Maternity allowance:** 80% of average insurable earnings. The benefit is payable for up to 14 weeks, beginning 7 weeks before the expected date of childbirth or the day on which the benefit was claimed.

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

### **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.

Social Security Board administers the program.

## Work Injury

### Regulatory Framework

**First and current law:** 1979, with amendments.

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

### Coverage

Employed persons aged 14 or older, including public servants.

Exclusions: Casual labor, employed persons working less than 8 hours a week, and military personnel.

### Source of Funds

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

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

**Government:** Covers any deficits and contributes as an employer.

### Qualifying Conditions

**Work injury benefits:** There are no contribution requirements and there is no minimum qualifying period.

### Temporary Disability Benefits

80% of average earnings, payable from the first day of incapacity for up to 182 days; may be extended at 60% of average insurable earnings.

### Permanent Disability Benefits

**Permanent disability pension:** 60% of average insurable earnings if totally disabled.

**Partial disability:** If the assessed degree of disability is at least 25%, a percentage of the full pension in proportion to the assessed degree of disability.

The minimum weekly pension is B\$47.

Constant-attendance allowance: 25% of the pension.

**Disablement grant:** If the assessed degree of disability is less than 25%, a lump-sum grant is paid. The grant is equal to average insurable earnings in the 4 weeks before the onset of disability, multiplied by the assessed degree of disability, multiplied by 260.

## Workers' Medical Benefits

Benefits include full medical care at a government hospital or clinic, or treatment abroad if deemed necessary.

## Survivor Benefits

**Survivor pension:** 66.6% of the pension paid or payable to the insured is payable to a dependent widow who is pregnant or caring for the insured's children; aged 50 or older and was married to the insured person for at least 3 years. A limited pension may be paid to a widow for 52 weeks if the qualifying conditions are not met. A pension is also payable to a disabled widower who was fully dependent on the insured person for at least 3 years. The widow(er) pension ceases on remarriage.

**Orphan's pension:** 25% of the pension paid or payable to the insured is paid to each child up to age 16 (age 21 if a full-time student); 40% if disabled.

**Dependent parent (in the absence of other eligible survivors):** 40% of the pension paid or payable to the insured is payable to parents aged 55 or older.

The minimum weekly pension is B\$47.

The combined maximum pension for all survivors is 60% of the insured's average insurable earnings in the 4 weeks before the injury resulting in the insured's death. If the maximum pension exceeds the limit, each pension is reduced accordingly.

## Administrative Organization

Ministry of Finance and Social Security provides general supervision.

Social Security Board administers the program.

## Bermuda

Exchange rate: U.S.\$1.00 equals  
1 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, social assistance, and mandatory occupational pension system.

#### Coverage

##### Social insurance

Employed and self-employed persons over age 16, except full-time students who work weekends or during school vacations.

Exclusions: Those who are not ordinarily resident, unless gainfully employed for more than 26 consecutive weeks.

Voluntary insurance for persons who were previously covered.

##### Social assistance

Bermudan residents are eligible for social assistance pensions.

##### Mandatory occupational pensions

Employees aged 23 or older who are Bermudan or the spouse of a Bermudan and who have worked 720 hours or more for their current employer in any calendar year.

#### Source of Funds

##### Social insurance

**Insured person:** B\$23.20 a week; if over age 65, none. The self-employed contribute B\$46.40 a week; if over age 65, B\$23.20 a week.

**Employer:** B\$23.20 a week per employee.

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

##### Social assistance

**Insured person:** None.

**Employer:** None.

**Government:** The total cost of social assistance pensions.

##### Mandatory occupational pension

**Insured person:** 4% of earnings (5% from January 1, 2004).

**Employer:** 4% of earnings (5% from January 1, 2004).

**Government:** None.

The maximum annual earnings for contribution purposes to the mandatory occupational pension are B\$200,000.

#### Qualifying Conditions

**Old-age pension (social insurance):** Age 65 with 484 weeks of contributions, including 50 weeks of contributions for each year of insurance (a reduced pension is paid with between 25 and 49 weeks). Retirement is not necessary. The pension is payable abroad.

**Old-age settlement (social insurance):** The insured does not meet the qualifying conditions for a pension.

##### Noncontributory old-age pension (social assistance):

Age 65 and Bermudian with at least 10 years of continuous residency during the 20 years immediately preceding the application and does not meet the qualifying conditions for the old-age pension.

**Old-age pension (mandatory occupational):** The normal retirement age is 65.

**Disability pension (social insurance):** Aged 18 to 64, employed immediately before the onset of disability, unable to work during a full year, and 150 weeks of contributions with 50 weeks of contributions for each year of insurance (a reduced pension is paid with between 25 and 49 weeks).

**Disability settlement (social insurance):** The insured does not meet the qualifying conditions for a pension.

##### Noncontributory disability pension (social assistance):

Aged 18 to 64 with 10 years of residency and permanently incapable of employment.

**Disability pension (mandatory occupational):** Assessed as incapable of work due to a physical or mental condition.

**Survivor pension (social insurance):** The insured was a pensioner or met the qualifying conditions for a pension. The spouse was married to the insured for at least 3 years. A widow is credited for contribution purposes for every week she receives a survivor pension and may substitute her husband's contribution record for her own.

**Survivor settlement (social insurance):** The insured did not meet the qualifying conditions for a pension.

**Survivor pension (mandatory occupational):** On the insured's death, the pension is paid to a beneficiary appointed by the insured.

#### Old-Age Benefits

**Old-age pension (social insurance):** B\$157.75 a week (B\$685.49 a month), plus B\$0.92 for every 26-week period of contributions over 484.

Reduced pension: B\$342.74, B\$411.29, B\$479.84, B\$548.39, or B\$616.94 a month if the yearly average number of weeks of contributions is between 25 and 29 weeks, 30 and 34 weeks, 35 and 39 weeks, 40 and 44 weeks, and 45 and 49 weeks, respectively.

**Old-age settlement (social insurance):** If the insured does not meet the qualifying conditions for a pension, employer and employee contributions are refunded as a lump sum.

**Noncontributory old-age pension (social assistance):**

B\$314.59 a month.

Minimum pension (means-tested): B\$323.68 a month if income is under B\$4,000 a year.

**Old-age pension (mandatory occupational):** Pension calculations are either based on average earnings or depend on the amount of the insured's accumulated capital.

**Permanent Disability Benefits**

**Disability pension (social insurance):** B\$456.87 a month.

Reduced pension: The benefit is reduced in proportion to the number of average annual weeks of contributions if less than 50 weeks but 25 or more.

**Disability settlement (social insurance):** If the insured does not meet the qualifying conditions for a pension, employer and employee contributions are refunded as a lump sum.

**Noncontributory disability pension (social assistance):** B\$314.59 a month.

**Disability pension (mandatory occupational):** The benefit depends on the specific rules that apply to the occupational scheme.

**Survivor Benefits**

**Survivor pension (social insurance):** B\$685.49 a month.

Reduced pension: B\$342.74, B\$411.29, B\$479.84, B\$548.39, or B\$616.94 a month if the yearly average number of weeks of contributions is between 25 and 29 weeks, 30 and 34 weeks, 35 and 39 weeks, 40 and 44 weeks, and 45 and 49 weeks, respectively.

The pension is payable for 26 weeks, or until dependent children reach age 16, or for life if over age 50 or disabled, or until remarriage.

**Orphan's pension (social insurance):** B\$68.39 a month.

**Survivor settlement (social insurance):** If the insured did not meet the qualifying conditions for a pension, employer and employee contributions are refunded as a lump sum.

**Survivor pension (mandatory occupational):** Benefits are based on the value of the insured's contributions, accumulated capital, or accrued benefits. The benefit is paid as a lump sum.

**Administrative Organization****Social insurance and social assistance**

Ministry of Finance provides general supervision.

Department of Social Insurance administers the program.

**Mandatory occupational pension**

Pension Commission supervises and regulates the program.

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

**First and current law:** 1970 (hospital insurance).

**Type of program:** Compulsory insurance with a public or private carrier or an approved employer-operated plan (employed persons). Individual or voluntary insurance (nonemployed persons). Medical benefits only.

Paid sick leave and paid maternity leave are provided under employment law.

**Coverage**

All residents.

Employers are liable for carrying insurance for employees and their nonemployed spouses.

**Source of Funds**

**Insured person:** B\$66.60 a month each for an employee and his or her nonemployed spouse. Other insured persons contribute B\$133.20 a month.

**Employer:** B\$66.60 a month each for an employee and his or her nonemployed spouse.

**Government:** A government grant provides 80% of the cost of medical care for residents aged 65 to 74, 90% for residents aged 75 or older, and 100% for resident children and indigent persons.

**Qualifying Conditions**

**Cash sickness and maternity benefits:** No statutory benefits are provided. (Employers must provide paid sick leave and paid maternity leave under employment law.)

**Medical benefits:** There is no minimum qualifying period, except for a 10-month waiting period for maternity care.

**Workers' Medical Benefits**

The Hospital Insurance Commission, a private insurance company, or an employer plan reimburses the hospital for services provided. Benefits include inpatient and outpatient services, including room and board; nursing, laboratory, ambulance, and resident doctor services; drugs; appliances; surgery; maternity care; and physical therapy. There is no limit to duration.

**Dependents' Medical Benefits**

The Hospital Insurance Commission, a private insurance company, or an employer plan reimburses the hospital for services provided. Benefits include inpatient and outpatient services, including room and board; nursing, laboratory,

ambulance, and resident doctor services; drugs; appliances; surgery; maternity care; and physical therapy. There is no limit to duration.

### **Administrative Organization**

Ministry of Finance, through the Department of Social Insurance, provides general supervision.

Hospital Insurance Commission administers the program.

### **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.)

Note: This information is from 1999.

#### **Coverage**

Employed persons and apprentices aged 16 or older.

Exclusions: Casual labor, part-time workers, temporary employees, students, and voluntary workers.

#### **Source of Funds**

**Insured person:** None.

**Employer:** Total cost, met through the 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 3 days.

#### **Temporary Disability Benefits**

50% of lost earnings (up to a maximum of B\$170 a week) or a lump sum. The total benefit paid out may not exceed the permanent disability grant for which the insured would be eligible.

#### **Permanent Disability Benefits**

If totally disabled, 4 years' earnings.

The minimum benefit is B\$5,500.

The maximum benefit is B\$53,000.

Constant-attendance supplement: 25% of the permanent disability benefit.

Partial disability: A percentage of the full disability benefit proportional to the loss of earning capacity.

### **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 medicines, 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 equal to 3 years' earnings or B\$42,000 (whichever is less), minus any permanent disability benefit payments. The benefit is payable to dependents who were totally dependent on the insured's earnings.

Partial survivor grant: A grant is paid to those who were partially dependent on the insured's earnings.

**Funeral grant and medical expenses:** Up to B\$2,000 is provided if there are no dependents.

### **Administrative Organization**

Ministry of Labor 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: U.S.\$1.00 equals  
7.62 bolivianos (Bs).

### Old Age, Disability, and Survivors

#### Regulatory Framework

**First law:** 1956, implemented in 1959.

**Current law:** 1996 (pensions), implemented in 1997.

**Type of program:** Mandatory private insurance system.

Notes: In 1997, all active members of the social insurance system transferred to a system of mandatory individual accounts. Contributions made under the old system are recognized and paid as part of the pension. Only those active members who were already eligible for a social insurance pension are able to retire under the old system.

All residents aged 65 or older receive an annual social assistance cash benefit under the Bonosol program.

This information is from 1999.

#### Coverage

All workers.

Voluntary coverage for the self-employed.

#### Source of Funds

**Insured person:** 10% of earnings for old age, plus an additional amount for disability and survivor insurance and administrative fees.

**Employer:** 2% of payroll for disability insurance.

**Government:** Social insurance and social assistance pensions.

The maximum earnings for contribution purposes are 60 times the national minimum wage.

#### Qualifying Conditions

**Old-age pension:** Age 65 or when the accumulated capital in the individual account, plus accrued interest, is equal to at least 70% of the last 5 years' average covered earnings.

**Disability pension:** Younger than age 65 with between 18 months and 5 years of contributions.

**Survivor pension:** The deceased was insured.

#### Old-Age Benefits

**Old-age pension:** The insured's accumulated capital (contributions plus accrued interest) is used to purchase a fixed or variable annuity.

There is no guaranteed minimum pension.

### Permanent Disability Benefits

**Disability pension:** 70% of average salary during the last 5 years. If the contributions period is between 18 months and 5 years, the benefit is based on the average salary of the last 12 months.

An additional 10% of the last monthly salary is placed in the old-age pension account of a disabled employee who is younger than age 65 and who has at least 18 months of contributions in the last 36 months.

The benefit is payable until age 65 when eligibility for the old-age pension begins.

### Survivor Benefits

**Survivor pension:** The insured's accumulated capital in the individual account is payable to a spouse, dependents, parents, or siblings.

The minimum pension is 70% of average earnings in the last 5 years, with at least 18 months of contributions during the last 5 years.

**Widow's pension:** 80% of the insured's pension.

**Orphan's pension:** 20% of the insured's pension to each dependent child.

**Funeral grant:** Bs1,100.

### Administrative Organization

System of Financial Regulation provides financial supervision of program.

Superintendent of Pensions administers the program.

Insurance companies pay benefits.

### Sickness and Maternity

#### Regulatory Framework

**First law:** 1949.

**Current laws:** 1987, 1988, and 1998.

**Type of program:** Social insurance system. Cash and medical benefits.

#### Coverage

All workers. (Health insurance coverage for those over age 60.)

Voluntary coverage for the self-employed.

#### Source of Funds

**Insured person:** None. (Pensioners contribute 5% of the pension.)

**Employer:** 10% of payroll.

**Government:** None.

All of the above contributions also finance temporary work injury benefits.

### **Qualifying Conditions**

**Cash sickness benefits:** Two contributions before the onset of incapacity.

**Maternity benefits:** Four months of contributions before the start of pregnancy for cash and medical benefits.

**Medical benefits:** One month of contributions in the preceding 2 months.

### **Sickness and Maternity Benefits**

**Sickness benefit:** 75% of earnings, payable after a 3-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 earnings, payable for up to 45 days before and 45 days after the expected date of childbirth to an insured woman or the insured's spouse.

**Nursing and prenatal allowances:** See Family Allowances, below.

### **Workers' Medical Benefits**

Medical benefits include general, specialist, and preventive care; diagnostic services; surgery; hospitalization; and medicines.

### **Dependents' Medical Benefits**

Medical benefits include general, specialist, and preventive care; diagnostic services; surgery; hospitalization; and medicines.

### **Administrative Organization**

National Health Fund administers the program.

### **Work Injury**

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#### **Regulatory Framework**

**First law:** 1924.

**Current laws:** 1987 and 1996, implemented in 1997.

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

#### **Coverage**

All workers.

### **Source of Funds**

**Insured person:** None.

**Employer:** 2% of payroll.

**Government:** None.

### **Qualifying Conditions**

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

### **Temporary Disability Benefits**

The benefit is payable as cash sickness benefit under Sickness and Maternity, above.

### **Permanent Disability Benefits**

**Permanent disability pension:** 70% of the average salary during the last 5 years. If the assessed degree of disability is 25% or greater, the monthly benefit is equal to the insured's base salary times the assessed degree of disability.

Partial disability: For an assessed degree of disability of between 10% and 25%, a lump sum is paid.

### **Workers' Medical Benefits**

Benefits include necessary medical and surgical care, hospitalization, medicines, appliances, and rehabilitation.

### **Survivor Benefits**

**Survivor pension:** The minimum pension is 70% of average earnings in the last 5 years, with at least 18 months of contributions during the last 5 years.

**Widow's pension:** 80% of the insured's pension.

**Orphan's pension:** 20% of the insured's pension to each dependent child.

**Funeral grant:** Bs1,100.

### **Administrative Organization**

**Medical benefits:** National Health Fund administers the program.

**Disability and survivors benefits:** Superintendent of Pensions administers the program.

### **Unemployment**

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#### **Regulatory Framework**

Labor law requires employers to grant severance pay to dismissed employees. Unemployed workers receive medical and maternity benefits for 2 months following dismissal.

## ***Family Allowances***

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### ***Regulatory Framework***

**First law:** 1953.

**Current laws:** 1956, implemented in 1959; and 1987.

**Type of program:** Employment-related system.

### ***Coverage***

All workers.

Special systems for bank employees, military personnel, drivers, miners, railroad employees, petroleum workers, and other groups of worker.

### ***Source of Funds***

**Insured person:** None.

**Employer:** Total cost.

**Government:** None.

### ***Qualifying Conditions***

**Family allowances:** Child must be between age 1 (when the nursing allowance ceases) and age 19 (no limit if disabled). Housing allowances are payable to married couples and single persons, with or without children. The family head must be currently working more than 15 days a month.

### ***Family Allowance Benefits***

**Family allowances:** A monthly allowance for each child.

**Housing allowance:** Provided to single and married workers.

**Prenatal grant:** Milk and a cash benefit from the fifth month of pregnancy.

**Birth grant:** One national monthly minimum wage for each birth.

**Nursing allowance:** Monthly milk allowance for each child for the 12-month period following birth (paid in kind).

**Burial allowance:** One national monthly minimum wage for each child under age 19.

### ***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 directly to their employees.

## Brazil

Exchange rate: U.S.\$1.00 equals 2.96 reais.

### Old Age, Disability, and Survivors

#### Regulatory Framework

**First laws:** 1923 (railroads), 1934 (commerce), and 1936 (industry).

**Current laws:** 1991 and 1999.

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

#### Coverage

**Social insurance:** Employed persons in industry, commerce, and agriculture; domestic servants; some categories of casual worker; and the self-employed.

Voluntary insurance is possible for students, housewives, the unemployed, and other categories.

Special systems for public-sector employees and military personnel.

**Social assistance:** Needy elderly or disabled persons. Separate schemes for rural and urban citizens.

#### Source of Funds

##### Social insurance

**Insured person:** 7.65%, 8.65%, 9%, or 11% of earnings according to four earnings categories, up to a maximum. The self-employed contribute 20% of earnings, up to a maximum.

**Employer:** 20% of payroll.

**Government:** Earmarked taxes are used to finance administrative costs and defray deficits.

The minimum earnings for contribution purposes are equal to the minimum monthly wage (240 reais in June 2003).

The maximum earnings for contribution purposes are 7.79 times the minimum salary for each earnings category.

All of the above contributions also finance sickness and maternity benefits and family allowances.

##### Social assistance

**Insured person:** None.

**Employer:** None.

**Government:** Total cost, including revenue from earmarked taxes.

### Qualifying Conditions

#### Old-age pension

**Age pension (social insurance):** Age 65 (men) or age 60 (women) for employees and the urban self-employed; age 60 (men) or age 55 (women) for the rural self-employed.

**Contributory pension (social insurance):** At least 35 years of contributions (men) or 30 years of contributions (women). For arduous employment, the coverage period is between 15 years and 25 years with at least 180 months of contributions.

Insured persons who entered the system up until 1988 are subject to transition rules.

The pension is payable abroad if there is a reciprocal agreement.

**Old-age assistance (means-tested):** Age 67 (age 65 beginning in 2004) with family earnings less than 25% of the minimum wage for each person.

**Disability pension (social insurance):** Twelve months of contributions and permanent incapacity for work. The contribution period is waived if the disability results from an accident or a disease specified by law.

**Disability assistance (means-tested):** Assessed as disabled with family earnings less than 25% of the minimum wage for each person.

**Survivor pension (social insurance):** The insured was a pensioner or had paid contributions in the 12 months before death.

### Old-Age Benefits

#### Old-age pension

**Age pension (social insurance):** 70% of average indexed earnings, plus 1% of average earnings for each year of contributions.

The maximum pension is 100% of average income.

**Contributory pension (social insurance):** Average earnings with between 30 years and 35 years of contributions.

The minimum pension is 100% of the minimum wage (240 reais in June 2003).

The maximum pension is 1,869.34 reais (June 2003).

Schedule of payments: Thirteen payments a year.

Benefit adjustment: Age and contributory pensions are adjusted annually according to changes in retail prices.

**Old-age assistance (means-tested):** The average allowance is equal to the minimum wage.

Benefit adjustment: Pensions are indexed to changes in the minimum salary for the following month.

### Permanent Disability Benefits

**Disability pension (social insurance):** 100% of indexed earnings in the last 36 months before the onset of disability.

The minimum benefit is 100% of the minimum wage (240 reais in June 2003).

Constant-attendance allowance: 25% of the disability pension.

Schedule of payments: Thirteen payments a year.

Benefit adjustment: Benefits are adjusted annually according to changes in retail prices.

**Disability assistance (means-tested):** The average pension is equal to the minimum wage.

Benefit adjustment: Pensions are indexed to changes in the minimum salary for the following month.

### **Survivor Benefits**

**Survivor pension (social insurance):** 100% of the pension paid or payable to the insured or 100% of average indexed earnings during the 36 months prior to the insured's death, regardless of the number of eligible survivors. The pension is divided equally among eligible survivors.

Eligible survivors (in order of priority): Widow(er), companion, children under age 21 or disabled, stepchildren and dependent minors, parents, and unmarried brothers and sisters under age 21 or disabled.

The minimum pension is 100% of the minimum wage (240 reais in June 2003).

The maximum pension is 1,869.34 reais (June 2003).

Schedule of payments: Thirteen payments a year.

Benefit adjustment: Pensions are adjusted annually according to changes in retail prices.

### **Administrative Organization**

Ministry of Social Insurance provides general supervision.

National Social Security Institute administers benefits.

### **Sickness and Maternity**

#### **Regulatory Framework**

**First laws:** 1923 (railroads), 1934 (commerce), and 1936 (industry).

**Current laws:** 1990 (medical benefits), 1991 (sickness and medical benefits), and 1991 and 1999 (maternity benefits).

**Type of program:** Social insurance (cash benefits) and basic universal system (medical benefits).

#### **Coverage**

Employed persons in industry, commerce, and agriculture; domestic servants; the self-employed; and certain categories of casual worker.

Voluntary coverage is possible for students, housewives, the unemployed, and other groups.

Special systems for public-sector employees.

### **Source of Funds**

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

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

**Government:** The cost of medical benefits.

### **Qualifying Conditions**

The insured contributed during the last 12 months. There is no minimum qualifying period for cash maternity benefits.

### **Sickness and Maternity Benefits**

**Sickness benefit:** 91% of average earnings. The benefit is payable after a 15-day waiting period (during which the employer is required to pay 100% of the wage).

Schedule of payments: Thirteen payments a year if the insured is entitled to a sickness benefit for more than 15 days.

The minimum benefit is 100% of the minimum wage (240 reais in June 2003).

**Maternity benefit:** 100% of the wage for 120 days, payable 28 days before and 91 days after the expected date of childbirth; benefit is paid for 2 weeks in the case of a miscarriage.

### **Workers' Medical Benefits**

Medical services are provided directly to patients in rural and urban areas. Benefits include general, specialist, maternity, and dental care; hospitalization; medicines (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. Benefits include general, specialist, maternity, and dental care; hospitalization; medicines (some cost sharing is required); and necessary transportation. There is no limit to duration.

### **Administrative Organization**

Ministry of Health provides general supervision of the Unified System of Health.

Unified System of Health administers medical benefits.

Ministry of Social Insurance provides general supervision of the National Social Security Institute.

National Social Security Institute administers cash benefits.



## **Work Injury**

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### **Regulatory Framework**

**First laws:** 1919, 1944, and 1967.

**Current law:** 1991.

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

### **Coverage**

Employed persons.

Special systems for public-sector employees and the military.

### **Source of Funds**

**Insured person:** None.

**Employer:** Total cost, met through premiums of 1% to 3% of payroll according to the assessed degree of risk.

**Government:** None.

The maximum earnings for contribution purposes is the sum of all earnings of all employees for each particular employer.

### **Qualifying Conditions**

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

**Permanent disability:** Total loss of capacity to work.

**Accident benefit (partial disability):** Incapable of usual work but capable of doing some other kinds of work.

### **Temporary Disability Benefits**

91% of average earnings. The benefit is payable after a 15-day waiting period (during which the labor law requires the employer to pay 100% of the wage).

Schedule of payments: Thirteen payments a year.

### **Permanent Disability Benefits**

**Permanent disability pension:** 100% of insured earnings.

The maximum pension is 1,869.34 reais.

Constant-attendance supplement: 25% of the pension (no maximum if self-employed).

Schedule of payments: Thirteen payments a year.

**Accident benefit (partial disability):** 50% of the full pension.

Schedule of payments: Thirteen payments a year.

### **Workers' Medical Benefits**

Medical and dental treatment, hospital treatment, medicines, rehabilitation, and transportation.

## **Survivor Benefits**

**Survivor pension:** 100% of the insured's covered earnings on the day of the accident. The pension is divided equally among eligible survivors.

The maximum pension is 1,869.34 reais.

Eligible survivors (in order of priority): Widow(er), companion, children under age 21 or disabled, stepchildren and dependent minors, parents, and unmarried brothers and sisters under age 21 or disabled.

Schedule of payments: Thirteen payments a year.

## **Administrative Organization**

Ministry of Health provides general supervision of the Unified System of Health.

Unified System of Health administers medical benefits.

Ministry of Social Insurance provides general supervision of the National Social Security Institute.

National Social Security Institute administers cash benefits.

## **Unemployment**

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### **Regulatory Framework**

**First laws:** 1965 (compulsory savings program from the length-of-service guarantee fund, or FGTS) and 1986 (unemployment insurance).

**Current laws:** 1990 and 1994.

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

### **Coverage**

Employed persons.

### **Source of Funds**

**Insured person:** None.

**Employer:** None. (Employers contribute 8% of earnings to individual FGTS savings accounts to which the insured has access in the event of unemployment, marriage, retirement, and other contingencies.)

**Government:** Total cost is financed by earmarked taxes.

### **Qualifying Conditions**

**Unemployment benefit:** The benefit varies according to whether the insured has 6 months to 11 months of coverage, 12 months to 23 months of coverage, or 24 or more months of coverage. Unemployment must not be due to misconduct. The insured must lack other resources to support self or family.

## **Unemployment Benefits**

**Unemployment benefit (means-tested):** 50% of average earnings in the last 3 months of employment, up to three times the minimum wage. The benefit is payable after a 60-day waiting period for 4 months in any 16-month period.

The minimum benefit is 100% of the minimum wage.

## **Administrative Organization**

Ministry of Labor and Employment provides general supervision.

Worker Assistance Fund Advisory Council administers the program.

## **Family Allowances**

### **Regulatory Framework**

**First law:** 1941 (large families).

**Current law:** 1999.

**Type of program:** Employment-related system.

### **Coverage**

Low-income employees with one or more children (excludes domestic employees).

### **Source of Funds**

**Insured person:** None.

**Employer:** None. (Benefits are paid directly by the employer.)

**Government:** Total cost. (Reimburses employers for the total cost of benefits paid to employees.)

### **Qualifying Conditions**

**Family allowances:** Employees with income up to 560.81 reais (June 2003). The child must be under age 14 or disabled and attending school. The parent must be currently in insured employment, a pensioner, or receiving sickness benefit. The allowance is payable to both parents if both are insured.

### **Family Allowance Benefits**

**Family allowances:** 13.48 reais a month for each child.

## **Administrative Organization**

Ministry of Social Insurance provides general supervision.

National Social Security Institute administers benefits for old-age or disability pension recipients.

Employers pay benefits to their own employees.

## British Virgin Islands

Exchange rate: Uses the U.S. dollar (U.S.\$).

### Old Age, Disability, and Survivors

#### Regulatory Framework

**First law:** 1979.

**Current law:** 1993.

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

#### Coverage

Employed and self-employed persons aged 16 to 65.

#### Source of Funds

**Insured person:** 3.25% of earnings; the self-employed contribute 6.5%.

**Employer:** 3.25% of covered wages.

**Government:** None.

The maximum annual earnings for contribution and benefit purposes are U.S.\$23,400.

#### Qualifying Conditions

**Old-age pension:** Age 65 with 500 weeks of contributions.

Partial pension: A reduced pension is payable with between 51 and 499 weeks of contributions.

**Old-age grant:** Age 65 with at least 50 weeks of contributions and ineligible for any periodic benefit.

**Disability pension:** Under age 65 with 500 weeks of contributions and permanently incapable of any work.

**Disability grant:** Under age 65 with at least 50 weeks of contributions, ineligible for any periodic benefit, and permanently incapable of any work.

**Survivor pension:** A widow(er) aged 40 or caring for a child under age 15 (age 21 if a student).

**Funeral grant:** For the death of an insured person or his or her dependents.

#### Old-Age Benefits

**Old-age pension:** 30% of average covered earnings in the best 3 consecutive years, plus 1% of average covered earnings for every 50-week period of contributions above 500 weeks.

Partial pension: The full pension is reduced in proportion to the total number of weeks of contributions.

**Old-age grant:** Six times average weekly earnings for every 50-week period of contributions above 50 weeks and below 500 weeks.

#### Permanent Disability Benefits

**Disability pension:** 30% of average covered earnings in the best 3 consecutive years, plus 1% of average covered earnings for every 50-week period of contributions above 500 weeks.

**Disability grant:** Six times average weekly earnings for every 50-week period of contributions above 50 weeks and below 500 weeks.

#### Survivor Benefits

**Survivor pension:** Widow(er)s receive 66.6% of the insured's pension or prospective pension.

**Orphan's pension:** 33.3% of the widow(er)'s pension; 66.6% if a full orphan.

**Funeral grant:** The grant depends on the age of the person at death. For a child under age 1, U.S.\$300; for a child aged 1 to 15, U.S.\$1,200; for persons aged 16 or older, U.S.\$2,000.

#### Administrative Organization

Chief Minister's Office provides general supervision.

Social Security Board administers the program.

### Sickness and Maternity

#### Regulatory Framework

**First law:** 1979.

**Current law:** 1993.

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

#### Coverage

Employed and self-employed persons aged 16 to 65.

#### Source of Funds

**Insured person:** 0.75% of covered earnings; the self-employed contribute 1.5%.

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

**Government:** None.

#### Qualifying Conditions

**Cash sickness benefits:** Twenty-six weeks of contributions, with 8 weeks of contributions in the 13 weeks before the onset of illness.

**Cash maternity benefits:** Twenty-six weeks of contributions, with 20 weeks of contributions in the 39 weeks before the expected date of childbirth.

**Maternity grant:** The wife of an insured worker.

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

**Sickness benefit:** 66.6% of average weekly covered earnings, payable for up to 26 weeks.

**Maternity benefit:** 66.6% of average weekly covered earnings in the 39 weeks prior to the expected date of childbirth. The benefit is payable for up to 13 weeks, beginning no earlier than 6 weeks before the expected date of childbirth.

**Maternity grant:** A lump sum of U.S.\$200.

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

No statutory benefits are provided.

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

No statutory benefits are provided.

## ***Administrative Organization***

Chief Minister's Office provides general supervision.

Social Security Board administers the program.

## ***Work Injury***

### ***Regulatory Framework***

**First and current law:** 1994.

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

### ***Coverage***

Employed and self-employed persons aged 16 to 65.

### ***Source of Funds***

**Insured person:** None; the self-employed contribute 0.5% of earnings.

**Employer:** 0.5% of covered wages.

**Government:** None.

The maximum earnings for employer contribution purposes are U.S.\$23,400.

### ***Qualifying Conditions***

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

### ***Temporary Disability Benefits***

**Temporary disability pension:** 75% of average weekly covered earnings, payable for up to 26 weeks.

### ***Permanent Disability Benefits***

**Permanent disability pension:** 75% of average weekly covered earnings is payable for up to 26 weeks if the assessed degree of permanent disability is 100%.

**Partial disability:** The pension is proportionately reduced for an assessed degree of disability of 30% to 99%.

A lump-sum grant is paid for an assessed degree of disability of at least 1% up to 29%.

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

Benefits include hospitalization; general, specialist, and nursing care; medicines; transportation; and artificial limbs.

## ***Survivor Benefits***

**Survivor pension:** The maximum survivor pension is 75% of the insured's pension or prospective pension. The widow(er) receives half of this amount.

**Other eligible survivors:** Half of the maximum survivor pension is divided equally among other survivors.

**Funeral grant:** A lump sum of U.S.\$2,000.

## ***Administrative Organization***

Chief Minister's Office provides general supervision.

Social Security Board administers the program.

## Canada

Exchange rate: U.S.\$1.00 equals  
1.37 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:** 1951 and 1952 (universal pension), 1965 and 1966 (earnings-related pension), and 1966 and 1967 (income-tested supplement).

**Type of program:** Dual universal pension and social insurance system.

#### Coverage

**Universal pension (old-age security):** All residents.

**Earnings-related pension (Canada Pension Plan/Quebec Pension Plan):** All employees working in Canada and all self-employed persons residing in Canada.

**Exclusions:** Those in casual employment (annual earnings less than C\$3,500) or in seasonal agricultural employment.

A province may opt out of the federal earnings-related Canada Pension Plan if it establishes a comparable program. This is the case with the Quebec Pension Plan; benefits are portable between the two plans.

#### Source of Funds

##### Universal pension

**Insured person:** None.

**Employer:** None.

**Government:** Total cost, including the total cost of income-tested benefits.

##### Earnings-related pension

**Insured person:** 4.95% of earnings (employees) or 9.9% of earnings (self-employed).

**Employer:** 4.95% of employee's earnings.

**Government:** None.

The minimum annual earnings for benefit and contribution purposes are C\$3,500.

The maximum annual earnings for benefit and contribution purposes are C\$39,900.

**Earnings limit adjustment:** Adjusted annually according to increases in the average industrial wage.

### Qualifying Conditions

#### Old-age pension

**Universal pension:** Age 65 and 10 years of residence in Canada after age 18. Retirement is not necessary. The pension is payable abroad if the beneficiary resided in Canada for 20 years after age 18.

**Earnings-related retirement pension:** Age 60 with at least 1 year of contributions. If the pension is awarded before age 65, the insured person must have fully or substantially ceased employment. If the pension is awarded at age 65 or older, retirement is not necessary. The pension is payable abroad.

#### Disability pension

**Earnings-related disability pension:** Severe and prolonged incapacity for any gainful activity with contributions in 4 of the last 6 years. (The Quebec Pension Plan normally requires contributions in half the years in which contributions could have been made; the minimum contribution period is 2 of the last 3 years.) The pension is payable abroad.

#### Survivor pension

**Universal pension:** Income-tested benefit is available to widows and widowers aged 60 to 64. The survivor must be a resident of Canada and have resided in Canada for 10 years after age 18. The universal survivor pension is replaced by the universal old-age pension at age 65.

**Earnings-related pension:** The insured had 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 3 years. The pension is payable abroad.

Spouse and widow(er) include legally married persons and common-law partners (including same-sex partners).

### Old-Age Benefits

#### Old-age pension

**Universal pension:** The maximum monthly pension is C\$461.55. The pension is calculated as 1/40th of the maximum pension for each year of residence in Canada after age 18. The pension of high-income earners is subject to recovery (15% of annual income over C\$57,879).

**Income-tested supplement:** The supplement increases the maximum universal pension to C\$1,010.08 for a single person or to C\$1,637.70 for a couple.

**Income-tested allowance:** Up to a maximum of C\$818.85 a month for a pensioner's spouse between ages 60 and 64.

**Earnings-related retirement pension:** 25% of average adjusted yearly covered earnings. 15% of the years with the lowest income are disregarded; years in which the insured was caring for a child under age 7 may also be disregarded if it is in the insured's favor.



The pension is reduced by 0.5% a month if awarded at any age after 60 but before 65.

The pension is increased by 0.5% a month if awarded after age 65 but before age 70.

The maximum monthly pension is C\$801.25.

Pension credits accumulated by spouses or common-law partners (including same-sex partners) during marriage or cohabitation may be divided equally in case of divorce or separation.

Recorded earnings are adjusted for changes in national average wages.

Benefit adjustment: Automatic adjustments for changes in the consumer price index are implemented quarterly for the universal pension and annually for the earnings-related pension.

### **Permanent Disability Benefits**

**Earnings-related disability pension:** A basic monthly pension of C\$370.32, plus 75% of the earnings-related retirement pension.

The maximum monthly pension is C\$971.26.

Recorded earnings are adjusted for changes in national average wages.

Child's supplement: C\$186.71 a month for each child below age 18; age 25 if a student. (Quebec Pension Plan: C\$59.28 for each child below age 18 only.)

Benefit adjustment: Automatic annual adjustment of all benefits for changes in the consumer price index.

### **Survivor Benefits**

#### **Survivor pension**

**Universal pension (income-tested):** For a widow(er) aged 60 to 64.

The maximum monthly pension is C\$904.03.

The survivor pension is replaced by the universal old-age pension at age 65.

**Earnings-related pension:** A surviving spouse aged 65 or older receives 60% of the insured's earnings-related retirement pension, up to a maximum of C\$480.75 a month. (Quebec Pension Plan: The provision is the same for a surviving spouse aged 65 or older.)

A surviving spouse younger than age 65 receives 37.5% of the insured's earnings-related retirement pension plus C\$144.49, up to a maximum of C\$444.96 a month. (Quebec Pension Plan: A surviving spouse aged 55 to 64 receives up to a maximum of C\$700.06 a month; aged 45 to 54, up to a maximum of C\$670.76 a month. For a surviving spouse who is under age 45 and disabled, the maximum is C\$670.76 a month; if not disabled but caring for a dependent child, up to a maximum of C\$644.28; if not disabled and with no dependent children, up to a maximum of C\$395.31.)

**Orphan's pension:** C\$186.71 a month for each child below age 18; age 25 if a student. (Quebec Pension Plan: C\$59.28 for each child below age 18 only.)

**Death benefit:** Six months' earnings-related retirement pension, up to a maximum of C\$2,500.

**Benefit adjustment:** Automatic annual adjustment of earnings-related pensions for changes in the consumer price index.

### **Administrative Organization**

Department of Human Resources Development, through district and local offices, administers the universal and earnings-related pensions and income-tested supplements.

Canada Customs and Revenue Agency is responsible for collecting contributions for the earnings-related pensions.

Quebec Department of Revenue and Quebec Pension Board administer the earnings-related pension plan in Quebec.

### **Sickness and Maternity**

#### **Regulatory Framework**

##### **Cash benefits**

**First and current law:** 1996 (employment insurance).

##### **Physician and hospital services**

**First law:** 1965.

**Current law:** 1984 (health).

**Type of program:** Social insurance (cash benefits) and universal system (physician and hospital services).

#### **Coverage**

**Cash benefits:** All wage and salary earners, including federal government employees; also, self-employed fishermen.

Provincial government employees may be covered with the consent of provincial government.

**Exclusions:** Self-employed persons other than fishermen.

**Physician and hospital services:** All residents satisfying 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 payable in the person's home province.

Special provisions for certain groups, including members of the armed forces.

#### **Source of Funds**

##### **Insured person**

**Cash benefits:** See source of funds under Unemployment, below.

**Physician and hospital benefits:** Premiums are paid in Alberta and British Columbia. Ontario has a "fair share health care

levy,” which varies from 0.2% to 2.0% of taxable income. None in the other provinces.

### Employer

**Cash benefits:** See source of funds under Unemployment, below.

**Physician and hospital benefits:** Contributions vary by province from 1% to 4.5%.

### Government

**Cash Benefits:** None.

**Physician and hospital benefits:** Most of the cost is met from federal, provincial, and territorial general revenues. 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 and maternity benefits:** The qualifying conditions vary from 420 hours to 700 hours of covered employment during the last year.

**Medical and hospitalization benefits:** Generally, 3 months' residence in the province is required to be insured. When the insured moves from one province to another, the former province continues to provide insurance coverage during the waiting period.

In Alberta and British Columbia, 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 previous average insured earnings, plus a family supplement for low-income and modest-income earners with dependent children. The supplement is awarded for annual income less than C\$25,921. The benefit is paid after a 2-week waiting period for up to 45 weeks.

The maximum weekly benefit is C\$413.

**Maternity benefit:** 55% of previous average insured earnings, plus a family supplement for low-income and modest-income earners with dependent children. The supplement is awarded for annual income less than C\$25,921. The benefit is paid for up to 15 weeks, plus up to 35 additional weeks for parental care (the mother, father or both) on the birth or adoption of a child.

The maximum weekly benefit is C\$413.

### Workers' Medical Benefits

**Medical benefits:** Benefits include general medical and maternity care; surgical, specialist, and laboratory services. Benefits are paid directly by provincial authorities according to predetermined formulas and agreed-upon fee schedules.

**Hospital benefits:** Benefits include standard ward care, necessary nursing, pharmaceuticals provided in hospital, and

diagnostic and therapeutic services. Benefits are paid directly by provincial authorities 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, services of osteopaths, chiropractors, optometrists; dental care for children; prosthetics; and prescribed drugs. Some cost sharing may be required in such cases.

In some provinces, welfare recipients and persons over age 65 are eligible for free drugs, eyeglasses, subsidized nursing-home care, and dental care for children.

### Dependents' Medical Benefits

**Medical benefits:** Benefits include surgical, specialist, and laboratory services; general medical and maternity care. Benefits are paid directly by provincial authorities according to predetermined formulas and agreed-upon fee schedules.

**Hospital benefits for dependents:** Benefits include standard ward care, necessary nursing, pharmaceuticals provided in hospital, and diagnostic and therapeutic services. Benefits are paid directly by provincial authorities 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, services of osteopaths, chiropractors, optometrists; dental care for children; prosthetics; and prescribed drugs. Some cost sharing may be required in such cases.

### Administrative Organization

Health Canada 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.

Quebec Pension Board administers the program in Quebec.

Providers are usually public, not-for-profit hospitals, and other specialized institutions; doctors and allied practitioners in entrepreneurial practice.

### Work Injury

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#### Regulatory Framework

**First and current laws:** 1908 and 1994 (Newfoundland), 1915 and 1996 (Nova Scotia), 1915 and 1996 (Ontario), 1916 and 1993 (British Columbia), 1916 and 1993 (Manitoba), 1918 and 1994 (New Brunswick), 1918 and 1995 (Alberta), 1928 and 1994 (Quebec), 1930 and 1994 (Saskatchewan), 1949 and 1995 (Prince Edward Island), 1974 and 1992 (Northwest Territories/Nunavut), and 1993 (Yukon).

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

## Coverage

Employees in industry and commerce (some differences exist among provinces).

Common exclusions: Domestic workers, professional athletes, and members of sports clubs.

Special systems for merchant seamen and federal civil servants.

## Source of Funds

**Insured person:** None.

**Employer:** Total cost, met through contributions varying 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

The benefit varies from 75% to 90% of gross earnings, according to province.

The minimum varies from zero up to C\$403.03 a week, according to province.

## Permanent Disability Benefits

**Permanent disability pension:** In most provinces, the benefit is either 75% or 90% of the insured's earnings for full disability.

The maximum pension varies from C\$454.44 to C\$897.54 a week, according to province. Some provinces provide lump-sum payments.

Partial disability: The pension is in proportion to the full benefit according to the assessed degree of loss of earning capacity (in some cases, 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; medicines; and appliances.

## Survivor Benefits

**Survivor pension:** The pension varies according to province. The pension is payable to a widow(er).

**Orphan's pension:** Either a monthly flat-rate pension set slightly higher than that for children residing with a parent or a percentage of the insured's wages, according to province.

**Other dependents (if no spouse or orphan):** A reasonable sum in proportion to the loss of income.

**Funeral grant:** The grant varies according to province.

## Administrative Organization

Workers' Compensation Board, or a Work Safety Commission, in each province and territory administers the program.

## Unemployment

### Regulatory Framework

**First law:** 1940.

**Current law:** 1996 (employment insurance), with amendments.

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

## Coverage

All wage and salary earners, including federal government employees; also, self-employed fishermen.

Provincial government employees may be covered with the consent of provincial government.

Exclusions: Self-employed persons other than fishermen.

## Source of Funds

**Insured person:** 2.10% of earnings.

**Employer:** 2.94% of the insured's wage.

**Government:** None.

The maximum annual earnings for contribution and benefit purposes are C\$39,000.

## Qualifying Conditions

**Unemployment benefit:** The qualifying conditions vary from 420 hours to 700 hours of covered employment during the last year, depending on the unemployment rate of the region.

The insured must be registered, able, willing, and available to work and unable to obtain suitable employment, or unable to work because of sickness, maternity, or providing parental care.

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.

In the event of refusal of a suitable offer of employment or failure to undergo training, the insured is disqualified for between 7 and 12 weeks; if unemployment is due to a labor dispute, imprisonment, or residence outside of Canada, the insured is disqualified for as long as the condition exists.

## Unemployment Benefits

55% of previous average insured earnings, plus a family supplement for low-income and modest-income earners with dependent children. The supplement is awarded for annual income less than C\$25,921. The benefit is payable after a 2-week waiting period for up to 45 weeks depending on the

claimant's employment history and regional unemployment rates.

The maximum weekly benefit is C\$413.

### ***Administrative Organization***

Human Resources Development Canada, through its regional and local offices, administers the program.

Canada Customs and Revenue Agency is responsible for collecting contributions.

### ***Family Allowances***

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#### ***Regulatory Framework***

**First law:** 1944.

**Current law:** 1998.

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

#### ***Coverage***

All residents.

#### ***Source of Funds***

**Insured person:** None.

**Employer:** None.

**Government:** Total cost.

#### ***Qualifying Conditions***

A child must be under age 18 and a resident of Canada for income tax purposes.

#### ***Family Allowance Benefits***

**Child tax benefit (income-tested):** The benefit is delivered through the income tax system.

The maximum annual benefit is C\$2,632 for the first child, C\$2,423 for the second child, and C\$2,427 for the third and subsequent children.

Additional income-tested benefit: For children under age 7, up to a maximum of C\$232 a year.

Benefits are paid monthly and are based on total family income during the previous year.

### ***Administrative Organization***

Canada Customs and Revenue Agency administers the program in all of Canada except Quebec.

Quebec Pension Board administers the program in Quebec.

## Chile

Exchange rate: U.S.\$1.00 equals 711.80 pesos.

### Old Age, Disability, and Survivors

#### Regulatory Framework

**First law:** 1924.

**Current laws:** 1952 (wage earners and salaried employees); 1980 and 1981 (new system).

**Type of program:** Mandatory private insurance and social insurance system.

Note: A system of mandatory private individual accounts was introduced in May 1981. Workers entering the labor force after December 31, 1982, must join the new system. The social insurance system is being phased out.

#### Coverage

##### Private insurance

Wage earners and salaried workers.

Voluntary coverage is possible for the self-employed.

##### Social insurance

*Wage earners' program:* Wage earners and the self-employed.

*Salaried employees' program:* Salaried employees in private-sector employment.

Special systems for railroad employees, seamen and port workers, public-sector employees, the armed forces, and over 35 other occupations.

#### Source of Funds

##### Private insurance

*Insured person:* 10% of earnings for an old-age pension, plus an additional amount for disability and survivor insurance and administrative fees.

*Employer:* None, except 2% of salary for employees working under arduous conditions.

*Government:* The cost of the guaranteed minimum pension.

The maximum monthly earnings for contribution purposes (old and new systems) are 60 UFs (unidades de fomento). In January 2003, one UF equaled 16,743.58 pesos. The value of the UF for pension purposes is adjusted monthly to changes in the consumer price index.

##### Social insurance

*Insured person:* Wage earners contribute 18.84% of wages; salaried employees contribute 20.30% of salary.

*Employer:* None.

*Government:* Special subsidies as needed to finance the program.

### Qualifying Conditions

#### Private insurance

*Old-age pension:* Age 65 (men) or age 60 (women). Must have 20 years of contributions to receive the minimum pension. Retirement is permitted before the normal retirement age if the pension equals at least 50% of the average wage over the last 10 years and is at least equal to 110% of the minimum old-age pension.

*Disability pension:* The loss of 2/3 of working capacity.

Partial disability: The loss of between 50% and 66% of working capacity.

*Survivor pension:* The insured was covered or was a pensioner at the time of death.

#### Social insurance

*Old-age pension:* Wage earners must be age 65 with 1,040 weeks of contributions; or 800 weeks of contributions including 50% of the weeks since initial coverage began (men) or age 60 with 520 weeks of contributions (women). Salaried employees must be age 65 with at least 10 years of contributions (men) or age 60 with at least 10 years of contributions (women).

*Disability pension:* Wage earners must be assessed as totally or partially disabled and be younger than age 65 (men) or younger than age 60 (women) at the onset of disability. A minimum of 50 weeks' contributions, including at least 40% in the last 5 years and also 50% of the weeks since initial coverage began (women are excused from this last requirement as are men with at least 400 weeks of coverage). Salaried employees must be assessed as 2/3 disabled with 3 years of contributions.

*Survivor pension:* The wage earner was a pensioner or had 50 weeks of paid coverage that must span at least 50% of the period of enrollment, of which at least 40% was in the last 5 years. (These requirements do not apply to persons with at least 400 weeks of insurance.) The salaried employee was a pensioner or had at least 3 years' contributions.

### Old-Age Benefits

#### Private insurance

*Old-age pension:* The value of the pension is dependent on the insured's contributions plus accrued interest, minus administrative fees. The insured's contributions under the old system are recognized as an indexed bond. At retirement, the insured may make periodic withdrawals from the individual account for the expected lifespan or buy an annuity from a private insurance company, or a combination of the two.

Guaranteed minimum pension: 74,503.52 pesos if retired and under age 70; 81,463.85 pesos if aged 70 or older.



## Social insurance

**Old-age pension:** Wage earners receive 50% of the base wage (average monthly wages during the last 5 years, with the first 2 years adjusted for wage changes), plus 1% of wages for each 50-week period of contributions above 500 weeks.

The minimum pension is set by law.

The maximum pension is 70% of the base wage, plus an increment of 10% for each 150-week period of contributions made after the award of the pension.

Salaried employees receive 1/35 of the base salary times the number of years of contributions.

**Salaried woman's child supplement:** A supplement of 1/35 of the base salary is paid for each dependent child to a woman with over 20 years of contributions; 2/35 of the base salary if a widow.

The maximum pension is 100% of the base salary.

**Benefit adjustment:** Automatic annual adjustment of pensions for changes in the price index.

## Permanent Disability Benefits

### Private insurance

**Disability pension:** Following an assessment and certification by the medical committee, the AFP (individual pension fund management company) finances a benefit for 3 years. The benefit is equal to between 50% and 70% of the base salary in the case of total disability; between 35% and 50% for a partial disability.

**Long-term pension:** Following a second level of assessment and certification, the pension is financed through the individual account; same as for old-age, disability, and survivors.

**Guaranteed minimum pension:** 74,503.52 pesos for a disabled person under age 70; 81,463.85 pesos for a disabled person aged 70 or older.

### Social insurance

**Disability pension:** For total disability, wage earners receive 50% of the base wage (average monthly wages during the last 5 years, with the first 2 years adjusted for wage changes), plus 1% of wages for every 50-week period of contributions beyond 500 weeks.

The maximum pension is 70% of the base wage.

**Partial disability:** 50% of the total disability pension.

Salaried employees receive 70% of the base salary, plus 2% of the salary for every year of contributions beyond 20 years.

The maximum pension is 100% of the base salary.

**Benefit adjustment:** Automatic annual adjustment of pensions for changes in the price index.

## Survivor Benefits

### Private insurance

**Survivor pension:** A widow or a disabled widower receives 60% of the pension; 50% if the pension is also paid to children; 36% of the pension to the mother of natural children born outside of marriage; 30% to the mother of natural children born outside of marriage if the children are eligible for an orphan's pension; 15% of the pension for each orphan up to age 18 (age 25 if a student; no limit if disabled).

**Other eligible survivors (in the absence of the above):** 50% of the pension to parents.

The total survivor pension must not exceed 100% of the pension.

### Social insurance

**Survivor pension:** For a wage earner's widow of any age or a disabled widower, 50% of the base wage or 100% of the insured's pension, whichever is higher. Each orphan under age 15 (age 18 if a student; no limit if disabled) receives 20% of the base wage or average pension in the preceding year. The mother of the deceased's natural children receives 60% of the widow's pension.

For a salaried employee's widow or dependent widower, 50% of the pension or the insured's base salary during the last 5 years. Each orphan (under age 18 or age 25 if a student; no limit if disabled) and dependent parents receive 15% of the insured's pension or average salary.

The maximum survivor pension is 100% of the insured's pension or salary.

**Funeral grant:** For the funeral of a wage earner or a salaried employee, 3 months' minimum income.

## Administrative Organization

**Private insurance:** Superintendent of Pension Fund Management Companies provides general supervision.

Individual pension fund management companies (AFPs) administer individual capitalization accounts.

**Social insurance:** Ministry of Labor and Social Welfare, through the Superintendent of Social Security, provides general supervision.

Institute of Social Security Standardization administers the program.

## Sickness and Maternity

### Regulatory Framework

**First law:** 1924.

**Current laws:** 1978, 1981, and 1985.

**Type of program:** Social insurance system. Cash and medical benefits.

Note: Insured persons choose to be covered by the public national health service system or by private social security health institutes.

## Coverage

**Public system:** All public- and private-sector workers; pensioners; persons receiving work injury, unemployment, or family allowance benefits.

**Private system:** Covered workers and their dependents. Persons not receiving family allowances may contract in.

## Source of Funds

### Public system

*Insured person:* Wage earners and salaried employees contribute 7% of earnings. Pensioners contribute 7% of the pension.

*Employer:* None, except subsidies for maternity benefits.

*Government:* A partial subsidy.

### Private system

*Insured person:* Wage and salary workers and the self-employed contribute 7% of earnings, regardless of contracted plan.

*Employer:* None.

*Government:* Partial subsidy for maternity benefits.

The maximum monthly earnings for contribution purposes (old and new systems) are 60 UFs (unidades de fomento). In January 2003, one UF equaled 16,743.58 pesos. The value of the UF for pension purposes is adjusted monthly to changes in the consumer price index.

## Qualifying Conditions

**Cash sickness and maternity benefits:** Currently insured wage earners and salaried employees with a total of 6 months of contributions including 3 months of contributions in the last 6 months. Currently insured self-employed persons with 12 months of enrollment and 6 months of contributions in the 12 months before the onset of incapacity.

**Medical benefits:** All workers who are currently covered. The qualifying conditions for the public and private systems are the same.

## Sickness and Maternity Benefits

### Public system

*Sickness benefit:* For public-sector employees, 100% of net earnings. For private-sector employees, the average monthly net earnings in the 3 months before the onset of illness.

*Maternity benefit:* For public-sector employees, 100% of net earnings. For private-sector employees, the average monthly net earnings in the 3 months before the onset of illness.

Benefit is payable for 6 weeks before and 12 weeks after the expected date of childbirth.

### Private system

*Sickness and maternity benefit:* The insured signs a minimum 12-month contract with an individual health institute. Benefits vary by contract but cannot be less than those provided by the public system.

*Benefit adjustment:* Benefits are adjusted after every 12 consecutive months of benefits paid to the insured.

## Workers' Medical Benefits

### Public system

*Medical benefits:* Benefits include general and specialist care, periodic medical examinations, hospitalization, medicines, dental care, and maternity care. There is no limit to duration.

### Private system

*Medical benefits:* Benefits vary by contract but generally include medical and surgical care, hospitalization, pharmaceuticals, and maternity care. Some contracts also provide dental care. The insured makes copayments.

## Dependents' Medical Benefits

### Public system

*Medical benefits for dependents:* Benefits include general and specialist care, periodic medical examinations, hospitalization, medicines, dental care, and maternity care. There is no limit to duration.

### Private system

*Medical benefits for dependents:* Same as cash sickness and maternity benefits. All women are entitled to regular checkups while pregnant and for up to 6 months after giving birth; children under age 6 are also entitled to regular checkups.

## Administrative Organization

**Public system:** Ministry of Health provides general supervision.

National Health Services administers benefits and services.

**Private system:** Superintendent of Health Institutions oversees individual health institutes.

## Work Injury

### Regulatory Framework

**First law:** 1916.

**Current law:** 1968.

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

## Coverage

Employed persons, government workers, students, and some self-employed persons.

## Source of Funds

**Insured person:** None, except for the self-employed.

**Employer:** 0.95% of payroll, plus up to 6.8% of payroll according to the industry and the assessed degree of risk (for wage earners and salaried employees). Employers may contract out of the system by offering equal or improved benefit provisions.

**Government:** Contributes as an employer.

## Qualifying Conditions

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

## Temporary Disability Benefits

For public-sector employees, 100% of net earnings. For private-sector employees, the benefit is average monthly net earnings in the 3 months before the onset of illness. The benefit is payable from the day of injury for up to 12 months (may be extended up to 24 months).

**Benefit adjustment:** Benefits are adjusted as wages rise either by law or collective agreement.

## Permanent Disability Benefits

**Permanent disability pension:** With an assessed degree of disability of at least 70% (total disability), 70% of the base wage.

**Constant-attendance supplement:** 30% of the base wage.

**Partial disability:** With an assessed degree of disability of between 40% and 67.5%, 35% of the base wage. A lump-sum grant of up to 15 months' base wages is paid for an assessed degree of disability of between 15% and 37.5%.

## Workers' Medical Benefits

Benefits include necessary medical, dental, and pharmaceutical services; hospitalization; appliances; rehabilitation; and occupational retraining. There is no cost sharing.

## Survivor Benefits

**Survivor pension:** 50% of the insured's pension, payable to a widow over age 45 or caring for a child; at any age if disabled.

**Orphan's pension:** 20% of the insured's pension for each orphan under age 18 (age 24 if a student or any age if disabled); 50% for each full orphan.

## Administrative Organization

Ministry of Labor and Social Welfare provides general supervision.

Superintendent of Social Security administers contributions and cash benefits through the Institute of Social Security Standardization, the Private Salaried Employees' Welfare Fund, other private enterprises, and employers' nonprofit mutual insurance groups.

National Health Service provides medical benefits.

## Unemployment

### Regulatory Framework

**First law:** 1937.

**Current laws:** 1981 (unemployment) and 2001 (severance), implemented in 2002.

**Type of program:** Dual employment-related and mandatory individual severance account system.

**Note:** A system of mandatory individual severance accounts was implemented in October 2002.

## Coverage

**Employment-related system:** Employed persons.

**Individual severance account:** Employed persons; new entrants aged 18 or older and workers who sign a new work agreement after October 1, 2002.

Voluntary participation for other workers.

**Exclusions:** Most domestic workers, apprentices, pensioners (unless partially disabled), the self-employed, and members of the armed forces.

## Source of Funds

### Employment-related system

**Insured person:** None.

**Employer:** None.

**Government:** Total cost met through the Unified Family Allowances and Unemployment Fund.

### Individual severance account

**Insured person:** 0.6% of insured earnings a month (plus an administrative fee) for up to 11 years for each job. (Workers employed under a fixed-term contract do not contribute.)

**Employer:** 2.4% of insured earnings a month for up to 11 years (for lower-income workers, 1.6% to the insured's individual account and 0.8% to the Solidarity Severance Fund). If an employee has more than one employment contract, each employer must contribute (3% of earnings for workers employed under a fixed-term contract).

**Government:** Annual payment to the Solidarity Severance Fund, adjusted annually depending on the level of coverage.

The maximum monthly earnings for contribution purposes are 90 UFs.

## Qualifying Conditions

### Unemployment benefit

**Employment-related system:** The insured has 52 weeks of coverage during the previous 2 years (for wage earners and salaried employees) and is registered for employment and able and willing to work. Unemployment must not be due to reasons within the insured's control.

**Individual severance account:** Must be unemployed and have at least 1 year of contributions; those with fixed-term contracts must have 6 months of contributions since they first joined the system or since the individual account was last fully drawn down.

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 they were dismissed due to forces beyond their control, had contributed in the 12 months before unemployment, were not employed on a fixed-term contract, and had not refused a suitable job offer. Benefit under the Solidarity Severance Fund is available only twice in any 5-year period.

### Unemployment Benefits

**Employment-related system:** For the first 90 days, 17,338 pesos a month; between 91 days and 180 days, 11,560 pesos a month; between 181 days and 360 days, 8,669 pesos a month. Persons who are eligible for benefits may also continue to receive family allowances, maternity benefits, and medical benefits.

If the insured is eligible for a Solidarity Severance Fund benefit, the employer can reduce the unemployment benefit paid to the insured to the value of the contributions paid on the insured's behalf.

**Individual severance account:** The benefit decreases each month and lasts from 1 to 5 months depending on the length of the contribution period. The first monthly benefit is calculated as a percentage of total contributions. The percentage varies according to the total number of monthly payments to which the insured is entitled. The amounts of the second and following payments are 90%, 80%, and 70% of the first monthly amount, respectively. The fifth payment is equal to the remaining value of the capital in the individual account.

If the insured is eligible to a benefit from the Solidarity Severance Fund, in all instances the benefit is paid for 5 months. The first monthly benefit is equal to 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. The guaranteed minimum benefit is equal to the minimum wage.

Insured persons leaving employment under a fixed-term contract or who retire are entitled to a single lump-sum payment equal to the total accumulated capital in the individual account, plus interest. If the insured dies before retirement, the accumulated capital is transferred to a designated heir.

The insured can opt to stop receiving benefits in order 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 67,000 pesos for the first payment, decreasing gradually to 31,800 pesos for the fifth payment.

The maximum monthly benefit (for insured workers entitled to a Solidarity Severance Fund benefit) is 128,000 pesos for the first payment, decreasing gradually to 77,100 pesos for the fifth payment.

Benefits are paid after 45 days of unemployment.

**Benefit adjustment:** The maximum and minimum 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 provides general supervision.

Superintendent of Social Security, through the Institute of Social Security Standardization and Family Allowance Compensation Funds, administers the program.

**Individual severance account:** Severance Fund Manager (AFC) administers the program.

## Family Allowances

### Regulatory Framework

**First laws:** 1937 (salaried employees) and 1953 (wage earners).

**Current law:** 1981 (wage earners and salaried employees).

**Type of program:** Employment-related system (unified program for wage and salaried workers).

### Coverage

Employed persons and pensioners with one or more children or other eligible dependents.

Special program for the needy.

### Source of Funds

**Insured person:** None.

**Employer:** None.

**Government:** Total cost met through the Unified Family Allowances and Unemployment Fund.

### ***Qualifying Conditions***

**Family allowances:** The child must be under age 18 (age 24 if a student; no limit if disabled); also payable from the fifth month of pregnancy.

Allowances are also paid for a dependent wife, a disabled husband, a widowed mother, stepchildren, orphaned or abandoned grandchildren and great-grandchildren, orphans, and disabled or aged parents over age 65.

Special benefits are provided for persons assessed as needy.

### ***Family Allowance Benefits***

**Family allowances:** A fixed monthly amount is paid for each dependent; disabled persons receive a double allowance.

Special benefits are provided for persons assessed as needy.

Benefit adjustment: Benefits are adjusted periodically.

### ***Administrative Organization***

Ministry of Labor and Social Welfare and the Superintendent of Social Security provide general supervision.

Family Allowance Compensation Fund, the Institute of Social Security Standardization, and other public and private organizations are responsible for the payment of benefits.

Special program administered by the Emergency Social Fund.



## Colombia

Exchange rate: U.S.\$1.00 equals 2,860.80 pesos.

### Old Age, Disability, and Survivors

#### Regulatory Framework

**First law:** 1946, implemented in 1965.

**Current laws:** 1993, implemented in 1994; and 2003.

**Type of program:** Social insurance and private insurance systems.

Notes: The insured person may choose either the social insurance system or the system of private mandatory individual accounts and may switch membership every 3 years.

The labor code requires larger employers to provide generally similar benefits to employees in regions where either program has not yet been applied.

#### Coverage

All employees, including new employees joining the state oil company (Ecopetrol) after January 29, 2003.

Exclusions: Agricultural employees in some regions.

Voluntary coverage for the self-employed.

The program is being gradually extended to all regions.

Special system for employees of the state oil company (Ecopetrol) who joined before January 30, 2003, teachers, the military, and the national police.

#### Source of Funds

**Insured person:** 3.375% of earnings. An additional 1% of earnings for income over 4 times the minimum wage and between 0.2% and 1% of earnings for income over 16 times the minimum wage to the solidarity fund, which subsidizes low earners.

**Employer:** 10.125% of payroll.

Between February 2004 and February 2006, combined employee-employer contributions are to increase to 15.5% in three stages. Over the period, employee contributions will increase to 3.625%, to 3.75%, and to 3.875%; employer contributions will increase to 10.875%, to 11.25%, and to 11.625%, respectively.

**Government:** A partial subsidy to the solidarity fund.

The minimum earnings for contribution and benefit purposes are equal to the legal minimum wage; domestic workers, half the legal minimum wage. As of July 2003, the minimum wage was equal to 35,531.25 pesos.

### Qualifying Conditions

#### Old-age pension

**Social insurance:** Age 60 (men) or age 55 (women) with 1,000 weeks of contributions.

**Special pension:** Age 50 or age 55 for certain hazardous forms of employment, according to specified qualifying conditions.

**Old-age settlement:** The insured does not meet the qualifying conditions for a pension.

**Private insurance:** Age 62 (men) or age 57 (women), and the accumulated capital in the individual account must be sufficient to purchase an annuity equal to 110% of the minimum wage.

**Guaranteed minimum pension:** Age 62 (men) or age 57 (women) and the pension is less than the minimum pension set by law.

**Disability pension:** If under age 20, at least a 50% loss of normal earning capacity with 26 weeks of contributions in the year before the onset of disability. If aged 20 or older, 50 weeks of contributions in the last 3 years and, in the case of illness, contributions for at least 25% of the period between age 20 and the onset of disability.

The assessed degree of disability is reviewed every 3 years.

**Disability settlement:** The insured does not meet the qualifying conditions for a disability pension.

**Survivor pension:** If the insured was under age 20, 50 weeks of contributions. If the insured was aged 20 or older, 50 weeks of contributions in the last 3 years and contributions for 20% of the period between age 20 and death if the death was the result of an illness; 25% of the period if the death was the result of an accident.

**Survivor settlement:** The insured did not meet the qualifying conditions for a pension.

### Old-Age Benefits

#### Old-age pension

**Social insurance:** 65% of base earnings (average earnings in the 10 years prior to receiving the pension), plus an increment of 2% of earnings for each 50-week period of contributions between 1,000 weeks and 1,200 weeks, up to a maximum of 73% of the basic monthly wage; plus 3% for each 50-week period between 1,200 weeks and 1,400 weeks, up to a maximum of 85% of the basic monthly wage.

Beginning February 1, 2004, the pension is equal to between 55% and 65% of the basic monthly wage, plus 1.5% for every 50-week period of contributions up to a maximum of 80% of the basic monthly wage.

**Old-age settlement:** If the insured person meets the age requirement but does not meet the contributions requirement, a pension is provided.

The minimum social insurance pension is equal to the minimum wage.

Schedule of payments: Fourteen payments a year.

Benefit adjustment: Annual adjustment for changes in the consumer price index.

**Private insurance:** The pension is based on the value of the insured's contributions plus accrued interest. The capital in the individual account must be sufficient to purchase an annuity equal to 110% of the minimum wage. Contributions made to the public system are provided as a pension bond. 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.

Guaranteed minimum pension: If the pension is less than the minimum pension set by law, the government will make up the difference.

### **Permanent Disability Benefits**

**Disability pension:** For an assessed degree of disability greater than 66%, 54% of the basic monthly wage plus an increment of 2% of earnings for every 50-week period of contributions over 800 weeks. For an assessed degree of disability of between 50% and 66%, 45% of the basic monthly wage plus an increment of 1.5% of earnings for every 50-week period of contributions over 500 weeks.

The minimum pension is equal to the minimum monthly wage.

The maximum pension is 75% of the basic monthly wage.

**Disability settlement:** If the insured does not meet the contributions requirements, a pension is provided.

Schedule of payments: Fourteen payments a year.

Benefit adjustment: Annual adjustment for changes in the consumer price index.

### **Survivor Benefits**

**Survivor pension:** 45% of the basic monthly wage plus an increment of 2% for every 50-week period of contributions over 500 weeks, up to a maximum of 75% of the basic monthly wage.

Eligible survivors are a spouse (or partner) aged 30 or older who lived with the insured for at least 5 years and all those economically dependent on the insured, including dependent parents and dependent disabled siblings. A surviving spouse (or partner) younger than age 30 receives a limited pension for up to a maximum of 20 years.

**Orphan's pension:** 20% of the insured's pension to each orphan under age 18 (age 25 if a student, no limit if disabled); 30% if a full orphan.

The minimum survivor pension is equal to the minimum monthly wage.

The maximum survivor pension is 100% of the insured's pension.

Schedule of payments: Thirteen payments a year.

**Survivor settlement:** A pension is provided to dependents.

**Funeral grant:** The cost of the funeral up to the value of the monthly old-age pension or the last wage, but not less than 5 times and no more than 10 times the minimum wage.

### **Administrative Organization**

**Social insurance:** Ministry of Labor and Social Security provides general supervision.

Social Security Institute administers the program nationally.

Regional funds and local offices, established and supervised by the Social Security Institute, administer contributions and benefits locally.

**Private insurance:** National Banking Superintendent provides general supervision.

Individual pension fund management companies (SAFPs) administer individual capitalization accounts.

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### **Sickness and Maternity**

#### **Regulatory Framework**

**First law:** 1938.

**Current law:** 1993, implemented in 1995.

**Type of program:** Social insurance system. Cash and medical benefits.

#### **Coverage**

Coverage is to be extended gradually to all, regardless of their ability to contribute.

#### **Source of Funds**

**Insured person:** 4% of earnings; the self-employed, 12% of earnings.

**Employer:** 8% of payroll.

**Government:** Finances the program for low earners through the solidarity fund and through additional government contributions.

The minimum earnings for contribution purposes are equal to the minimum wage.

#### **Qualifying Conditions**

**Cash sickness and medical benefits:** Four weeks of contributions immediately before the claim, except in emergency cases.

**Cash maternity benefits:** Nine months of contributions before the expected date of childbirth. (Benefits are also payable to parents of adopted children.)

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

**Sickness benefit:** 66.6% of earnings in the month before the onset of illness is payable after a 4-day waiting period for up to 180 days.

**Maternity benefit:** 100% of earnings, payable for 12 weeks. The spouse may take one of the 12 weeks as paternity leave, with the benefit period for the mother reduced to 11 weeks.

### **Workers' Medical Benefits**

The insured may choose between 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 babies younger than 1 year.

### **Dependents' Medical Benefits**

The insured may choose between 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 babies younger than 1 year.

### **Administrative Organization**

Ministry of Health provides general supervision.

National Social Security Council on Health administers the program.

State Social Enterprises (ESSs) provide health services.

## **Work Injury**

### **Regulatory Framework**

**First law:** 1915.

**Current laws:** 1993 and 1994.

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

### **Coverage**

All employees, including new employees joining the state oil company (Ecopetrol) after January 29, 2003, student placements, and casual workers.

Voluntary coverage for independent workers.

Special system for employees of the state oil company (Ecopetrol), teachers, the military, and the national police.

### **Source of Funds**

**Insured person:** None.

**Employer:** 0.348% to 8.7% of payroll, according to the assessed degree of risk. (In addition, 1% of the employer's contribution finances the work injury fund, which promotes health and safety for workers.)

**Government:** None. (Contributes to the work injury fund from general revenue.)

### **Qualifying Conditions**

**Work injury benefits:** There is no minimum qualifying period. If the employer delays the payment of contributions for 2 consecutive months, the employer is automatically disqualified from the program.

### **Temporary Disability Benefits**

100% of earnings in the month before the onset of disability until rehabilitation, reintegration, cure, determination of permanent disability, or death. The benefit is paid for up to 180 days (may be extended to 360 days).

### **Permanent Disability Benefits**

**Permanent disability pension:** The benefit is in proportion to the assessed degree of disability. For an assessed degree of disability of more than 66%, the pension is 75% of base earnings; for an assessed degree of disability of between 50% and 66%, the pension is 60% of base earnings.

**Partial disability:** For an assessed degree of disability of between 5% and 49%, the benefit is from a minimum of one times base earnings up to a maximum of 24 times base earnings.

**Base earnings:** Average earnings in the last 6 months for work accidents or in the last 12 months for occupational diseases.

**Constant-attendance allowance:** 15% of the pension.

### **Workers' Medical Benefits**

Benefits include medical, surgical, and hospital care; medicines; appliances; rehabilitation; and transportation.

### **Survivor Benefits**

**Survivor pension:** 75% of the insured's earnings or 100% of the insured's disability pension, payable to each orphan under age 18 (age 25 if a student, no limit if disabled), a widow (a partner) who lived with the insured for 5 years or who had children with the insured, or a dependent disabled widower, dependent parents, or a disabled brother or sister.

### **Administrative Organization**

Ministry of Labor and Social Security, Ministry of Health, National Banking Superintendent, and the National Council of Professional Risks provide general supervision.

Social Insurance Institute and life insurance companies authorized by the 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

**Mandatory individual severance account:** All private-sector employees.

Voluntary coverage for employees covered under the public-sector system.

### Source of Funds

**Insured person:** None.

**Employer:** 8.3% of the insured's annual salary.

**Government:** None.

### Qualifying Conditions

**Unemployment benefits:** The insured must be unemployment or retired.

### Unemployment Benefits

One monthly wage for every year of employment; a reduced benefit is paid for less than 1 year of employment. (The insured may make authorized partial withdrawals from the individual account to meet specified contingencies.)

### Administrative Organization

Mandatory individual accounts are administered by Severance Pay Funds (SAFCs).

National Banking Superintendent supervises the SAFCs.

Juntas Directives, involving employer and employee representatives, monitor the SAFCs.

## Family Allowances

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### Regulatory Framework

**First law:** 1957.

**Current laws:** 1963 and 1982.

**Type of program:** Employment-related system.

Note: This information is from 1999.

### Coverage

All employees.

## Source of Funds

**Insured person:** None.

**Employer:** 4% of payroll.

**Government:** None, except as an employer.

### Qualifying Conditions

**Family allowances (income-tested):** The child must be under age 18 (age 23 if a student, no limit if disabled). The parent must be over age 60 or assessed as 60% disabled; must have completed 60 days of continuous employment with the same employer of which not less than 96 hours were credited during the last 25 working days.

Income test: Monthly income cannot exceed four times the legal minimum wage.

### Family Allowance Benefits

**Family allowances:** Benefit amounts vary among funds and may be paid in cash or in kind. A child assessed as 60% or more disabled receives a double allowance.

**Surviving spouse allowance:** Twelve months' payment to a widow or the guardian of dependent children. If the dependent dies, the family receives a lump sum equal to 12 monthly payments.

### Administrative Organization

Ministry of Labor and Social Security provides general supervision of funds.

Superintendent for Family Subsidies supervises family allowance funds.



## Costa Rica

Exchange rate: U.S.\$1.00 equals 394.64 colones.

### Old Age, Disability, and Survivors

#### Regulatory Framework

**First law:** 1941 (social insurance fund).

**Current laws:** 1993 (pensions), 1995 (self-employed), 1995 (private pensions), and 2000 (workers' protection).

**Type of program:** Social insurance and mandatory private insurance system.

Note: In 2000, a system of mandatory private individual accounts was introduced as a supplement to the social insurance program.

#### Coverage

Employed persons in the public and private sectors.

Voluntary coverage for the self-employed.

#### Source of Funds

##### Social insurance

**Insured person:** 2.5% of earnings; the self-employed contribute between 4.75% and 7.25% of earnings.

**Employer:** 4.5% of payroll.

**Government:** 0.25% of total covered earnings.

##### Private insurance

**Insured person:** 1% of earnings, plus an additional amount for administrative fees.

**Employer:** 3.25% of payroll (1.5% of which is for the mandatory severance pay scheme).

**Government:** None.

#### Qualifying Conditions

##### Old-age pension

**Old-age pension (social insurance):** Age 61 and 11 months (men) or age 59 and 11 months (women). The total number of required monthly contributions decreases the longer the pension is deferred, from 466 monthly contributions at the earliest retirement age down to 240 monthly contributions at age 65.

Retirement from covered employment is not necessary.

The pension is payable abroad.

**Old-age pension (private insurance):** Age 61 and 11 months (men) or age 59 and 11 months (women). The insured must also submit proof of eligibility for benefits under the public social security program.

**Disability pension (social insurance):** A loss of 66.6% of usual earning capacity. The total number of required contributions varies by age.

The minimum number of required contributions for an insured person up to age 24 is 12 contributions.

The maximum number of required contributions for an insured person aged between 52 and 65 is 120 contributions.

**Disability grant (social insurance):** A loss of 66.6% of usual earning capacity and with at least 60 contributions.

**Survivor pension (social insurance):** The insured was eligible for the old-age pension or disability pension or had made 12 contributions in the last 24 months or 180 contributions at any time.

**Social assistance benefits (noncontributory):** See Family Allowances.

#### Old-Age Benefits

##### Old-age pension

**Old-age pension (social insurance):** 60% of average earnings based on the highest 48 monthly salary payments during the last 5 years of coverage.

The basic benefit is increased by 0.0835% of average earnings for each month of contributions above 240. An increment of 1.5%, 2.0%, and 2.5% of the pension is paid for the first, second, and third year, respectively, that the pension is deferred after the earliest pensionable age.

The minimum monthly pension is 36,000 colones (if the computed pension amount is smaller, a lump sum is paid).

The maximum monthly pension is 465,207 colones (up to 658,267 colones in the case of deferred retirement).

Schedule of payments: Thirteen payments a year.

Benefit adjustment: Benefits are adjusted twice a year, in January and July.

**Old-age pension (private insurance):** The insured can choose to draw down the accumulated capital in programmed periodic withdrawals or to purchase an annuity at retirement. In most cases, the withdrawal of funds before retirement is not permitted.

**Social assistance old-age benefit:** See Family Allowances.

#### Permanent Disability Benefits

**Disability pension (social insurance):** 60% of average earnings based on the highest 48 monthly salary payments during the last 5 years of coverage.

The basic benefit is increased by 0.0835% of average earnings for each month of contributions above 240.

The minimum monthly pension is 36,000 colones (if the computed pension amount is smaller, a lump sum is paid).

The maximum monthly pension is 465,207 colones.

Schedule of payments: Thirteen payments a year.



**Disability grant:** A lump sum equal to 7 months' average earnings.

**Benefit adjustment:** Benefits are adjusted twice a year, in January and July.

**Social assistance disability benefit:** See Family Allowances.

### Survivor Benefits

**Survivor pension (social insurance):** A widow(er) or companion under age 50 receives 50% of the insured's pension; 60% if age 50 or under age 60; 70% if over age 60 or disabled.

The minimum pension for one survivor is 70% of the insured's pension.

**Orphan's pension (social insurance):** Under age 18 (age 25 if a student) or disabled, 30% of the insured's pension; 60% for a full orphan.

**Other eligible survivors (social insurance):** Dependent parents and dependent siblings receive 20% of the insured's pension each; dependents over age 55 receive 60% of the insured's pension each.

The total maximum survivor pension is 100% of the insured's pension.

**Benefit adjustment:** Benefits are adjusted twice a year, in January and July.

**Social assistance survivor benefit:** See Family Allowances.

### Administrative Organization

**Social insurance:** Directed by an executive president and a nine-member board, the Costa Rican Social Insurance Fund administers the program.

State auditor supervises the financial operations of the fund.

**Private insurance:** Superintendence of Pensions regulates and supervises pension operators and service providers.

National Council for the Supervision of the Financial System provides regulatory oversight.

### Sickness and Maternity

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#### Regulatory Framework

**First laws:** 1941 and 1943.

**Current laws:** 1961, 1973, and 1993.

**Type of program:** Social insurance system. Cash and medical benefits.

#### Coverage

**Sickness and maternity cash benefits:** Employed persons, including the self-employed, indigent persons, prisoners, and pensioners.

**Medical care:** All residents. (International agreements provide emergency care for visitors to the country.)

### Source of Funds

**Insured person:** 5.5% of earnings; the self-employed contribute between 4.75% and 7.75% of earnings; pensioners contribute 5% of the pension.

**Employer:** 9.25% of payroll.

**Government:** 0.25% of total covered earnings.

### Qualifying Conditions

**Cash sickness and medical benefits:** Contributions in the month preceding the onset of illness and currently registered for cash sickness. For medical benefits, coverage begins in the month in which the insured first registers.

**Cash maternity benefits and maternity care:** The insured has 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 preceding the birth.

### Sickness and Maternity Benefits

**Sickness benefit:** 60% of earnings during last 3 months, payable after a 3-day waiting period.

**Maternity benefit:** 50% of earnings, payable for 30 days before and 90 days after the expected date of childbirth. (Health insurance pays 50% and the employer pays the remaining 50%.)

### Workers' 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; medicines; dental, auditory, and limited optometry services; and appliances (at a reduced cost). Benefits are payable for up to 52 weeks (may be extended in special cases).

### Dependents' 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; medicines; dental, auditory, and limited optometry services; and appliances (at a reduced cost). Benefits are payable for up to 52 weeks (may be extended in special cases).

Funeral expenses: 80,000 colones, payable for the funeral of the insured or his or her spouse or companion.

### Administrative Organization

Costa Rican Social Insurance Fund 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

### 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.

### Source of Funds

**Insured person:** None.

**Employer:** Total cost, met through insurance premiums varying according to the assessed degree of risk.

**Government:** None.

### Qualifying Conditions

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

### Temporary Disability Benefits

75% of daily earnings for first 45 days; thereafter, 100% of the minimum salary plus 75% of the insured's earnings over this amount. The benefit is payable from the onset of disability for up to 2 years.

The minimum benefit equals the legal minimum wage at the time of the onset of disability.

### 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 the minimum wage.

Grants may be awarded in order to purchase, rent, or modify a house.

Constant-attendance allowance: 78,275 colones in case of total permanent disability; an additional 44,547 colones for the most severe cases.

Partial disability: If the assessed degree of disability is between 50% and 67%, the benefit equals 67% of earnings and is payable for up to 10 years. If the assessed degree of disability is between 0.5% and 50%, the benefit equals the assessed degree of disability times annual earnings and is payable for up to 5 years. Benefit may be extended for additional 5-year periods on a means-tested basis.

### Workers' Medical Benefits

Benefits include medical and surgical care, hospitalization, medicines, appliances, and rehabilitation.

## Survivor Benefits

**Survivor pension:** 40% of the insured's earnings, payable to a widow or to a disabled widower. The pension is payable for 10 years but may be extended for additional 5-year periods in special cases.

The maximum widow(er) pension is 40% of the insured's earnings; 30% if there are other eligible dependents.

**Orphan's pension:** 15% to 40% of the insured's earnings for up to three orphans under age 18 (age 25 if a student in higher education, no limit if disabled).

**Other eligible survivors:** 20% of the insured's earnings is payable to the insured's mother (30% if there are no dependent children) for a period of 10 years. A pension is also payable to a dependent father or other dependent adults including those aged 60 or older and unable to work.

The maximum total survivor pension is 75% of the insured's earnings or 100% of the minimum wage, whichever is higher.

Funeral grant: 75,000 colones, plus transportation costs (15,000 colones if the death occurred in Costa Rica or 60,000 colones if the death occurred abroad).

## Administrative Organization

Ministry of Labor and Social Security provides general supervision.

National Insurance Institute administers the program.

## Unemployment

### Regulatory Framework

No statutory benefits are provided. (Under labor law, employers must contribute 1.5% of payroll to a mandatory severance pay scheme.)

## Family Allowances

### Regulatory Framework

**First and current law:** 1974.

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

### Coverage

Indigent persons who are not entitled to a contributory pension.

### Source of Funds

**Insured person:** None.

**Employer:** 5% of payroll.

**Government:** 20% of proceeds from the sales tax.

### ***Qualifying Conditions***

**Family allowances (means-tested):** Allowances are payable to persons over age 65, disabled persons, widows with dependents under age 18 or disabled at any age, widows over age 50 without dependents, and orphans under age 18.

### ***Family Allowance Benefits***

**Family allowances (means-tested):** 13,800 colones a month for a beneficiary, plus 10% for each dependent up to a maximum of three.

### ***Administrative Organization***

Ministry of Labor and Social Security provides general supervision.

Social Development and Family Allowances Fund directs the program.

Costa Rican Social Insurance Fund administers the program.

## Cuba

Exchange rate: U.S.\$1.00 equals 1 peso.

### Old Age, Disability, and Survivors

#### Regulatory Framework

**First laws:** 1963 and 1964.

**Current law:** 1979.

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

Note: This information is from 1999.

#### Coverage

All wage earners.

Special system for members of armed forces, interior ministry staff, the self-employed, artists, and members of agricultural cooperatives.

#### Source of Funds

**Insured person:** None. (The self-employed contribute 10% of earnings.)

**Employer:** 14% of payroll.

**Government:** Any deficit and contributes as an employer. The cost of burial services.

All of the above contributions also finance sickness and maternity benefits and work injury benefits.

#### Qualifying Conditions

**Old-age pension:** Age 60 (men) or age 55 (women) with 25 years of employment. Age 55 (men) or age 50 (women) if the last 12 years or 75% of employment was in dangerous or arduous work.

Partial pension: Age 65 (men) or age 60 (women) with 15 years of employment. Retirement is not necessary, but total current income cannot exceed former income.

The pension is not payable abroad.

**Disability pension:** For the full pension, assessed as physically or mentally incapable of work.

Partial pension: Assessed inability to perform usual work, employed at the onset of disability, and under age 23. If age 23 or older, the number of years of employment needed to qualify increases with age.

A partial pension at age 28 or older requires 3 years of employment.

**Survivor pension:** The insured was employed or a pensioner at the time of death; employed 6 months before the date of death and for 75% of his or her adult life.

#### Old-Age Benefits

**Old-age pension:** 50% of average earnings (the portion of earnings above 3,000 pesos a year is reduced by 50%) during the best 5 out of the last 10 years, plus 1% of earnings for every year of employment beyond 25 years (1.5% in the case of dangerous or arduous work).

Deferred pension: Increments of 1.5% to 4% for every year of deferral between ages 60 and 65 (men) and between ages 55 and 60 (women); thereafter, 1% a year.

Partial pension: 40% of average earnings, plus 1% of earnings for every year of employment beyond 15 years.

The minimum pension is 59 pesos a month, or 79 pesos a month, or 80% of wages, depending on average earnings and the number of years of employment.

The maximum pension is 90% of average earnings.

#### Permanent Disability Benefits

**Disability pension:** 40% of average earnings (the portion of earnings above 3,000 pesos a year is reduced by 50%) during the best 5 out of the last 10 years, plus 1% of earnings for every year of employment beyond 15 years.

The minimum pension is 59 pesos a month, or 79 pesos a month, or 80% of wages, depending on average earnings and the number of years of employment.

The maximum pension is 90% of average earnings.

Partial disability: 30% to 50% of lost earnings, depending on the number of years of employment up to 25 years. The pension is increased by 1% for every year of employment above 25 years. During rehabilitation the pension is 70% of former earnings.

If unemployed as the result of a common disability, a pension equal to 50% of former earnings in the first year; thereafter, 25%.

#### Survivor Benefits

**Survivor pension:** If the deceased was employed at the time of death, the pension is 100% of earnings for the first month and 50% of earnings for the next 2 months; if the deceased was a pensioner, then 100% of the insured's pension for 3 months. Thereafter, 70%, 85%, or 100% of the insured's pension for one, two, or three or more dependent survivors, respectively (80%, 90%, or 100% of the insured's pension if the pension is less than 60 pesos a month). The pension is divided equally among all eligible dependents.

Eligible dependents: Widow or a female partner, a needy widower or a male partner aged 60 or disabled, orphans under age 17 or disabled, and needy parents.

The maximum pension for a working widow is 25% of the survivor pension.

A nonworking widow under age 40 and without dependents receives the full pension for 2 years.

Unemployed widows aged 40 or older receive the full pension.

Free burial services are provided by the government for all residents.

### **Administrative Organization**

Ministry of Labor and Social Security administers the program through its Social Security and Social Assistance Directorate.

Municipal social security offices and work centers process applications.

Pensions are paid through the Popular Savings Bank.

### **Sickness and Maternity**

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#### **Regulatory Framework**

**First law:** 1934 (maternity benefits only).

**Current laws:** 1974 (maternity) and 1979 (sickness).

**Type of program:** Dual social insurance (cash benefits) and universal (medical care) system.

#### **Coverage**

**Cash sickness and maternity benefits:** Employed persons, members of agricultural cooperatives, and members of special systems.

**Medical benefits:** All residents.

#### **Source of Funds**

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

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

**Government:** See source of funds under Old Age, Disability, and Survivors, above. Also covers the cost of medical services.

#### **Qualifying Conditions**

**Cash sickness benefits:** Currently employed.

**Cash maternity benefits:** Currently employed with 75 days of employment in the 12 months preceding maternity leave.

**Medical benefits:** Resident in Cuba.

### **Sickness and Maternity Benefits**

**Sickness benefit:** 60% of earnings; if hospitalized, 50% of earnings. The benefit is payable after a 3-day waiting period until medical certification expires (new certification by a medical committee is required every 26 weeks) or a disability pension is granted.

The minimum benefit is 1.5 pesos a day (80% of earnings if the wage is less than 1.65 pesos a day).

The maximum benefit is 90% of earnings.

**Tuberculosis benefit:** 100% of earnings until cured.

**Maternity benefit:** 100% of earnings, payable for 6 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 if the mother is unable to work because she has to care for the child. The payment is made until the child is aged 6 months.

### **Workers' Medical Benefits**

Free medical services are provided to patients by public medical centers. Benefits include medical, dental, and maternity care; prenatal and postnatal care; hospitalization; medicines during hospitalization; and rehabilitation. Benefits are provided until recovery.

### **Dependents' Medical Benefits**

Free medical services are provided to patients by public medical centers. Benefits include medical, dental, and maternity care; prenatal and postnatal care; hospitalization; medicines during hospitalization; and rehabilitation. Benefits are provided until recovery.

### **Administrative Organization**

Ministry of Labor and Social Security administers the program through its Social Security and Social Assistance Directorate.

Work centers assume the costs and pay cash benefits.

Ministry of Public Health supervises the administration of medical services provided by public medical and hospital centers.

### **Work Injury**

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#### **Regulatory Framework**

**First law:** 1916.

**Current law:** 1979, implemented in 1980.

**Type of program:** Dual social insurance (cash benefits) and universal (medical care) system.

#### **Coverage**

Employed persons, civilian personnel of the armed forces and interior ministry, the self-employed, artists, and members of agricultural cooperatives.

#### **Source of Funds**

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

**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

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

## Temporary Disability Benefits

80% of earnings; if hospitalized, 70% of earnings. The benefit is payable from the first day of disability until medical certification expires (new certification by a medical committee is required every 26 weeks) or until a disability pension is granted.

The minimum benefit is 1.5 pesos a day (80% of earnings if the wage is less than 1.65 pesos a day).

The maximum benefit is 90% of earnings.

## Permanent Disability Benefits

**Permanent disability pension:** 50% of average earnings during the best 5 out of the last 10 years, plus 1% of earnings for every year of employment beyond 25 years.

Work injury supplement: 10% of the pension.

Constant-attendance allowance: 20% of the pension.

The minimum pension is 59 pesos a month, or 79 pesos a month, or 80% of wages, depending on average earnings and the number of years of employment.

The maximum pension is 90% of average earnings.

Partial disability: 40% to 60% of lost earnings, depending on the number of years of employment up to 25 years. The pension is increased by 1% for every year of employment above 25 years. During rehabilitation the pension is 70% of former earnings.

If unemployed as a result of a work-related disability, a pension equal to 70% of former earnings in the first year; thereafter, 35%.

## Workers' Medical Benefits

Free medical services are provided to patients by public medical centers. Benefits include medical and dental care, hospitalization, medicines, appliances, and rehabilitation. Benefits are provided until recovery.

## Survivor Benefits

**Survivor pension:** If the deceased was employed at the time of death, the pension is 100% of earnings for the first month and 50% of earnings for the next 2 months; if the deceased was a pensioner, 100% of the insured's pension for 3 months. Thereafter, 70%, 85%, or 100% of the insured's pension for one, two, or three or more dependent survivors, respectively (80%, 90%, or 100% of the insured's pension if the pension is less than 60 pesos a month). The pension is divided equally among all eligible dependents.

Eligible dependents: Widow or a female partner, a needy widower or a male partner aged 60 or disabled, orphans under age 17 or disabled, and needy parents.

The maximum pension for a working widow is 25% of the survivor pension.

A nonworking widow under age 40 and without dependents receives the full pension for 2 years.

Unemployed widows aged 40 or older receive the full pension.

Free burial services are provided by the government for all residents.

## Administrative Organization

Ministry of Labor and Social Security administers the program through its Social Security and Social Assistance Directorate.

Work centers assume the costs and pay short-term cash benefits.

Ministry of Public Health supervises the administration of medical services provided by public medical and hospital centers.

## Family Allowances

### Regulatory Framework

Dependents of young workers conscripted into military service are eligible for assistance from the Social Security Fund.

## Dominica

Exchange rate: U.S.\$1.00 equals  
2.70 East Caribbean dollars (E.C.\$).

### Old Age, Disability, and Survivors

#### Regulatory Framework

**First law:** 1970 (provident fund).

**Current law:** 1975 (social security), with amendments.

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

#### Coverage

Employees, self-employed persons, and apprentices aged 14 to 60.

#### Source of Funds

**Insured person:** 3% of earnings; the self-employed contribute 7% of earnings.

**Employer:** 7% of payroll.

**Government:** None.

The maximum annual earnings for contribution purposes are E.C.\$60,000.

All of the above contribution also pay for sickness and maternity benefits.

#### Qualifying Conditions

**Old-age pension:** Aged 60 or older with at least 300 weeks of paid or credited contributions, including at least paid 150 contributions.

**Old-age grant:** An insured person aged 60 or older who does not meet the qualifying conditions for a pension.

**Disability pension:** Under age 60 with 150 weeks of paid or credited contributions.

**Disability grant:** An insured person under age 60 who does not meet the qualifying conditions for a disability pension.

**Survivor pension:** The insured person met the qualifying conditions for a pension or was a pensioner at the time of death. The spouse must have been married to the insured person for at least 3 years.

**Survivor grant:** The insured person did not meet the qualifying conditions for a pension.

#### Old-Age Benefits

**Old-age pension:** 30% of average earnings in the 3 best years out of the last 10, plus 2% for every 50-week period of contributions between 500 weeks and 750 weeks and 1% for every 50 weeks of contributions over 750.

The maximum pension is 70% of earnings.

**Deferred retirement:** The pension is increased by 6% of the pension for every complete year of deferral.

**Old-age grant:** A lump sum of three times average weekly covered earnings for every 50-week period of paid or credited contributions.

#### Permanent Disability Benefits

**Disability pension:** 30% of average earnings in the 3 best years out of the last 10, plus 2% for every 50-week period of contributions between 500 weeks and 750 weeks and 1% for every 50 weeks of contributions over 750.

The maximum pension is 70% of earnings.

**Disability grant:** A lump sum of 3 times average weekly covered earnings for every 50-week period of paid or credited contributions.

#### Survivor Benefits

**Survivor pension:** 50% of the insured's pension, payable at age 50 to a widow(er). If the spouse was married for less than 3 years or is under age 50, the widow(er) receives a limited survivor pension for 1 year or for as long as caring for dependent children.

**Orphan's pension:** 25% of the insured's pension (33% if a full orphan or disabled), payable to dependent children under age 16 (age 18 if a full-time student).

The minimum monthly benefit is E.C.\$50.

The maximum survivor pension is 100% of the insured's pension.

**Survivor grant:** A lump sum of 3 times average weekly covered earnings for every 50-week period of paid or credited contributions.

**Funeral grant:** A lump sum of E.C.\$1,800.

#### Administrative Organization

Ministry of Health and Social Security provides general supervision.

Social Security Board administers the program.

#### Sickness and Maternity

##### Regulatory Framework

**First and current law:** 1975 (social security).

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

##### Coverage

Employed persons and apprentices aged 14 to 60.

## Source of Funds

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

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

**Government:** None.

## Qualifying Conditions

**Cash sickness benefits:** Thirteen weeks of employment immediately preceding the onset of illness, including 8 weeks of paid contributions.

**Cash maternity benefits:** Thirty weeks of contributions, with at least 20 weeks in the 30 weeks prior to the 6 weeks before the expected date of childbirth.

**Cash maternity grant:** For an insured woman or a noninsured spouse of an insured person with at least 26 weeks of paid contributions in the last year.

## Sickness and Maternity Benefits

**Sickness benefit:** 60% of average weekly earnings during the last 13 weeks is payable from the first day of illness if the illness lasts beyond 4 days. The benefit is payable for up to 26 weeks.

**Maternity benefit:** 60% of average weekly earnings during the last 30 weeks, normally payable 6 weeks before and 6 weeks after the expected date of childbirth. In certain cases, the benefit may be payable from 3 weeks before and up to 9 weeks after.

**Maternity grant:** A lump sum of E.C.\$500.

## Workers' Medical Benefits

Benefits include a reduction on medical bills, subject to government-stipulated costs and conditions.

## Administrative Organization

Ministry of Health and Social Security provides general supervision.

Social Security Board administers the program.

## Work Injury

### Regulatory Framework

**First law:** 1938 (workmen's compensation).

**Current law:** 1984 (occupational disease).

**Type of program:** Employer-liability system, normally involving compulsory insurance with a private carrier.

### Coverage

Employed persons and apprentices aged 14 to 60.

## Source of Funds

**Insured person:** None.

**Employer:** Total cost, met through the direct provision of benefits or insurance premiums.

**Government:** None.

## Qualifying Conditions

**Work injury benefits:** There is no minimum qualifying period. The disability must last at least 3 days.

## Temporary Disability Benefits

60% of average earnings in the last 13 weeks for an adult; 66.6% of average earnings for a child (under age 17), until the disability ends. For an insured person with less than 13 weeks of insured earnings, the benefit is the average of the insured weeks, with a minimum number of 2 weeks used as the divisor.

## Permanent Disability Benefits

60% of average earnings in the last 13 weeks for an adult; 66.6% of average earnings for a child (under age 17), until the disability ends. For an insured person with less than 13 weeks of insured earnings, the benefit is the average of the insured weeks, with a minimum number of 2 weeks used as the divisor.

**Partial disability benefit:** A percentage of the permanent benefit proportional to the assessed degree of disability.

A lump sum is paid if the assessed degree of disability is more than 1% and less than 30%.

## Workers' Medical Benefits

For treatment in Dominica, benefits include a reduction on medical bills, subject to government-stipulated costs and conditions. For treatment overseas, all cases are subject to a maximum of E.C.\$5,000.

## Survivor Benefits

**Survivor pension:** 50% of the insured's pension, payable at age 50 to a widow(er). If the spouse was married for less than 3 years or is under age 50, the widow(er) receives a limited survivor pension for 1 year or for as long as caring for dependent children.

**Orphan's pension:** 25% of the insured's pension (33% if a full orphan or disabled), payable to dependent children under age 16 (age 18 if a full-time student).

The minimum monthly benefit is E.C.\$50.

The maximum survivor pension is 100% of the insured's pension.

**Funeral grant:** E.C.\$1,800 for the death of the insured person; E.C.\$1,500 for the death of a spouse; E.C.\$750 for the death of a dependent child under age 16.

***Administrative Organization***

Ministry of Health and Social Security provides general supervision.

Social Security Board administers the program.

## Dominican Republic

Exchange rate: U.S. \$1.00 equals 27 pesos.

### Old Age, Disability, and Survivors

#### Regulatory Framework

**First law:** 1947.

**Current laws:** 2001 (social security), implemented in 2003; and 2002 (pensions regulation).

**Type of program:** Mandatory private insurance and social assistance system.

Note: The 2001 law created a three-part system that will be implemented in stages. A system of individual accounts for public- and private-sector workers began in June 2003. The other programs, a social assistance program for those with very low income and subsidized individual accounts for the self-employed, are scheduled to begin in August 2004 and 2006, respectively. The old social insurance system, which covers current pensioners and public-sector employees who opt not to join the new system, is being phased out.

#### Coverage

##### Private insurance

**Individual mandatory account:** All public- and private-sector workers, employers, and Dominican citizens living abroad. During the transition, mandatory coverage for all private-sector workers under age 45 in 2003 and voluntary coverage for workers aged 45 or older in 2003 and current public-sector employees.

**Subsidized individual mandatory account:** Self-employed workers with income above the minimum wage.

**Social assistance:** Severely disabled, indigent, unemployed, or self-employed persons with income below the minimum wage.

#### Source of Funds

##### Private insurance

**Insured person:** 1.98% of earnings. To be raised to 2.88% of earnings by 2008.

**Employer:** 5.02% of payroll. To be raised gradually to 7.12% by 2008; includes 0.4% of payroll to finance minimum pensions (Social Solidarity Fund).

**Government:** Finances the subsidized individual mandatory account.

The minimum earnings for contribution purposes are equal to one minimum salary.

The maximum earnings for contribution purposes are 20 times the minimum wage.

Note: The above contributions include administrative fees for the pension fund and management companies (AFPs) and the operating costs of the Superintendent of Pensions, the supervisory organization.

#### Social assistance

**Insured person:** None.

**Employer:** None.

**Government:** Total cost.

#### Qualifying Conditions

##### Private insurance

**Old-age pension:** Age 60 with at least 30 years of contributions; age 55 if the pension is equal to at least 50% of the minimum pension.

Early retirement: Aged 57 or older, unemployed, and with 300 months of contributions; if less than 300 months, the insured can receive a pension based on the accumulated funds or continue contributing until reaching 300 months.

**Old-age pension (subsidized):** Age 65 with at least 25 years of contributions.

**Disability pension:** The insured has a chronic illness or injury (regardless of its origin) and has used up either sickness or work injury benefits. Total disability is at least a 2/3 loss of earning capacity; partial disability, between 1/2 and 2/3 loss. The insured's degree of disability is assessed by a regional medical committee.

**Survivor benefit:** The deceased was insured or a pensioner at the time of death.

**Social assistance (income-tested):** Age 60; at any age if severely disabled or indigent. Eligible survivors are widow(er)s, partners, unmarried children under age 18 (age 21 if a full-time student, no limit if disabled).

#### Old-Age Benefits

##### Private insurance

**Old-age pension:** The pension is based on the value of the accumulated capital plus accrued interest. The accumulated capital can be used to purchase a price-indexed annuity or to make programmed withdrawals. The insured's contributions under the old system will be recognized as an indexed bond.

Early retirement: The minimum old-age pension is paid until age 60. The maximum early retirement pension is equal to the insured's final salary.

The minimum old-age pension is equal to the lowest legal minimum wage.

Benefit adjustment: Pensions are adjusted according to changes in the minimum public-sector wage.

**Old-age pension (subsidized):** The pension is based on the value of the accumulated capital plus accrued interest. The accumulated capital can be used to purchase a price-indexed



annuity or can be withdrawn in the form of scheduled periodic payments.

The minimum old-age pension (subsidized) is equal to 70% of the private-sector minimum wage.

Benefit adjustment: Pensions are adjusted according to price changes.

**Social assistance old-age pension:** 60% of the minimum public-sector wage (plus a Christmas bonus).

Benefit adjustment: Pensions are adjusted according to price changes.

### **Permanent Disability Benefits**

**Disability pension (private insurance):** 60% of indexed average earnings during the previous 3 years if totally disabled. The insured's contributions under the old system are recognized as an indexed bond. The reference pension is used to purchase an annuity from an insurance company.

Partial disability: 30% of indexed average earnings during the previous 3 years.

There is no minimum disability pension.

Benefit adjustment: Pensions are adjusted according to price changes.

**Social assistance disability pension:** 60% of the minimum public-sector wage. (Plus a Christmas bonus.)

Benefit adjustment: Pensions are adjusted according to price changes.

### **Survivor Benefits**

**Survivor pension (private insurance):** 60% of indexed average earnings during the previous 3 years. The insured's contributions under the old system will be recognized as an indexed bond. The reference pension is used to purchase an annuity from an insurance company.

A spouse over age 50 receives the pension for life; a spouse between ages 50 and 55, for 6 years only; a spouse younger than age 50, for 5 years.

If there are orphans (under 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 survivor pension.

Benefit adjustment: Pensions are adjusted according to price changes.

**Social assistance survivor pension:** 60% of the minimum public-sector wage. (Plus a Christmas bonus.)

Benefit adjustment: Pensions are adjusted according to price changes.

### **Administrative Organization**

National Social Security Board (CNSS) provides overall governance of the social security system.

**Private insurance:** Superintendent of Pensions (SIPEN) provides general supervision.

Individual pension fund management companies (AFPs) administer the individual accounts.

Authorized insurance companies sell annuity products.

## **Sickness and Maternity**

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### **Regulatory Framework**

**First law:** 1947.

**Current laws:** 1948 and 2001 (social security), not fully implemented.

**Type of program:** Social insurance system. Cash and universal medical benefits.

### **Coverage**

**Cash and medical benefits (nonsubsidized):** Employed persons and their spouses or partners, the insured's children up to age 21 if in full-time education (no limit if disabled), and pensioners.

**Cash and medical benefits (subsidized):** Pensioners receiving subsidized benefits and the self-employed and home workers and their dependents.

### **Source of Funds**

**Insured person:** 2.7% of earnings. To be raised gradually to 3% of earnings by 2008.

**Employer:** 6.3% of payroll. To be raised gradually to 7% of payroll by 2008.

**Government:** Total cost of social assistance and part of the cost for the subsidized and pediatric health care programs.

### **Qualifying Conditions**

**Cash sickness benefits (nonsubsidized):** Twelve months' contributions or a pensioner.

**Cash maternity benefits (nonsubsidized):** Eight months of contributions in the 12 months before childbirth or no paid work during this period.

### **Medical benefits**

**Basic health plan:** Universal coverage.

**Pediatric health care:** Universal coverage.

### **Sickness and Maternity Benefits**

**Sickness benefit (nonsubsidized):** 60% of earnings in the last 6 months (40% if hospitalized), payable after a 3-day waiting period for up to 26 weeks.

**Maternity benefit (nonsubsidized):** Three months' covered salary, payable for 6 weeks before and 6 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**

Benefits under the basic health plan include preventive, inpatient and outpatient, pediatric, and specialist care; medicines; dental treatment for children; rehabilitation; and prosthesis for disabled persons, according to the schedule in law.

Cost-sharing for some medicines. The insured is reimbursed for 70% of the cost of medicines. Social assistance beneficiaries receive basic medicines free of charge.

### **Dependents' Medical Benefits**

The basic health plan provides coverage.

Pediatric health care: From the 45th day after birth until age 5. Benefits include nutrition, pediatric care, and child development programs.

### **Administrative Organization**

National Health Insurance 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 supervises the National Health Insurance and Health Risk Management Companies.

Superintendent of Health and Labor Risks supervises the pediatric health care program.

Pediatric health care is administered by the Social Insurance Institute.

### **Work Injury**

#### **Regulatory Framework**

**First law:** 1932.

**Current law:** 2001 (social security).

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

#### **Coverage**

All insured workers.

#### **Source of Funds**

**Insured person:** None.

**Employer:** Total cost, met through contributions that vary according to the assessed degree of risk (the average contribution is 1.2% of payroll).

**Government:** None.

The maximum annual earnings for contribution purposes are 10 times the minimum average national wage.

### **Qualifying Conditions**

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

### **Temporary Disability Benefits**

Benefits are provided for temporary disability.

### **Permanent Disability Benefits**

**Permanent disability pension:** Benefits are provided according to four degrees of disability.

Permanent partial disability for current occupation: The loss of at least 50% of earning capacity.

Permanent total disability for current occupation: Unable to perform usual occupation.

Permanent total disability for any occupation: Unable to perform any occupation.

Severe total disability: Totally disabled and in need of constant attendance.

All benefits are calculated using the base salary. The base salary is equal to average covered earnings in the last 6 months before the onset of injury or occupational disease. For insured workers with less than 6 months of covered earnings, the base salary is 50% of total covered earnings.

For an assessed degree of disability of more than 15% and up to 50%, the lump-sum benefit is between 5 and 10 times the base salary. For an assessed degree of disability of more than 50% and up to 67%, the monthly pension is 50% of the base salary. For an assessed degree of disability of at least 67%, the monthly pension is 70% of the base salary. For a severe total disability the monthly pension is 100% of the base salary.

### **Workers' Medical Benefits**

Medical benefits are the same as provided under the basic health plan. Benefits include general, specialist, and surgical care; hospitalization; medicines; and prostheses.

### **Survivor Benefits**

**Survivor pension:** 50% of the insured's pension is payable to a widow(er) aged 45 or older or disabled. The pension ceases on remarriage. If the widow(er) is under age 45 or remarries, a lump sum equal to 2 years' pension is paid.

**Orphan's pension:** 20% of the insured's pension is payable to each orphan under age 18 (age 21 if a full-time student, no limit if disabled).

### **Administrative Organization**

Superintendent of Health and Labor Risks supervises, monitors, and controls the program.

## ***Family Allowances***

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### ***Regulatory Framework***

Benefits are payable to unemployed single mothers with young children who are without sufficient resources to meet basic needs. (The benefits are provided under the Old Age, Disability, and Survivors program, above).

## Ecuador

Exchange rate: Uses the U.S. dollar (U.S.\$).

### Old Age, Disability, and Survivors

#### Regulatory Framework

**First law:** 1928.

**Current laws:** 1988, 1998, and 2001 (social security).

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

Note: The 2001 law to create a complementary system of mandatory individual accounts has not yet been implemented. The government-financed Bono de Desarrollo Humano program provides basic social assistance cash benefits to needy persons aged 65 or older and persons aged 18 to 65 assessed as at least 70% disabled.

#### Coverage

Employees in industry, commerce, and agriculture; government employees; and the self-employed.

Coverage is optional for the President of the Republic and government ministers.

Exclusions: Congressmen and family members working in a family enterprise (including a father, mother, spouse, sons under age 18, and dependents).

Special system for small farmers.

#### Source of Funds

**Insured person:** 9.15% to 11.35% of earnings, according to occupation; 17.5% to 20.5% for self-employed and seasonal workers.

**Employer:** 11.15% to 20.50% of payroll, according to occupation.

**Government:** A subsidy for old-age, disability, and survivor pensions.

The minimum earnings for contribution purposes are equal to the legal minimum wage. The legal minimum wage varies according to the nature of employment or work.

The maximum earnings for contribution purposes are 10 times the minimum wage.

#### Qualifying Conditions

**Old-age pension:** Age 55 with 360 months of contributions if born before November 30, 1946, or age 65 with 180 months of contributions. (Age 60 with 360 months of contributions to be phased in gradually by February 2006.) The required minimum number of monthly contributions is reduced beginning at age 66.

Early pension: Age 45 before November 30, 2001, with 300 months of contributions or unemployed for 6 months.

**Disability pension:** Five years of contributions and a loss of more than 50% of earning capacity.

**Survivor pension:** Five years of contributions or was a pensioner at the time of death. Eligible survivors include a widow, children younger than age 18 (no limit if disabled), a dependent mother and father, and brothers and sisters younger than age 18 (no limit if disabled).

**Survivor settlement:** The insured did not meet the qualifying conditions for a pension but had up to 59 contributions.

**Funeral grant:** Six months of contributions in the last 12 months; the insured was a pensioner (also payable for an eligible survivor).

#### Old-Age Benefits

**Old-age pension:** The pension is based on monthly average earnings during the 5 best years and the number of years of paid contributions. After 40 years of contributions, the pension is increased for every additional year of coverage.

The minimum pension is U.S.\$25.

The maximum pension is U.S.\$125.

Working old-age pensioners may receive pension benefits and earnings if they rejoin the social security scheme.

Early pension: A reduced benefit is paid.

Benefit adjustment: Pensions are adjusted periodically for increases in the legal minimum wage and cost-of-living compensation.

#### Permanent Disability Benefits

**Disability pension:** The pension is based on monthly average earnings during the 5 best years and the number of years of paid contributions. After 40 years of contributions, the pension is increased for every additional year of coverage.

#### Survivor Benefits

**Survivor pension:** 40% of the insured's pension, payable to a widow, a disabled widower, a common-law wife of at least 2 years, or the mother of the insured's children.

**Orphan's pension:** 20% of the insured's pension (40% if a full orphan) for each orphan under age 18 (no limit if disabled).

Other dependent survivors: A mother or father receives 20% of the insured's pension; each brother or sister who is under age 18, disabled, or a student receives 10% of the insured's pension.

**Survivor settlement:** Total contributions are refunded as a lump sum.

The minimum survivor pension is equal to the legal minimum wage plus cost-of-living compensation for a family group.

The maximum survivor pension is 100% of the insured's pension for a family group.

**Death grant:** Twenty-one times the minimum wage, minus the value of the funeral grant.

**Funeral grant:** Up to U.S.\$450.

### **Administrative Organization**

Under the direction of the Minister of Social Welfare, the Advisory Council provides general supervision.

Social Security Institute administers the program.

### **Sickness and Maternity**

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#### **Regulatory Framework**

**First law:** 1935.

**Current laws:** 1942, 1964, 1988, and 2001 (social security).

**Type of program:** Social insurance system. Cash and medical benefits.

#### **Coverage**

Employees in industry, commerce, and agriculture; government employees; independent workers; and the self-employed.

Voluntary coverage for the self-employed and part-time workers.

Coverage is optional for the President of the Republic and government ministers.

Exclusions: Congressmen and family members working in a family enterprise (including a father, mother, spouse, and sons under age 18 and dependents).

Special system for small farmers.

Medical care is available to all insured persons.

#### **Source of Funds**

**Insured person:** None; widows who are not insured or retired contribute 4.71% of their widow pension for medical benefits.

**Employer:** 4.71% of payroll (3.41% for medical benefits and a 1.30% subsidy for sickness and maternity benefits).

**Government:** None.

#### **Qualifying Conditions**

**Cash sickness benefits:** At least 6 months of contributions before the onset of illness.

**Cash maternity benefits:** Three hundred and sixty days of contributions in the year before giving birth or at least 378 days of contributions in the 16 months before giving birth. Prenatal care with 6 months of contributions.

**Medical benefits:** One hundred and eighty days of consecutive contributions in the 6 months before the onset of illness or at least 189 days of contributions in the 8 months before the onset of illness. For the voluntarily insured, 360 days of consecutive contributions in the 12 months before

the onset of illness or at least 378 days of contributions in the 16 months before the onset of illness. Benefits are provided for 60 days after the insured ceases contributions.

### **Sickness and Maternity Benefits**

**Sickness benefit:** For the first 10 weeks, 75% of average earnings in the 3 months before the onset of illness. The benefit is payable after a 4-day waiting period for up to 70 days; thereafter, 66% of earnings for up to a maximum of 182 days.

**Maternity benefit:** 75% of the insured's last earnings is payable 2 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 services are ordinarily provided directly to patients through the medical facilities of the Social Security Institute. Medical care in private clinics is possible under certain conditions. A refund for the cost of medical care provided through medical facilities not belonging to the Social Security Institute is possible in certain cases. Benefits include general and specialist care, home care, surgery, hospitalization, medicines, appliances, rehabilitation, laboratory services, and dental care.

### **Dependents' Medical Benefits**

Full medical care for infants during their first year.

### **Administrative Organization**

Under the direction of the Minister of Social Welfare, the Advisory Council provides general supervision.

Social Security Institute administers the program.

Social Security Institute operates its own clinics, dispensaries, and hospitals.

### **Work Injury**

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#### **Regulatory Framework**

**First law:** 1921.

**Current laws:** 1964 and 1988.

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

#### **Coverage**

All insured persons.

#### **Source of Funds**

**Insured person:** 1.5% of earnings.

**Employer:** 1.5% of payroll.

**Government:** None.



## Qualifying Conditions

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

**Occupational disease:** Six months of contributions; 12 months for voluntary contributors.

## Temporary Disability Benefits

For the first 10 weeks, 75% of average earnings in the 10 weeks before the onset of illness; thereafter, 66% of average earnings up until the end of 12 months. If disability extends for more than 1 year, 80% of average earnings. Benefits are paid from the day after the onset of disability for a work injury and after a three-day waiting period for an occupational disease.

## Permanent Disability Benefits

**Permanent disability pension:** 80% of average earnings during the last year or during the previous 5 years if earnings were higher (100% of average earnings in cases of severe disability requiring constant attendance).

**Partial disability:** A percentage of the full pension in proportion to the assessed degree of disability, according to the schedule in law.

**Schedule of payments:** There are 15 payments a year.

## Workers' Medical Benefits

Benefits include medical and surgical care, hospitalization, appliances, medicines, and rehabilitation.

## Survivor Benefits

**Survivor pension:** 40% of the insured's pension to a widow.

**Orphan's pension:** 80% of the insured's pension.

**Funeral grant:** Twenty-four times the minimum wage.

## Administrative Organization

Under the direction of the Minister of Social Welfare, the Advisory Council provides general supervision.

Social Security Institute administers the program.

## Unemployment

### Regulatory Framework

**First law:** 1951.

**Current laws:** 1958, 1988, and 2001 (social security).

**Type of program:** Individual severance account and social insurance system.

**Note:** In 2001, a system of individual severance accounts was introduced. Participation is mandatory for workers under age 40 when the program was implemented. The previous social insurance system providing lump-sum benefits continues to operate.

## Coverage

**Individual severance account:** Employees in the private and public sectors.

**Social insurance:** Employees in the private and public sectors.

**Exclusion:** Volunteer workers.

## Source of Funds

### Individual severance account

**Insured person:** None.

**Employer:** 8.3% of the insured's annual salary.

**Government:** None.

### Social insurance

**Insured person:** 2% of earnings.

**Employer:** 1% of payroll.

**Government:** None.

## Qualifying Conditions

### Unemployment benefit

**Individual severance account:** The insured must be involuntarily unemployed with 48 monthly contributions.

**Social insurance:** At least 60 months of contributions. The benefit is payable after 90 days of unemployment or if unemployment is due to the onset of permanent disability.

## Unemployment Benefits

**Individual severance account:** A lump sum equal to three times the average wage for the last 12 months. (The total accumulated capital can be drawn down in the case of disability, retirement, or death of the insured.)

The maximum benefit is equal to the accumulated capital in the individual account, plus interest.

**Benefit adjustment:** Benefit amounts are fixed annually.

**Unemployment benefit (social insurance):** A lump sum equal to three times the average wage for the last 12 months.

**Survivor benefit (social insurance):** A lump sum is paid to a widow, children under age 21, a disabled widower, or, in their absence, to certain other eligible surviving relatives of an insured person born before November 30, 1961.

**Benefit adjustment:** Benefit amounts are fixed annually.

## Administrative Organization

**Individual severance account:** Savings managing institutions (EDAPs) manage the accounts.

Banking Superintendency supervises the EDAPs.

**Social insurance:** Under the direction of the Minister of Social Welfare, the Advisory Council provides general supervision.

Social Security Institute administers the program.

### ***Family Allowances***

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#### ***Regulatory Framework***

No statutory benefits are provided. (Mothers with at least one child (under age 18) in low-income households receive a monthly allowance under the Bono de Desarrollo Humano program. The mother or her spouse should not be receiving a wage or be affiliated with the social insurance program.)

## El Salvador

Exchange rate: U.S.\$1.00 equals 8.75 colones.

### Old Age, Disability, and Survivors

#### Regulatory Framework

**First law:** 1953, implemented in 1969.

**Current law:** 1996 (mandatory private insurance), implemented in 1998.

**Type of program:** Social insurance and mandatory private insurance system.

Note: The 1996 law established a system of mandatory individual accounts. The social insurance system is closed to new entrants and will be phased out. Those who were younger than age 36 in 1997 transferred to the private insurance system; those who were aged 36 or older but younger than age 55 (men) or age 50 (women) could join voluntarily.

#### Coverage

**Private insurance:** All employees in the private, public, and municipal sectors not covered under social insurance.

**Social insurance:** All insured persons who, in January 1997, were over age 55 (men) or age 50 (women).

#### Source of Funds

##### Private insurance

**Insured person:** 3.25% of earnings, plus an additional amount for disability and survivor insurance and administrative fees.

**Employer:** 6.75% of earnings.

**Government:** A subsidy for the guaranteed minimum pension.

The minimum earnings for contribution purposes are equal to the legal minimum wage.

The maximum earnings for contribution purposes are equal to gross monthly earnings. Gross monthly earnings must not exceed the national public-sector maximum wage.

##### Social insurance

**Insured person:** 7% of earnings.

**Employer:** 7% of payroll.

**Government:** The government provides an indexed bond to individuals who switched to the private system. The bond represents the value of insured's contributions to the old social insurance system plus interest.

### Qualifying Conditions

#### Private insurance

**Old-age pension:** Age 60 (men) or age 55 (women) with 25 years of contributions. There is no age requirement if the insured has 30 years of contributions. Retirement is also permitted if the pension equals at least 60% of basic earnings or 160% of the current minimum pension.

**Disability pension:** Assessed as disabled by the Disability Commission and was actively contributing prior to the onset of disability (in the case of a common accident) with 6 months of contributions in the 12 months before the onset of disability or with 10 years of contributions including 3 years out of the 5 years before the date in which the disability was first assessed.

**Survivor pension:** The insured was a pensioner or an active contributor prior to death.

#### Social insurance

**Old-age pension:** Age 60 (men) or age 55 (women) with 25 years of contributions. There is no age requirement if the insured has 30 years of contributions.

**Disability pension:** Assessed as disabled by the Disability Commission with at least 36 months of contributions including 18 months in the 36 months prior to the onset of disability. Must be under age 60 (men) or age 55 (women).

**Survivor pension:** The insured was a pensioner or had 5 years of contributions.

### Old-Age Benefits

#### Private insurance

**Old-age pension:** The pension is equal to the insured's contributions plus accrued interest. The value of the insured's contributions made under the social insurance system are provided as an indexed bond. At retirement, the insured may either make periodic withdrawals from the individual account to guarantee income for the duration of the expected lifespan or buy an annuity from a private insurance company, or use a combination of both.

**Guaranteed minimum pension:** The amount is adjusted annually according to changes to the average salary.

#### Social insurance

**Old-age pension:** 30% of the base salary for the first 3 years' contributions, plus 1.5% for each additional year.

The base salary is equal to the average earnings of the last 120 months.

The minimum monthly pension is 700 colones.

The maximum pension is 100% of the base salary.

## **Permanent Disability Benefits**

### **Private insurance**

*Disability pension:* 70% of the base salary for total disability.

Partial disability: 50% of the base salary.

The base salary is equal to the average earnings of the last 120 months.

### **Social insurance**

*Disability pension:* 30% of the base salary for the first 3 years' contributions, plus 1.5% for each additional year.

The base salary is equal to the average earnings of the last 120 months.

The minimum monthly pension is 700 colones.

## **Survivor Benefits**

### **Private insurance**

*Survivor pension:* 60% of the insured's pension is payable to a spouse or partner with no eligible children; 50% if there are eligible children (increased to 60% when children are no longer eligible for a pension).

*Orphan's pension:* 25% of the insured's pension is payable to each eligible child.

*Parent's pension:* 20% of the insured's pension is payable each to a father and mother (30% if only one surviving parent).

If there is no surviving spouse or partner, the benefit for children or parents is increased.

### **Social insurance**

*Survivor pension:* 50% of the insured's pension is payable to a widow (married at least 6 months before the insured's death), a female partner (cohabiting for the last 3 years; except if pregnant, has a child, or is disabled), and a disabled widower.

*Orphan's pension:* 25% of the insured's pension to each child (40% if a full orphan).

*Other eligible survivors (in the absence of the above):* 30% of the insured's pension to a mother aged 55 or older and 30% of the insured's pension to a father aged 60 or older; 40% of the insured's pension if there is only one surviving parent.

## **Administrative Organization**

**Private insurance:** Superintendent of Pensions provides general supervision.

Individual pension fund management companies (AFPs) administer individual accounts.

**Social insurance:** Superintendent of Pensions provides general supervision.

Social Insurance Institute plans, manages, and administers the program.

Social Insurance Institute is supervised by a board of 12 directors including the Minister of Labor, representatives of other ministries, the Director of Social Insurance, and

representatives of management, labor, and other professional groups.

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## **Sickness and Maternity**

### **Regulatory Framework**

**First law:** 1949.

**Current law:** 1953.

**Type of program:** Social insurance system. Cash and medical benefits.

### **Coverage**

Employed and self-employed persons in industry and commerce and pensioners.

Exclusions: Agricultural, domestic, and casual employees.

### **Source of Funds**

**Insured person:** 3% of earnings. The self-employed contribute 10.5% of earnings. Pensioners contribute 7.8% of old-age or disability pensions and 6% of work injury pensions.

**Employer:** 7.5% of payroll.

**Government:** An annual subsidy of 5 million colones (adjusted every 5 years).

The minimum monthly earnings for contribution and benefit purposes are 300 colones.

The maximum monthly earnings for contribution and benefit purposes are 6,000 colones.

All of the above contributions also finance work injury benefits.

### **Qualifying Conditions**

**Cash sickness benefits:** There is no minimum qualifying period if in current employment; if unemployed, 8 weeks of contributions during the last 3 calendar months before the onset of illness.

**Cash maternity benefits:** Twelve weeks of contributions during the 12 calendar months before the expected date of childbirth.

**Medical benefits:** There is no minimum qualifying period if in current employment; if unemployed, 8 weeks of contributions during the last 4 months.

## **Sickness and Maternity Benefits**

**Sickness benefit:** 75% of average monthly earnings, payable after a 3-day waiting period for up to 52 weeks for the same sickness.

**Maternity benefit:** 75% of average earnings, payable for up to 12 weeks.

Other benefits include a milk allowance for up to 12 weeks (with a medical prescription) and a layette (clothing and other necessities for the newborn).

### **Workers' Medical Benefits**

Benefits include complete medical and maternity care, hospitalization, medicines, auxiliary services for diagnosis and treatment, and dental care except for cosmetic reasons.

### **Dependents' Medical Benefits**

The insured's wife receives prenatal and postnatal care and in-kind benefits and medical and dental benefits for sickness and accidents. Children up to age 6 receive ambulatory care and preventative dental care.

### **Administrative Organization**

Social Insurance Institute plans, manages, and administers the program.

Social Insurance Institute is supervised by a board of 12 directors including the Minister of Labor, representatives of other ministries, the Director of Social Insurance, and representatives of management, labor, and other professional groups.

Social Insurance Institute operates its own clinics and hospitals and contracts services from the Ministry of Health and the private sector where required.

### **Work Injury**

#### **Regulatory Framework**

**First law:** 1949.

**Current law:** 1953.

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

#### **Coverage**

Employed and self-employed persons in industry and commerce and public service.

Exclusions: Domestic and casual employees and teachers.

#### **Source of Funds**

**Insured person:** See source of funds under Sickness and Maternity, above.

**Employer:** See source of funds under Sickness and Maternity, above.

**Government:** See source of funds under Sickness and Maternity, above.

#### **Qualifying Conditions**

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

### **Temporary Disability Benefits**

75% of average monthly earnings received during the first 3 of the last 4 months. The benefit is payable from the day after the onset of disability for up to 52 weeks.

### **Permanent Disability Benefits**

**Permanent disability pension:** 70% of average monthly earnings during the last year, if the assessed degree of disability is greater than 66%.

The minimum monthly pension is 700 colones.

Dependent child allowance: 140 colones a month for each dependent child under age 16 (age 21 if a student) or disabled.

Constant-attendance supplement: Up to 50% of the pension.

Partial permanent disability: If the assessed degree of disability is between 35% and 66%, a percentage of the full pension in proportion to the assessed degree of loss of earning capacity. If the assessed degree of disability is between 20% and 35%, a temporary pension equal to double the amount of the permanent disability pension based on the assessed degree of disability is payable for up to 3 years.

### **Workers' Medical Benefits**

Medical benefits are the same as those provided under Sickness and Maternity, above. Benefits include complete medical and maternity care, hospitalization, drugs, auxiliary services for diagnosis and treatment, and dental care except for cosmetic reasons.

### **Survivor Benefits**

**Survivor pension:** 60% of the insured's pension is payable to a spouse.

**Orphan's pension:** 30% of the insured's pension for each child.

The maximum survivor pension is 100% of the insured's pension.

**Funeral grant:** Twice the average monthly salary.

### **Administrative Organization**

Social Insurance Institute plans, manages, and administers the program.

Social Insurance Institute is supervised by a board of 12 directors including the Minister of Labor, representatives of other ministries, the Director of Social Insurance, and representatives of management, labor, and other professional groups.

Social Insurance Institute operates its own clinics and hospitals and also contracts services from the Ministry of Health and the private sector where required.



## Grenada

Exchange rate: U.S.\$1.00 equals  
2.70 East Caribbean dollars (E.C.\$).

### Old Age, Disability, and Survivors

#### Regulatory Framework

**First law:** 1969 (provident fund).

**Current law:** 1983 (social insurance), with amendments.

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

#### Coverage

Employed and self-employed persons aged 16 to 59, including public-sector employees.

#### Source of Funds

**Insured person:** 4% of earnings; the self-employed contribute 6.75% of earnings.

**Employer:** 5% of covered wages.

**Government:** None.

The maximum annual earnings for contribution purposes are E.C.\$36,000.

All of the above contributions also finance sickness benefits, maternity benefits, and work injury benefits.

#### Qualifying Conditions

**Old-age pension:** Age 60 with 500 weeks of coverage, including at least 150 weeks of paid contributions.

Partial pension: Age 60 with 260 weeks of coverage, including at least 150 weeks of paid contributions.

**Old-age grant:** Age 60 and does not meet the qualifying conditions for an old-age pension. Must have at least 50 weeks of paid or credited contributions.

**Disability pension:** Under age 60 with 150 weeks of paid contributions.

**Disability grant:** Under age 60 and does not meet the qualifying conditions for a disability pension. Must have at least 50 weeks of paid or credited contributions.

**Survivor pension:** The insured was a pensioner or was eligible for a pension at the time of death.

**Survivor grant:** The insured was eligible for an old-age grant or a disability grant.

**Funeral grant:** The insured was a pensioner or was eligible for an old-age grant or a disability grant.

#### Old-Age Benefits

**Old-age pension:** 30% of average earnings, plus 1% of earnings for every 50-week period of contributions over 500 weeks.

Partial pension: 16% of average earnings, plus 1% of earnings for every 25-week period of contributions over 150 weeks up to 499 weeks.

The minimum weekly pension is E.C.\$40.

**Old-age grant:** A lump sum equal to 5 times average weekly insurable earnings for every 50-week period of contributions.

Benefit adjustment: Benefits are reviewed periodically.

#### Permanent Disability Benefits

**Disability pension:** 30% of average earnings, plus 1% of earnings for every 50-week period of contributions over 500 weeks.

The minimum weekly pension is E.C.\$40.

The maximum pension is 60% of earnings.

**Disability grant:** A lump sum equal to 5 times average weekly insurable earnings for every 50-week period of contributions.

Benefit adjustment: Benefits are reviewed periodically.

#### Survivor Benefits

**Survivor pension:** 75% of the insured's pension, payable to a widow aged 50 or older or disabled and to a dependent disabled widower. A limited pension is payable for 1 year to a widow who is under age 50.

**Orphan's pension:** 25% of the insured's pension for each child under age 16 (age 18 if a student); 50% each for a disabled child or a full orphan.

The minimum weekly pension is E.C.\$8.50; E.C.\$17 for a disabled child or a full orphan.

The maximum survivor pension is 100% of the insured's pension.

**Survivor grant:** A lump sum equal to 5 times average weekly insurable earnings for every 50-week period of contributions.

**Funeral grant:** E.C.\$2,000 for the funeral of the insured; E.C.\$1,500 to the insured for the funeral of a spouse; E.C.\$750 to the insured for the funeral of a child.

Benefit adjustment: Benefits are reviewed periodically.

#### Administrative Organization

Ministry of Social Services and Labor provides general supervision.

National Insurance Board administers the program.

## ***Sickness and Maternity***

### ***Regulatory Framework***

**First and current law:** 1983 (social insurance), with amendments.

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

### ***Coverage***

Employees aged 16 to 59, including public-sector employees.

### ***Source of Funds***

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

**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 benefits:** Employed on the day before the onset of illness or 13 weeks of contributions, including 8 out of the 13 weeks preceding the onset of illness.

**Cash maternity benefits:** 30 weeks of contributions, including 20 weeks in the 30-week period ending 6 weeks before the expected date of childbirth.

**Funeral grant:** The insured person was entitled to sickness benefits or maternity benefits at the time of death.

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

**Sickness benefit:** 65% of average earnings during the 13 weeks before the onset of sickness. The benefit is payable from the first day of sickness for up to 26 weeks; for up to 52 weeks with at least 75 weeks of paid or credited contributions in the last 3 years.

**Maternity benefit:** 65% of average earnings during the 30 weeks before the benefit begins. The benefit is payable for a total of 12 weeks beginning 6 weeks before the expected date of childbirth and up to 6 weeks after.

The minimum benefit is E.C.\$450.

**Maternity grant:** The grant is paid to the uninsured wife of an insured man.

The minimum grant is E.C.\$450.

**Funeral grant:** E.C.\$2,000 is paid to the person who meets the cost of the insured's funeral.

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 Housing, Social Security, and Women's Affairs provides general supervision.

National Insurance Board administers the program.

### ***Work Injury***

#### ***Regulatory Framework***

**First and current law:** 1998 (employment accident).

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

#### ***Coverage***

Employees aged 16 to 59, including public-sector employees.

#### ***Source of Funds***

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

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

**Government:** None.

#### ***Qualifying Conditions***

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

#### ***Temporary Disability Benefits***

70% of average weekly insurable earnings over the previous 13 weeks. The benefit is payable from the day of the injury until recovery, for up to 26 weeks.

Benefit adjustment: Benefits are reviewed periodically.

#### ***Permanent Disability Benefits***

70% of average weekly insurable earnings over the previous 13 weeks. The benefit is proportionately reduced if the assessed degree of disability is less than 100%.

Constant-attendance allowance: 50% of the disability benefit, if 100% disabled.

Benefit adjustment: Benefits are reviewed periodically.

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

Benefits include the cost of medicines, surgery, prostheses, and overseas treatment, including the cost of transportation.

### ***Survivor Benefits***

**Survivor pension:** 75% of the insured's pension, payable to widow(er) for life or until the spouse remarries. On remarriage, the spouse receives a gratuity equal to 52 times the weekly rate of the pension.

**Orphan's pension:** 25% of the insured's pension for each child under age 16 (age 18 if a student); 50% for a disabled child or a full orphan.

**Other dependents:** 25% of the insured's pension (50% if totally dependent) for a period of 52 weeks.

The minimum weekly pension is E.C.\$8.50; E.C.\$17 for a disabled child or a full orphan.

The maximum survivor pension is 100% of the insured's pension.

**Funeral grant:** E.C.\$2,000 is paid to the person who meets the cost of the insured's funeral.

Benefit adjustment: Benefits are reviewed periodically.

### ***Administrative Organization***

Ministry of Housing, Social Security, and Women's Affairs provides general supervision.

National Insurance Board administers the program.

## Guatemala

Exchange rate: U.S.\$1.00 equals 7.90 quetzales.

### Old Age, Disability, and Survivors

#### Regulatory Framework

**First and current law:** 1969, implemented on a national level in 1977.

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

#### Coverage

Employees, including agricultural workers and some public-sector employees.

Voluntary coverage is possible.

Special system for other public-sector employees.

#### Source of Funds

**Insured person:** 1.83 % of earnings; 5.5% of earnings for the voluntarily insured.

**Employer:** 3.67% of payroll.

**Government:** 25% of the cost of benefits paid; also contributes as an employer.

The maximum monthly earnings for benefit purposes are 6,000 quetzales.

#### Qualifying Conditions

**Old-age pension:** Age 62 with 180 months of contributions. The pensionable age will increase to age 63 in 2004, to age 64 in 2006, and to age 65 in 2008.

**Disability pension:** Assessed as disabled with 36 months of contributions during the last 6 years and under age 45; 60 months of contributions during the last 9 years and aged 45 to 54; 120 months of contributions during the last 12 years and age 55 (may be younger in certain cases).

The disability pension is awarded according to two degrees of disability: total disability, involving the loss of 2/3 of earning capacity; and severe disability, involving the complete loss of earning capacity and the need for the constant attendance of another person.

**Survivor pension:** The insured had at least 36 months of contributions during the last 6 years or was receiving a pension or qualified for the old-age pension at the time of death.

#### Old-Age Benefits

**Old-age pension:** 50% of the average wage in the last 60 months, plus an additional 0.5% of the remuneration base for each 6-month period of contributions beyond 120 months.

Dependents' supplements: 10% of the insured's pension for a wife or partner or a disabled husband, for each child under age 18 or disabled, and for a dependent mother and a dependent disabled father.

The minimum monthly pension, including dependents' supplements, is 340 quetzales.

The maximum monthly pension, including dependents' supplements, is 4,800 quetzales.

The maximum pension received by a family is 80% of the insured's earnings, up to 6,000 quetzales.

Benefit adjustment: Benefits are adjusted at least every 3 years according to an actuarial assessment.

#### Permanent Disability Benefits

**Disability pension:** For total disability, 50% of the average wage in the last 36 months, plus an additional 0.5% of the remuneration base for each 6-month period of contributions beyond 120 months. If the insured has worked for less than 36 months, the pension is 50% of average wages for the total number of months worked.

Dependents' supplements: 10% of the insured's pension for a wife or partner or a disabled husband, for each child under age 18 or disabled, and for a dependent mother and a dependent disabled father.

The minimum monthly pension is 340 quetzales.

The maximum monthly pension is 4,800 quetzales.

Constant-attendance supplement: In the case of severe disability, 25% of the insured's pension.

Benefit adjustment: Benefits are adjusted at least every 3 years according to an actuarial assessment.

#### Survivor Benefits

**Survivor pension:** 50% of the total disability or old-age pension paid or payable to the insured. The pension is payable to a widow or a disabled widower. The minimum monthly pension for a spouse is 170 quetzales.

**Orphan's pension:** 25% of the insured's pension, but no less than 85 quetzales a month, for each orphan under age 18 (no limit if disabled); or 50% of the insured's pension for each full orphan, but no less than 170 quetzales a month.

**Dependent parents:** 25% of the insured's pension each. The minimum monthly pension for a dependent parent is 85 quetzales a month.

The maximum survivor pension is 100% of the insured's pension; the sum of minimum survivor benefits cannot exceed 340 quetzales a month.

**Funeral grant:** A lump sum of 480 quetzales.

Benefit adjustment: Benefits are adjusted at least every 3 years according to an actuarial assessment.

### **Administrative Organization**

Ministry of Labor and Social Welfare provides general supervision.

Social Security Institute administers the program.

### **Sickness and Maternity**

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#### **Regulatory Framework**

**First laws:** 1946 and 1953 (maternity).

**Current law:** 1968 (sickness and maternity), with 2003 amendment.

**Type of program:** Social insurance system. Cash and medical benefits.

#### **Coverage**

Employees of firms with three or more workers. Freight or passenger transport enterprises with one or more workers.

Free medical care for accidents, sickness, and maternity for pensioners is provided through the Old Age, Disability, and Survivors program in 19 departments.

#### **Source of Funds**

**Insured person:** 2% of earnings.

**Employer:** 4% of payroll.

**Government:** 2% of payroll.

#### **Qualifying Conditions**

**Cash benefits:** Four months of contributions in the 6 months prior to the onset of illness.

**Benefits in kind:** In covered employment.

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

**Sickness benefit:** 2/3 of average earnings (according to the applicable formula). The benefit is payable after a 3-day waiting period for up to 26 weeks; may be extended in some cases to 39 weeks. The receipt of benefit for multiple periods of illness cannot exceed 52 weeks in a 24-month period.

The maximum monthly benefit is 2,400 quetzales.

**Maternity benefit:** 100% of earnings, payable for 30 days before and 54 days after the expected date of childbirth. Nursing mothers are also permitted 1 hour a day to nurse their child for up to 10 months.

**Benefit adjustment:** Benefits are adjusted at least every 3 years according to an actuarial assessment.

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

Benefits include general, specialist, and maternity care; surgery; hospitalization; pharmaceuticals; laboratory services; X-rays; appliances; transportation; rehabilitation; and

retraining. Medical services are normally provided directly to patients through the medical facilities of the Social Security Institute.

### **Dependents' Medical Benefits**

The wife or companion of an insured man receives the same maternity care as an insured woman and in 19 departments also receives sickness and accident benefits.

### **Administrative Organization**

Ministry of Labor and Social Welfare provides general supervision.

Social Security Institute administers the program.

Social Security Institute operates 24 hospitals, 34 clinics, 10 first-aid stations, 8 dispensaries, 2 assistance units, 3 annexes attached to national hospitals, and 2 contract services.

### **Work Injury**

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#### **Regulatory Framework**

**First law:** 1947.

**Current law:** 1994, with 2003 amendment.

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

#### **Coverage**

All insured workers in the country.

#### **Source of Funds**

**Insured person:** 1% of earnings.

**Employer:** 3% of payroll.

**Government:** 1.5% of payroll.

#### **Qualifying Conditions**

**Work injury benefits:** Four months of contributions prior to the onset of the work injury.

#### **Temporary Disability Benefits**

2/3 of earnings, payable after a 1-day waiting period.

The minimum daily benefit is 8 quetzales.

The maximum monthly benefit is 2,400 quetzales.

**Benefit adjustment:** Benefits are adjusted at least every 3 years according to an actuarial assessment.

#### **Permanent Disability Benefits**

A lump sum of between 495 quetzales and 4,950 quetzales, according to the assessed degree of disability.



Benefit adjustment: Benefits are adjusted at least every 3 years according to an actuarial assessment.

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

Benefits include medical treatment, surgery, hospitalization, medicines, appliances, transportation, rehabilitation services, and retraining.

### ***Survivor Benefits***

**Funeral grant:** 412.50 quetzales for funeral expenses.

Benefit adjustment: Benefits are adjusted at least every 3 years according to an actuarial assessment.

### ***Administrative Organization***

Ministry of Labor and Social Welfare provides general supervision.

Social Security Institute administers contributions and benefits.

Social Security Institute provides medical benefits through its own hospitals and clinics as well as through private clinics.

## Guyana

Exchange rate: U.S.\$1.00 equals  
195.41 Guyana dollars (G\$).

### Old Age, Disability, and Survivors

#### Regulatory Framework

**First law:** 1944 (old-age assistance).

**Current laws:** 1969, 1981, 1986, 1989, and 1992.

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

#### Coverage

Employed persons aged 16 to 59 in the public and private sectors and the self-employed.

Voluntary coverage is possible for previously insured persons up until age 60.

Exclusions: Employees earning below G\$7.50 a week, casual employment, and family labor.

#### Source of Funds

**Insured person:** 4.8% of earnings. The self-employed contribute 10.47% of income up to the insurable limit. The voluntary insured contribute 8.17% of average weekly income in the last 2 years before they stopped working.

**Employer:** 7.2% of payroll.

**Government:** None, except as an employer; provides loans to cover any deficits.

The maximum earnings for contribution and benefit purposes are G\$19,428 a week.

All of the above contributions also finance cash sickness, maternity, and work injury benefits (except for the self-employed).

#### Qualifying Conditions

**Old-age pension:** Age 60 with 750 weeks of contributions paid or credited of which 150 weeks must be paid contributions; 25 weeks of contributions are credited for each year that the insured was over age 35 in 1969, up to a maximum credit of 600 weeks.

Retirement is not necessary.

**Old-age grant:** The insured does not meet the qualifying conditions for a pension but made at least 50 weeks of contributions before age 60.

**Disability pension:** Aged 16 to 59 and permanently disabled with a minimum of 250 weekly contributions paid or credited, including at least 150 weeks paid (25 weeks are credited for each year between the onset of disability and age 60).

**Disability grant:** The insured does not meet the qualifying conditions for a pension but made at least 50 weeks of contributions before the onset of disability.

**Survivor pension:** The insured was a pensioner or was eligible for a pension at the time of death; or aged 16 to 59 with a minimum of 250 weekly contributions paid or credited, including at least 150 paid contributions.

**Survivor grant:** The insured did not meet the qualifying conditions for a pension.

#### Old-Age Benefits

**Old-age pension:** 40% of average weekly covered earnings during the best 3 years out of the last 5 years before age 60, plus 1% of average weekly covered earnings for every 50-week period of contributions above 750.

The minimum pension is 50% of the minimum wage.

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

**Old-age grant:** 1/12 of average annual covered earnings for every 50-week period of contributions paid or credited.

#### Permanent Disability Benefits

**Disability pension:** 30% of average weekly covered earnings during the best 3 years out of the last 5 years before the onset of disability, plus 1% of average weekly covered earnings for every 50-week period of contributions above 250.

The minimum benefit is 50% of the minimum wage.

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

Constant-attendance allowance: G\$200 a day.

**Disability grant:** 1/12 of average annual covered earnings for every 50-week period of contributions paid or credited.

#### Survivor Benefits

**Survivor pension:** 50% of the pension paid or payable to the insured, payable to a widow(er).

Child supplement: 16.6% of the insured's pension for each child, up to a maximum of three children.

**Full orphan's pension:** 33.3% of the pension paid or payable to the insured for each orphan, up to a maximum of three orphans.

**Survivor grant:** A lump sum is paid if the insured did not meet the qualifying conditions for a pension.

**Funeral grant:** G\$10,630 is paid for the funeral of the insured the insured's spouse.

#### Administrative Organization

Minister of Finance provides general supervision.

National Insurance Board administers the program.

## Sickness and Maternity

### Regulatory Framework

**First and current law:** 1969.

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

### Coverage

Public- and private-sector employees and self-employed persons aged 16 to 60.

Exclusions: Employees earning below G\$7.50 a week, casual employment, and family labor.

### Source of Funds

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

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

**Government:** None, except as an employer; provides loans to cover any deficits.

### Qualifying Conditions

**Cash sickness benefits:** 50 weeks of contributions and in covered employment during 8 of the 13 weeks before the onset of incapacity. The insured must be under age 60.

**Cash maternity benefits:** 15 weeks of contributions, including 7 during the 26-week period ending 6 weeks before the expected date of childbirth.

**Cash maternity grant:** The insured woman or her spouse meets the qualifying conditions for maternity benefit.

### Sickness and Maternity Benefits

**Sickness benefit:** 70% of average weekly covered earnings during the best 8 weeks in the 13 weeks before the onset of incapacity. The benefit is payable from the fourth day of incapacity, for up to a maximum of 26 weeks.

**Maternity benefit:** 70% of average weekly covered earnings during the best 7 weeks in the 26 weeks before the start of the benefit. The benefit is payable for 13 weeks, including the week of childbirth plus 6 weeks before and 6 weeks after. The benefit may be extended for up to 13 additional weeks if complications arise.

**Maternity grant:** G\$2,000.

### Workers' Medical Benefits

No statutory benefits are provided. (Medical care is available in public hospitals and health centers. Medical care involves cost sharing, with the cost scaled to income.)

## Administrative Organization

Minister of Finance provides general supervision.

National Insurance Board administers the program.

## Work Injury

### Regulatory Framework

**First law:** 1916.

**Current law:** 1969.

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

### Coverage

Employed persons in the public and private sectors.

Exclusions: Employees earning below G\$7.50 a week, casual employment, and family labor.

### Source of Funds

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

**Employer:** See source of funds under Old Age, Disability, and Survivors, above. (Also contributes an additional 1.53% of insurable earnings to finance employment injury for workers under age 16 or over age 60.)

**Government:** None, except as an employer; provides loans to cover any deficits.

### Qualifying Conditions

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

### Temporary Disability Benefits

70% of average weekly covered earnings during the best 8 weeks in the 13 weeks before the onset of disability. The benefit is payable after the first day if the injury lasts for more than 3 days, for up to 26 weeks.

### Permanent Disability Benefits

**Permanent disability pension:** If 100% disabled, the pension is 70% of average weekly covered earnings during the best 8 weeks in the 13 weeks before the onset of disability.

Constant-attendance allowance: G\$200 a day.

Partial disability: If the assessed degree of disability is at least 15%, a reduced pension is paid in proportion to the assessed degree of disability. If the assessed degree of disability is less than 15%, a lump-sum benefit is paid equal to 260 times the weekly disability benefit times the assessed degree of disability.

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

Benefits include hospitalization, general and specialist care, medicines, and transportation.

### ***Survivor Benefits***

**Survivor pension:** 35% of weekly earnings for a widow(er) or a parent and 11.6% for each other dependent, up to a maximum of 70% of weekly earnings.

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 weekly earnings until age 18.

The minimum orphan's pension is 33.3% of the old-age or disability minimum pension.

**Death benefit:** Up to G\$250 to the insured's creditors or estate, in the absence of any dependents.

### ***Administrative Organization***

Minister of Finance provides general supervision.

National Insurance Board administers the program.

## Haiti

Exchange rate: U.S.\$1.00 equals 37.25 gourdes.

### Old Age, Disability, and Survivors

#### Regulatory Framework

**First law:** 1965.

**Current law:** 1967.

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

Note: This information is from 1995.

#### Coverage

Employees of industrial, commercial, and agricultural firms.

Exclusions: Unpaid family labor, members of religious communities, and foreign diplomats.

Special system for public-sector employees.

#### Source of Funds

**Insured person:** 2% of earnings for monthly earnings of 200 gourdes or less, 3% of earnings for between 201 gourdes and 500 gourdes, 4% of earnings for between 501 gourdes and 1,000 gourdes, and 6% of earnings for over 1,000 gourdes.

**Employer:** 2% of earnings for monthly earnings of 200 gourdes or less, 3% of earnings for between 201 gourdes and 500 gourdes, 4% of earnings for between 501 gourdes and 1,000 gourdes, and 6% of earnings for over 1,000 gourdes.

**Government:** Meets any deficits.

#### Qualifying Conditions

**Old-age pension:** Age 55 with 20 years of contributions.

**Old-age settlement:** The insured does not meet the qualifying conditions for a pension.

**Disability pension:** Total incapacity for work with between 10 and 20 years of contributions. The disability was not caused by a work injury.

**Survivor pension:** The insured was a pensioner or was eligible for a pension at the time of death.

**Survivor settlement:** The insured did not meet the qualifying conditions for a pension.

#### Old-Age Benefits

**Old-age pension:** 33% of average earnings during the last 10 years.

**Old-age settlement:** A refund of contributions without accrued interest.

#### Permanent Disability Benefits

**Disability pension:** 1/60 of average earnings for each year of coverage during the 10 years before the onset of disability.

#### Survivor Benefits

**Survivor pension:** 50% of the pension paid or payable to the insured. The pension is divided among the widow, orphans under age 18 (no limit if a student or disabled), or other dependents.

**Survivor settlement:** A refund of contributions without accrued interest.

#### Administrative Organization

Ministry of Social Affairs provides general supervision.

National Office of Old-Age Insurance of the Social Insurance Institute administers the program.

Social Insurance Institute is managed by a tripartite board and a director general.

#### Sickness and Maternity

##### Regulatory Framework

**First law:** 1951, not implemented.

**Current law:** 1967, not implemented in full.

**Type of program:** Social insurance system. Cash and medical benefits.

Note: In 1999, maternity benefits were introduced. Coverage for maternity benefits is being extended gradually. Medical benefits are provided through a clinic to all residents in exchange for a small token payment. Medical benefits include pediatric, dental, ophthalmic, and gynecology care and services; preventative care; health education; and surgery.

#### Work Injury

##### Regulatory Framework

**First law:** 1951.

**Current law:** 1967.

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

Note: This information is from 1995.

#### Coverage

Public-sector employees and employees of industrial, commercial, and agricultural firms in specified districts.

Coverage is being extended gradually to different districts and occupations.



### **Source of Funds**

**Insured person:** None.

**Employer:** 2% of payroll (commerce), 3% of payroll (industry, construction, and agriculture), or 6% of payroll (mining).

**Government:** None, except as an employer.

### **Qualifying Conditions**

**Work injury benefits:** Partial or total disability before age 55. There is no minimum qualifying period.

### **Temporary Disability Benefits**

66.6% of earnings, payable after a 3-day waiting period for the duration of the incapacity. The employer must pay benefits during the waiting period.

The minimum monthly benefit is 100 gourdes.

The maximum monthly benefit is 1,000 gourdes.

### **Permanent Disability Benefits**

**Permanent disability pension:** 66.6% of earnings, if totally disabled.

The minimum monthly benefit is 100 gourdes.

The maximum monthly benefit is 1,000 gourdes.

Partial disability: For an assessed degree of disability of 10% or more, the pension is in proportion 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.

### **Workers' Medical Benefits**

Benefits include medical and dental care, surgery, hospitalization, medicines, and appliances. Benefits are provided until full recovery or the stabilization of the disability.

### **Survivor Benefits**

**Survivor pension:** 50% of the insured's total disability pension, payable to a widow or a dependent disabled widower.

**Orphan's pension:** 30% of the insured's pension for each orphan under age 21.

**Dependent parents or grandparents (in the absence of the above):** 40% of the insured's pension.

The maximum survivor pension is 80% of the insured's pension.

**Funeral grant:** One month's earnings.

### **Administrative Organization**

Ministry of Social Affairs provides general supervision.

Office of Work Accidents and Sickness and Maternity Insurance of the Social Insurance Institute 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: U.S.\$1.00 equals 17.18 lempiras.

### Old Age, Disability, and Survivors

#### Regulatory Framework

**First and current law:** 1959, implemented in 1971, with 2001 amendment.

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

#### Coverage

Employed persons in private- and public-sector enterprises in specified regions.

Coverage is being extended gradually to additional regions.

Exclusions: Domestic workers, temporary workers, and some groups of agricultural workers.

#### Source of Funds

**Insured person:** 1% of earnings.

**Employer:** 2% of payroll.

**Government:** 0.5% of payroll.

The minimum monthly earnings for contribution purposes are 144 lempiras.

The maximum monthly earnings for contribution purposes are 4,800 lempiras.

#### Qualifying Conditions

**Old-age pension:** Age 65 (men) or age 60 (women) with 180 months of contributions.

Retirement from covered employment is necessary.

**Old-age settlement:** Age 65 (men) or age 60 (women) with less than 180 months of contributions.

**Disability pension:** A loss of 2/3 of earning capacity in the usual occupation with 36 months of contributions during the last 6 years; 8 months of contributions during the last 24 months in the case of a nonoccupational accident. (Men aged 45 or older and women aged 40 or older at the time the law was implemented must have contributed for 5 years or 60 months at the time they joined the system.)

**Disability settlement:** Disabled and does not qualify for a pension.

**Survivor pension:** In the case of a death resulting from a common illness, the insured had 36 months of contributions during the last 6 years; 8 months of contributions in the 24 months prior to the injury resulting in a nonoccupational accident-related death.

#### Old-Age Benefits

**Old-age pension:** 40% of basic monthly earnings, plus an additional 1% of earnings for every 12-month period of contributions beyond 60 months.

**Deferred pension:** An increment of 3% of basic monthly earnings for each year of contributions beyond age 65 (men) or age 60 (women).

The minimum pension is 50% of basic monthly earnings.

**Old-age settlement:** A lump sum equal to a refund of contributions.

#### Permanent Disability Benefits

**Disability pension:** 40% of basic monthly earnings, plus an additional 1% of earnings for every 12-month period of contributions beyond 60 months.

**Constant-attendance supplement:** If the insured is assessed as more than 50% disabled.

The maximum pension is 80% of covered earnings.

**Disability settlement:** A lump sum equal to a refund of contributions.

#### Survivor Benefits

**Survivor pension:** 40% of the insured's actual or accrued pension, payable to a widow(er) aged 65 or older or disabled.

**Orphan's pension:** 20% of the insured's pension for each orphan (40% for each full orphan) under age 14 (age 18 if a student; no limit if disabled).

**Dependent parents:** 20% of the insured's pension each to a mother of any age or a father who is over age 65 or disabled.

The maximum survivor pension is 100% of the insured's pension, divided as follows: widow(er) or partner, 40%; orphans under age 14, 60%.

**Funeral grant:** 50% of basic monthly earnings. The minimum funeral grant is 250 lempiras if the insured made at least one contribution in the last 6 months.

#### Administrative Organization

Ministry of Labor and Social Welfare provides general supervision.

Managed by a board of directors and director general, the Social Security Institute administers the program.

#### Sickness and Maternity

#### Regulatory Framework

**First and current law:** 1959, implemented in 1962, with 2001 amendment.

**Type of program:** Social insurance system. Cash and medical benefits.

### **Coverage**

Public-sector employees and employees of firms in industry and commerce with one or more workers in specified regions.

Exclusions: Agricultural, domestic, family, and temporary workers.

Unemployed female workers are not eligible for cash maternity benefits but are eligible for medical care while pregnant and during childbirth.

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.

### **Source of Funds**

**Insured person:** 2.5% of earnings.

**Employer:** 5% of payroll.

**Government:** Contributes as an employer, plus 0.5% of total covered earnings. (The contribution on total covered earnings has never been paid.)

The minimum monthly earnings for contribution and benefit purposes are 360 lempiras.

The maximum monthly earnings for contribution and benefit purposes are 4,800 lempiras.

All of the above contributions also finance work injury benefits.

### **Qualifying Conditions**

**Cash sickness benefits:** Thirty-five days of contributions in the 3 months prior to the onset of illness.

**Cash maternity benefits:** Seventy-five days of contributions in the last 10 months.

**Medical benefits:** Currently in insured employment. If unemployed, benefits are limited to 60 days of general care and 6 months of specialized care.

### **Sickness and Maternity Benefits**

**Sickness benefit:** 66% of earnings in the last 3 months, payable after a 3-day waiting period for up to 26 weeks; may be extended to 52 weeks.

**Maternity benefit:** 66% of earnings, payable for 6 weeks before and 6 weeks after the expected date of childbirth.

Employees who are not covered by the program may receive sickness leave or maternity leave under the labor code.

### **Workers' Medical Benefits**

Medical services are provided directly to patients through the health facilities of the Social Security Institute. Benefits include general and specialist care, surgery, hospitalization, necessary medicines, laboratory services, appliances, dental care, and maternity care including postnatal care for up to 42 days.

The period of duration is dependent on continuing to fulfill the contribution requirements or being unemployed.

### **Dependents' Medical Benefits**

Benefits include maternity care for the insured's wife, including postnatal care for up to 45 days; pediatric care for the insured's children until age 5 and 30 days or for up to 26 weeks after the insured's death.

### **Administrative Organization**

Ministry of Labor and Social Welfare provides general supervision.

Managed by a board of directors and director general, the Social Security Institute administers the program.

Social Security Institute operates its own hospitals and outpatient clinics and contracts the services of private clinics.

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### **Work Injury**

#### **Regulatory Framework**

**First and current law:** 1959, with 2001 amendment.

**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.

Exclusions: Agricultural, domestic, family, and temporary workers.

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.

#### **Source of Funds**

**Insured person:** See source of funds under Sickness and Maternity, above.

**Employer:** See source of funds under Sickness and Maternity, above.

**Government:** See source of funds under Sickness and Maternity, above.

#### **Qualifying Conditions**

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

**Survivor benefit:** One month in covered employment.

#### **Temporary Disability Benefits**

66% of the daily wage, payable after a 3-day waiting period for up to 52 weeks.

The maximum daily wage for benefit purposes is 4,800 lempiras.

### ***Permanent Disability Benefits***

**Permanent disability pension:** 66% of basic monthly earnings, plus an increment of 1% of earnings for every 12-month period of contributions beyond 60 months.

**Partial disability:** If the assessed degree of disability is greater than 15%, a percentage of the full pension proportional to the assessed degree of disability. A pension of below 10 lempiras a month is converted to a lump sum.

The minimum partial disability pension in 2003 was 75 lempiras.

**Constant-attendance supplement:** Up to a maximum of 50% of the insured's pension.

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

Benefits include medical, surgical, and hospital care; medicines; and appliances.

### ***Survivor Benefits***

**Survivor pension:** 40% of the actual or accrued pension of the insured, payable to a widow(er) over age 65 or disabled.

**Orphan's pension:** 20% of the insured's pension for each orphan under age 14 (age 18 if a student, no limit if disabled); 40% if a full orphan.

**Dependent parents (in absence of above):** 20% of the insured's pension each to a mother of any age or a father who is over age 65 or disabled.

The maximum survivor pension is 100% of the insured's pension.

**Funeral grant:** 50% of basic monthly earnings. The minimum funeral grant is 125 lempiras if the insured had made at least one contribution in the last 6 months.

### ***Administrative Organization***

Ministry of Labor and Social Welfare provides general supervision.

Social Security Institute administers contributions and benefits.

Social Security Institute operates its own outpatient clinics and hospitals.

## Jamaica

Exchange rate: U.S.\$1.00 equals  
60.45 Jamaican dollars (J\$).

### Old Age, Disability, and Survivors

#### Regulatory Framework

**First law:** 1958 (sugar workers).

**Current law:** 2003.

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

#### Coverage

Employed and self-employed persons.

Voluntary coverage for other categories, if over age 18 and under the retirement age.

Exclusions: Casual workers and unpaid family labor.

#### Source of Funds

**Insured person:** 2.5% of earnings. The self-employed contribute J\$20 a week, plus a maximum of 5% of insurable annual earnings. Domestic workers and military personnel contribute J\$20 a week. The voluntarily insured contribute J\$20 a week.

**Employer:** 2.5% of wages.

**Government:** Contributes as an employer.

The maximum earnings for contribution purposes are J\$9,620 a week or J\$500,000 a year.

All the above contributions also finance maternity benefits and work injury benefits.

#### Qualifying Conditions

**Old-age pension:** Age 65 (men) or age 60 (women) with 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 annual average contributions of between 13 weeks and 38 weeks.

**Old-age settlement:** A lump-sum grant is paid for at least 52 weeks' or 1 year's contributions. Substantial retirement is necessary until age 70 (men) or age 65 (women).

Benefits are payable abroad but are subject to limitations except where a reciprocal agreement exists.

**Disability pension:** Permanent incapacity for work with a minimum of 156 weeks of paid contributions up to a maximum.

**Disability settlement:** A lump-sum grant is paid with at least 52 weeks or 1 year's paid contributions.

**Survivor pension:** The insured had an annual average of 39 weeks' paid or credited contributions or was a pensioner.

#### Old-Age Benefits

**Old-age pension:** A basic benefit of J\$900 a week (reduced to J\$675 a week with annual average contributions of between 26 weeks and 38 weeks; J\$450 with 13 weeks 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.

Spouse's supplement: J\$300 a week for a dependent wife aged 55 or older or a disabled husband aged 60 or older.

**Old-age settlement:** A lump-sum payment of J\$8,100 with 52 weeks' of paid contributions.

#### Permanent Disability Benefits

**Disability pension:** If 100% disabled, a basic benefit of between J\$100 and J\$1,740 a week.

**Disability settlement:** A lump-sum grant is paid.

#### Survivor Benefits

**Survivor pension:** A basic benefit of J\$900 a week (reduced to J\$675 a week with annual average contributions of between 26 weeks and 38 weeks; J\$450 with 13 weeks to 25 weeks), plus an earnings-related benefit of J\$0.03 a week for every J\$13 of employer-employee contributions paid during the working lifetime.

The pension is payable to a widow aged 55 or older or at any age if disabled or caring for children under age 18. A limited pension is paid for 52 weeks to otherwise ineligible widows. If eligible, widows may receive duplicate benefits based on their own earnings. The pension is also payable to a needy disabled widower aged 60 or older.

**Orphan's pension:** J\$1,575 a week for full orphans under age 18.

**Funeral grant:** A lump sum of J\$30,000.

#### Administrative Organization

Ministry of Labor and Social Security administers the program through its National Insurance Division and local offices.

#### Sickness and Maternity

##### Regulatory Framework

**First and current law:** 1979.

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

Medical care is provided free or at a nominal cost in public dispensaries and hospitals.

##### Coverage

Resident workers aged 18 or older.



## Source of Funds

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

**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 benefits:** No statutory benefits are provided.

**Cash maternity benefits:** Twenty-six weeks of paid contributions in the 52 weeks preceding the expected date of childbirth.

## Sickness and Maternity Benefits

**Sickness benefits:** No statutory benefits are provided.

**Maternity benefit:** The minimum weekly wage for 8 weeks.  
The minimum weekly wage is J\$2,000.

## Administrative Organization

Ministry of Labor and Social Security administers the program through its National Insurance Division and local offices.

## Work Injury

### Regulatory Framework

**First law:** 1937 (voluntary private insurance).

**Current law:** 1965, implemented in 1970.

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

### Coverage

Employed persons aged 18 to 70 (men) or aged 18 to 65 (women).

Exclusions: Domestic workers, unpaid family labor, the self-employed, and members of the armed forces.

## Source of Funds

**Insured person:** None.

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

**Government:** None, except as an employer.

## Qualifying Conditions

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

## Temporary Disability Benefits

75% of the minimum wage a week, payable after a 3-day waiting period for up to 52 weeks.

The maximum benefit is J\$1,740 a week.

The minimum wage is J\$2,000.

## Permanent Disability Benefits

**Permanent disability pension:** If between 95% and 100% disabled, 75% of average insurable earnings up to J\$290 a day.

The maximum pension is equivalent to 100% disability.

**Partial disability:** For an assessed degree of disability of at least 10%, a percentage of the full pension in proportion to the loss of earning capacity.

The minimum benefit is J\$100 a week.

The maximum benefit is J\$1,740 a week.

## Workers' Medical Benefits

Benefits include necessary medical, surgical, and rehabilitative treatment, including appliances, hospitalization, and drugs.

## Survivor Benefits

**Survivor pension:** The maximum work injury benefit rate is payable for the first 52 weeks; thereafter, if the contribution conditions are satisfied, a widow(er) pension is payable.

The minimum survivor pension is J\$450 a week.

The maximum survivor pension is J\$900 a week.

The pension is payable for 52 weeks after the insured's death to a widow of any age; if none, to a child or children or a dependent mother aged 55 or older.

**Funeral grant:** A lump sum of J\$30,000.

## Administrative Organization

Ministry of Labor and Social Security administers the program through its National Insurance Division and local offices.

## Mexico

Exchange rate: U.S.\$1.00 equals  
10.32 new pesos (NP).

### Old Age, Disability, and Survivors

#### Regulatory Framework

**First law:** 1943.

**Current laws:** 1973; 1991; 1992 (complementary mandatory retirement savings); and 1995 (mandatory private insurance), implemented in 1997.

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

Note: As of July 1, 1997, all workers must join the private insurance system, and the social insurance system is being phased out. There are no contributors to the social insurance system. At retirement, employees covered by the social insurance system before 1997 can choose to receive benefits from either the social insurance system or the private insurance system.

#### Coverage

**Private insurance:** All workers entering the labor force on or after January 1, 1997.

Voluntary coverage is to be made possible.

**Social insurance:** Employees and members of producers', agricultural, and credit union cooperatives who were first covered before 1997.

Special systems for petroleum workers, public-sector employees, and the military.

#### Source of Funds

**Insured person:** 1.125% of earnings for old-age benefits; 0.625% for disability and survivor benefits.

**Employer:** 3.15% of payroll; 1.75% for disability and survivor benefits.

**Government:** A sum equal to 10.14% of the total employer contributions for the old-age pension plus a flat-rate amount to finance the guaranteed minimum pension.

#### Qualifying Conditions

##### Private insurance

**Old-age pension:** Age 65 with 1,250 weeks of contributions.

Early pension: Age 60 or older, no longer employed, and 1,250 weekly contributions; with less than 1,250 weekly contributions, a lump sum is paid.

In the absence of a reciprocal agreement, the pension is payable abroad for 2 years only.

Guaranteed minimum pension: Age 65 with 1,250 weeks of contributions and the pension is less than the minimum pension.

**Disability pension:** The insured has 150 weeks of contributions and an assessed degree of disability of 75% or more.

**Survivor pension:** The insured was receiving a disability pension or had 150 weeks of contributions at the time of death. The death must not be the result of an occupational injury.

##### Social insurance

**Old-age pension:** Age 65 with 500 weeks of contributions.

Early pension: Age 60 with 500 weeks of contributions. Retirement from covered employment is required.

In the absence of a reciprocal agreement, the pension is payable abroad for 2 years only.

**Disability pension:** 50% reduction in normal earning capacity with 150 weeks of contributions. The insured may continue to work in a different job.

**Survivor pension:** The insured was a pensioner or had 150 weeks of contributions at the time of death.

**Funeral grant:** Twelve weeks of contributions in the last 9 months or a pensioner at the time of death.

#### Old-Age Benefits

##### Old-age pension

**Private insurance:** The benefit is based on the value of accumulated capital plus accrued interest. At retirement, the insured can either purchase an annuity or make programmed withdrawals based on life expectancy.

Guaranteed minimum pension: The guaranteed minimum pension is equal to the minimum salary in July 1997 indexed to prices.

**Social insurance:** 35% of average earnings during the last 250 weeks of contributions, plus 1.25% of earnings for every year of contributions beyond 500 weeks. The pension is increased by 15% if there are no dependents.

Dependents' supplements: 15% of the insured's pension for a wife and 10% of the insured's pension for each child under age 16 (age 25 if a student, no limit if disabled). In the absence of a wife or children, 10% for each dependent parent.

The minimum pension is 100% of the minimum salary in Mexico City (1,309.50 NP in January 2003).

The maximum pension is 100% of earnings with at least 2,000 weeks of contributions.

Christmas bonus: One month's pension.

Benefit adjustment: Pensions are adjusted according to changes in the minimum wage.

## Permanent Disability Benefits

### Disability pension

*Private insurance:* 35% of average earnings in the last 500 weeks of contributions, plus family allowances equal to 15% of the pension.

*Benefit adjustment:* Pensions are indexed to changes in the national consumer price index.

*Social insurance:* 35% of average earnings during the last 250 weeks of contributions, plus 1.25% of earnings for every year of contributions beyond 500 weeks. The pension is increased by 15% if there are no dependents.

*Constant-attendance allowance:* 20% of the insured's pension.

*Dependents' supplements:* 15% of the insured's pension for a wife and 10% of the insured's pension for each child under age 16 (age 25 if a student, no limit if disabled). In the absence of a wife or children, 10% for each dependent parent.

The minimum pension is 100% of the minimum salary in Mexico City (1,309.50 NP in January 2003).

The maximum pension is 100% of earnings with at least 2,000 weeks of contributions.

*Christmas bonus:* One month's pension.

*Benefit adjustment:* Pensions are adjusted according to changes in the minimum wage.

### Survivor Benefits

#### Survivor pension

*Private insurance:* 90% of the value of the private insurance disability pension. The pension is payable to a widow or a dependent disabled widower.

*Remarriage settlement:* If a widow remarries, she receives a final lump-sum payment equal to 3 years' pension.

*Orphan's pension:* 20% of the insured's pension for each orphan under age 16 (age 25 if a student, no limit if disabled); 30% if a full orphan. Orphans also receive a final benefit equal to 3 months of the insured's pension.

*Other eligible survivors (in the absence of the above):* 20% of the insured's pension for each eligible survivor.

*Benefit adjustment:* Pensions are indexed to changes in the national consumer price index.

*Social insurance:* 90% of the pension paid or accrued to the insured. The pension is payable to a widow or a dependent disabled widower.

*Remarriage settlement:* If a widow remarries, she receives a final lump-sum payment equal to 3 years' pension.

*Orphan's pension:* 20% of the insured's pension for each orphan under age 16 (age 25 if a student, no limit if disabled); 30% if a full orphan. Orphans also receive a final benefit equal to 3 months of the insured's pension.

*Other eligible survivors (in the absence of the above):* 20% of the insured's pension for each eligible survivor.

*Christmas bonus:* One month's pension.

The minimum pension is equal to 100% of the minimum salary in Mexico City (1,309.50 NP in January 2003).

The maximum survivor pension is 100% of the insured's pension.

*Funeral grant:* A lump sum equal to two times the monthly salary.

*Benefit adjustment:* Pensions are adjusted according to changes in the minimum wage.

## Administrative Organization

**Private insurance:** Social Insurance Institute administers the program.

National Commission for the Retirement Savings System (CONSAR) supervises the pension fund management companies (AFORES).

**Social insurance:** Social Insurance Institute administers the program through regional and local boards in areas to which coverage is extended.

Social Insurance Institute is managed by a general assembly, technical council, oversight commission, and a director general.

## Sickness and Maternity

### Regulatory Framework

**First law:** 1943.

**Current law:** 1995, implemented in 1997.

**Type of program:** Social insurance system. Cash and medical benefits.

### Coverage

Employees; members of producers', agricultural, and credit union cooperatives; pensioners; and dependents.

### Source of Funds

#### Insured person

*Cash benefits:* 0.25% of the base salary.

*Medical benefits:* None, except when earnings are greater than three times the minimum wage in Mexico City.

#### Employer

*Cash benefits:* 0.7% of the base salary.

*Medical benefits:* A flat rate of 17.15% of the minimum wage in Mexico City per employee (plus an additional amount for each employee earning more than three times the minimum wage in Mexico City).

#### Government

*Cash benefits:* 0.05% of the base salary.

*Medical benefits:* 13.9% of the minimum wage in Mexico City.

The minimum earnings for contribution and benefit purposes are 100% of the minimum wage in the region.

The maximum earnings for contribution and benefit purposes are 25 times the minimum wage in Mexico City.

### **Qualifying Conditions**

**Cash sickness benefits:** Four weeks of contributions immediately before the onset of illness; for casual workers, 6 weeks of contributions during the last 4 months.

**Cash maternity benefits:** Thirty weeks of contributions during the last 12 months.

**Medical benefits:** Currently insured, a pensioner, or an eligible dependent.

### **Sickness and Maternity Benefits**

**Sickness benefit:** 60% of average earnings, payable after a 3-day waiting period for up to 52 weeks; may be extended in some cases to 78 weeks.

The minimum benefit is 60% of the minimum salary.

The maximum benefit is 60% of earnings.

**Maternity benefit:** 100% of average earnings, payable for 42 days before and 42 days after the expected date of childbirth. (If unable to work 42 days after childbirth, the mother is eligible for a cash sickness benefit.)

**Nursing allowance:** Assistance in kind, payable for up to 6 months after childbirth.

A layette (clothing and other necessities for the newborn) is also furnished.

**Funeral grant:** Two months' minimum wage in Mexico City.

### **Workers' Medical Benefits**

Medical services are normally provided directly to patients through the health facilities of the Social Insurance Institute. Benefits include general and specialist care, surgery, maternity care, hospitalization or care in a convalescent home, medicines, laboratory services, dental care, and appliances. Benefits are payable for 52 weeks; may be extended in some cases to 104 weeks.

### **Dependents' Medical Benefits**

Medical services are normally provided directly to patients through the health facilities of the Social Insurance Institute. Benefits include general and specialist care, surgery, maternity care, hospitalization or care in a convalescent home, medicines, laboratory services, dental care, and appliances. Benefits are payable for 52 weeks; may be extended in some cases to 104 weeks. The wife of an insured man also receives postnatal benefits in kind. Medical services are provided for dependent children up to age 16 (age 25 if a student, no limit if disabled).

### **Administrative Organization**

Social Insurance Institute administers the program through regional and local boards.

Social Insurance Institute operates its own hospitals, clinics, pharmacies, and other medical facilities and also contracts for the use of some facilities.

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### **Work Injury**

#### **Regulatory Framework**

**First law:** 1943.

**Current law:** 1995, implemented in 1997.

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

#### **Coverage**

Insured workers.

#### **Source of Funds**

**Insured person:** None.

**Employer:** Total cost; contributions vary according to the total salary base and the assessed degree of risk.

**Government:** None.

#### **Qualifying Conditions**

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

#### **Temporary Disability Benefits**

**Temporary disability benefit:** 100% of average earnings is payable from the first day of disability until the insured is fully recovered or declared permanently disabled.

The maximum benefit is 25 times the minimum wage in Mexico City.

**Occupational disease benefit:** 100% of average earnings in the last 52 weeks.

#### **Permanent Disability Benefits**

**Permanent disability pension:** 70% of earnings, if assessed as 100% disabled.

**Partial disability:** A pension in proportion to the assessed degree of disability is paid when the assessed degree of disability is greater than 50%. If the assessed degree of disability is 25% or less, the pension is paid as a lump sum equal to 5 years' pension. If the assessed degree of disability is between 26% and 50%, the pension is paid as a percentage of the full pension in proportion to the assessed degree of disability or as a lump sum.

**Christmas bonus:** A supplement equal to 15 days' pension is paid if the assessed degree of disability is greater than 50%.

Benefit adjustment: The pension is adjusted at the same time as, and in the same proportion to, changes in the minimum wage.

### **Workers' Medical Benefits**

Benefits include full medical, surgical, and hospital care; medicines; rehabilitation; and appliances.

### **Survivor Benefits**

**Survivor pension:** 40% of the insured's total disability pension is payable to a widow or a dependent disabled widower.

Remarriage settlement: If a widow remarries, she receives a final lump-sum settlement equal to 3 years' pension.

**Orphan's pension:** 20% of the insured's pension for each orphan (30% if a full orphan) under age 16 (age 25 if a student, no limit if disabled). Orphans receive a final benefit equal to 3 months of the insured's pension.

**Other eligible survivors (in the absence of the above):** 20% of the insured's pension.

The minimum pension is 100% of the minimum wage in Mexico City.

The maximum pension is 100% of the insured's total disability pension.

Christmas bonus: A supplement equal to 15 days' pension.

**Funeral grant:** Two months' minimum wage in Mexico City.

Benefit adjustment: Pensions are adjusted according to changes in the minimum wage in Mexico City.

### **Administrative Organization**

Social Insurance Institute administers contributions and benefits through regional and local boards.

## **Unemployment**

### **Regulatory Framework**

Labor law requires employers to pay dismissed employees a lump sum equal to 3 months' pay plus 20 days' pay for each year of service.

Social security pays an unemployment benefit of between 75% and 95% of the old-age pension for unemployed persons aged 60 to 64 (the benefit is paid under Old Age, Disability, and Survivors).

## **Family Allowances**

### **Regulatory Framework**

**First law:** 1973.

**Current law:** 1995, implemented in 1997.

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

### **Coverage**

**Child care:** Dependent children of covered women, widowers, or divorced working men.

**Social benefits:** Residents.

**Family assistance:** Persons assessed as needy.

### **Source of Funds**

**Insured person:** None.

**Employer:** 1% of payroll.

**Government:** None.

### **Qualifying Conditions**

**Child care:** The parent is in covered employment; may be extended for up to 4 weeks after leaving employment. The child must be aged 43 days but no older than age 4.

**Social benefits:** Resident.

**Family assistance:** Assessed as needy.

### **Family Allowance Benefits**

**Child care:** The provision of child day care facilities.

**Social benefits:** Preventive health care.

**Family assistance:** Means-tested cash benefits.

### **Administrative Organization**

Social Insurance Institute administers the program.



## Nicaragua

Exchange rate: U.S.\$1.00 equals 14.89 cordobas.

### Old Age, Disability, and Survivors

#### Regulatory Framework

**First law:** 1955.

**Current law:** 1982.

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

Note: A new system of mandatory individual accounts that replaces the social insurance system will be implemented in 2004.

#### Coverage

All persons receiving remuneration for work or services rendered.

Exclusions: Seasonal agricultural workers and members of the armed forces.

Voluntary affiliation for the self-employed, workers who were previously covered by the program, clergy, employers, and unpaid family members working for family-owned companies.

Noncontributory system for miners, indigents, those who have performed services for the country, and war victims.

#### Source of Funds

**Insured person:** 4% of earnings.

**Employer:** 6% of payroll.

**Government:** None.

The maximum earnings for contribution purposes are 35,000 cordobas.

All of the above contributions also finance family allowances. The Nicaraguan Institute of Social Security finances any deficit for the provision of war pensions and special pensions (see source of funds under Work Injury, below).

#### Qualifying Conditions

**Old-age pension:** Age 60 (age 55 for miners, teachers, and the physically or mentally impaired), with 750 weeks of contributions. Qualifying conditions are reduced for those who joined the program after age 45, with contributions required only for half of the number of weeks from the date coverage began until retirement age.

**Disability pension:** The loss of 67% of earning capacity in a similar occupation (total disability); able to earn more than 52% but less than 67% of usual earnings (partial disability), with 150 weeks of contribution in the last 6 years.

The disability pension is converted to 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 on the condition that the beneficiary retire from all gainful employment.

**Survivor pension:** The insured person had 150 weeks of contributions in the last 6 years.

**Funeral grant:** The insured person had 4 weeks of contributions in the 26 weeks preceding death.

**Noncontributory pension:** War victims' pensions are paid to persons who have never contributed to the social insurance system but who have performed services for the country; special pensions are paid to other groups, including indigent persons, miners, and public servants.

#### Old-Age Benefits

**Old-age pension:** 40% of the insured's average earnings (45% if average earnings are less than twice the minimum wage) during the last 5, 4, or 3 years (based on a period of contributions of 15, 20, or 25 years, respectively), plus 1.365% (1.59% if average earnings are less than twice the minimum wage) for every additional 50-week period of contributions. An additional 1% of earnings is added for each year of work after age 60, up to a maximum of 5%.

Dependents' supplements: 15% of the old-age pension for a wife or companion; 10% each for children under age 15 (age 21 if student, no limit if disabled); 10% for uninsured parents over age 60 or disabled.

The maximum pension is 80% of average earnings if the insured's average earnings are more than twice the minimum salary; 100% if the insured's average earnings are less than twice the minimum salary.

The minimum monthly benefit is 954 cordobas.

Benefit adjustment: Periodic adjustment of benefits for wage changes, if financial conditions permit.

**Noncontributory pension:** Periodic war victims' pensions and special pensions are provided.

#### Permanent Disability Benefits

**Disability pension:** 40% of the insured's average earnings (45% if average earnings are less than twice the minimum wage) during the last 5, 4, or 3 years (based on a period of contributions of 15, 20, or 25 years, respectively), plus 1.365% (1.59% if average earnings are less than twice the minimum wage) for every additional 50-week period of contributions.

Constant-attendance allowance: 20% of the total disability pension.

Dependents' supplements (total disability): 15% of the pension for a wife or companion; 10% each for children under age 15 (age 21 if student, no limit if disabled); 10% for uninsured parents over age 60 or disabled.

Partial disability: 50% of the total disability pension.

Dependents' supplements (partial disability): Supplements are paid at half the rate awarded for total disability.

The maximum partial disability pension is 40% of average earnings.

The maximum pension is based on the minimum salary in the worker's employment group.

Benefit adjustment: Periodic adjustment of pensions for wage changes, if financial conditions permit.

**Noncontributory pension:** Periodic war victims' pensions and special pensions are provided for total and partial disability.

### **Survivor Benefits**

**Survivor pension:** 50% of the insured's pension, payable to a widow aged 45 or older or disabled or to a dependent disabled widower. A pension is payable to a widow under age 45 for 2 years or for as long as she is caring for a child receiving an orphan's pension.

**Orphan's pension:** 25% of the insured's pension for each orphan under age 15 (age 21 if a student; no limit if disabled); 50% if a full orphan.

The maximum survivor pension is 100% of the insured's pension.

**Funeral grant:** The cost of the funeral service or an amount equal to 50% of the insured's monthly salary.

Benefit adjustment: Periodic adjustment of pensions for wage changes, if financial conditions permit.

**Noncontributory pension:** Periodic war victims' pensions and special pensions are provided for spouses, orphans, and dependent parents.

### **Administrative Organization**

Managed by technical and managing councils, the Nicaraguan Institute of Social Security administers the contributory and noncontributory programs.

### **Sickness and Maternity**

#### **Regulatory Framework**

**First law:** 1955.

**Current law:** 1982 (national health service).

**Type of program:** Dual social insurance (cash benefits) and universal (medical care) system.

#### **Coverage**

**Cash benefits:** All persons receiving remuneration for work or services rendered.

Exclusion: Members of the armed forces.

Voluntary affiliation for the self-employed, workers who were previously covered by the program, clergy, employers, ranchers, and unpaid family members working for family-owned companies.

**Medical benefits:** Insured persons and their dependents (the wife of an insured man receives prenatal and postnatal care; benefits for children up to age 6) and old-age pensioners.

### **Source of Funds**

**Insured person:** 2.25% of earnings.

**Employer:** 6% of payroll.

**Government:** 0.25% of earnings (plus employer contributions for public-sector employees).

### **Qualifying Conditions**

**Cash sickness benefits:** Eight weeks of contributions in the last 22 weeks. Insured persons with 8 weekly contributions in the last 22 weeks who become unemployed are also covered.

**Cash maternity benefits:** Sixteen weeks of contributions in the 39 weeks prior to the birth. Insured women with 8 weekly contributions in the last 22 weeks who become unemployed are also covered.

**Medical benefits:** At least 4 weeks of contributions, even if they are not consecutive; receiving a contributory or noncontributory old-age pension.

### **Sickness and Maternity Benefits**

**Sickness benefit:** 60% of average earnings in the last 8 weeks. The benefit is payable after a 3-day waiting period (waived if hospitalized) for up to 52 weeks.

**Maternity benefit:** 60% of average earnings in the last 8 weeks, payable according to eight wage classes. The benefit is payable for 4 weeks before and 8 weeks after the expected date of childbirth.

Nursing allowance: Forty-five pounds of milk during the first 6 months of the child's life.

### **Workers' Medical Benefits**

Medical services are provided directly to patients depending on available resources. There is no duration to limit.

### **Dependents' Medical Benefits**

Medical services are provided directly to patients depending on available resources. The wife of an insured man receives prenatal and postnatal care. Benefits are provided for children up to age 6. Old-age pensioners (contributory and noncontributory) receive medical care for 77 illnesses and 7 types of surgical treatment.

### **Administrative Organization**

Managed by technical and managing councils, the Nicaraguan Institute of Social Security 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.

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

### **Coverage**

All persons receiving remuneration for work or services rendered.

### **Source of Funds**

**Insured person:** None.

**Employer:** 1.5% of payroll (plus 1.5% of payroll for war victims' pensions).

**Government:** None, except as an employer.

The maximum earnings for contribution purposes are 35,000 cordobas.

### **Qualifying Conditions**

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

### **Sickness and Maternity Benefits**

60% of earnings in the last 8 weeks of contributions. The benefit is payable from the day after the onset of disability until medical care terminates or until the insured person is declared permanently disabled. (The employer pays the benefit for the first day of disability.)

### **Permanent Disability Benefits**

**Permanent disability pension:** 60% of earnings if the insured person has a wife and two or more children; 50% if there are no dependents.

**Partial disability:** A percentage of the full pension in proportion 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 care is provided to treat work injuries and occupational diseases.

### **Survivor Benefits**

**Survivor pension:** The minimum pension is 50% of the insured's average salary or base salary used to calculate the permanent disability pension. The pension is payable to a widow or a dependent disabled widower.

**Orphan's pension:** 25% of the insured's pension for each orphan under age 15 (age 21 if a student; no limit if disabled); 50% for a full orphan.

**Other dependent survivors (in the absence of the above):** 25% of the insured's pension each.

The maximum pension is 100% of the insured's pension.

**Funeral grant:** The cost of the funeral service.

### **Administrative Organization**

Managed by technical and managing councils, the Nicaraguan Institute of Social Security administers the contributory and noncontributory programs.

## **Family Allowances**

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### **Regulatory Framework**

**First and current law:** 1982.

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

### **Coverage**

All persons receiving remuneration for work or services rendered.

**Exclusions:** Seasonal agricultural workers and members of the armed forces.

Voluntary affiliation for the self-employed, workers who were previously covered by the program, clergy, employers, and unpaid family members working for family-owned companies.

### **Source of Funds**

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

**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**

**Family allowances (earnings-tested):** The child must be under age 15; age 21 if a student.

### **Family Allowance Benefits**

**Family allowances (earnings-tested):** Allowances vary according to earnings and the age of the child.

### **Administrative Organization**

Managed by technical and managing councils, the Nicaraguan Institute of Social Security administers the program.

## Panama

Exchange rate: U.S.\$1.00 equals 1 balboa.

### Old Age, Disability, and Survivors

#### Regulatory Framework

**First law:** 1941.

**Current laws:** 1954 and 1991.

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

#### Coverage

Employees and domestic workers.

Voluntary coverage for the self-employed.

All foreign workers are covered except for those working in Panama for less than 2 months under a foreign employment contract.

Public-sector employees are covered under the general system as well as a special system.

Exclusions: Agricultural workers employed for less than 3 months annually and family members working for a family business.

Occasional and seasonal workers are to be covered under subsequent regulation.

#### Source of Funds

**Insured person:** 6.75% of earnings.

**Employer:** 2.75% of payroll.

**Government:** A percentage of contributions (1.04% of payroll for the administration of old-age, disability, and survivor benefits; sickness and maternity benefits; and work injury benefits) and the proceeds of an earmarked tax on alcohol, plus no less than 20.5 million balboas a year.

#### Qualifying Conditions

**Old-age pension:** Age 62 (men) or age 57 (women) with 180 months of contributions. Retirement is necessary.

**Disability pension:** A loss of 2/3 of earning capacity, with 36 months of contributions including 18 months during the last 3 years; a total of 180 months of contributions.

**Disability grant:** The insured does not meet the qualifying conditions for a full pension but has at least 12 months of contributions, including 6 contributions in the year prior to the onset of disability.

**Survivor pension:** The insured met the qualifying conditions for the disability pension or was a pensioner at the time of death.

#### Old-Age Benefits

**Old-age pension:** 60% of average earnings during the best 7 years of earnings, plus 1.25% of earnings for every 12-month period of contributions in excess of 180 months.

**Deferred pension:** An additional 2% of earnings for every 12-month period of contributions after the retirement age.

**Dependents' supplements (at the normal retirement age):** Twenty balboas a month for a wife, 10 balboas for each child under age 18 (no limit if disabled); up to a maximum of 100 balboas.

The minimum monthly pension is 175 balboas.

The maximum monthly pension with 25 years of coverage and average earnings of 1,500 balboas a month is 1,500 balboas.

The pension plus dependents' supplements cannot exceed 100% of average earnings used for the pension calculation.

**Benefit adjustment:** Pensions are adjusted on an ad hoc basis depending on economic conditions.

#### Permanent Disability Benefits

**Disability pension:** 60% of average earnings during the best 7 years of earnings, plus 1.25% of earnings for every 12-month period of contributions in excess of 180 months. If total coverage is less than 7 years, the pension is based on 60% of average earnings during the period credited.

**Dependents' supplements:** Twenty balboas a month for a wife, 10 balboas for each child under age 18 (no limit if disabled); up to a maximum of 100 balboas.

The minimum monthly pension is 175 balboas.

**Disability grant:** A lump sum is paid equal to 1 month's pension for every 6-month period of contributions.

**Benefit adjustment:** Pensions are adjusted on an ad hoc basis depending on economic conditions.

#### Survivor Benefits

**Survivor pension:** 50% of the pension paid or accrued to the insured is paid to a widow age 57 or disabled or caring for a child. A limited pension is paid to other widows for 5 years only. The pension is also payable to a dependent disabled widower.

**Orphan's pension:** 20% of the insured's pension for each orphan under age 14 (age 18 if a student; no limit if disabled); 50% if a full orphan.

**Other dependents (in absence of above):** The insured's mother or aged or disabled father receives 30% of the insured's pension; eligible brothers and sisters receive 20% of the insured's pension until age 14.

The maximum survivor pension is 100% of the insured's pension.



**Funeral grant:** 300 balboas.

**Benefit adjustment:** Pensions are adjusted on an ad hoc basis depending on economic conditions.

### **Administrative Organization**

Ministry of Health is responsible for national health policy.

Managed by a board of directors with tripartite representation and a director general with an advisory board for technical advice, the Social Insurance Fund administers the program.

### **Sickness and Maternity**

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#### **Regulatory Framework**

**First law:** 1941.

**Current law:** 1954.

**Type of program:** Social insurance system. Cash and medical benefits.

#### **Coverage**

Employees in private and public employment and domestic workers.

Voluntary coverage for the self-employed.

Pensioners are covered for medical benefits.

**Exclusions:** Agricultural workers employed for less than 3 months annually and family members working for a family business.

Temporary workers and seasonal workers will be covered by subsequent regulations.

#### **Source of Funds**

**Insured person:** 0.5% of earnings. Pensioners contribute 6.75% of the pension.

**Employer:** 8% of payroll.

**Government:** A percentage of contributions (1.04% of payroll for the administration of old-age, disability, and survivor benefits; sickness and maternity benefits; and work injury benefits) and the proceeds of an earmarked tax on alcohol.

#### **Qualifying Conditions**

**Cash sickness benefits:** Six months of contributions during the last 9 months.

**Cash maternity benefits:** Nine months of contributions during the 24 months preceding the seventh month of pregnancy.

**Medical benefits:** Currently covered or a pensioner. In case of unemployment, coverage continues for 3 months after the end of employment (24 months for those with 180 months of contributions).

### **Sickness and Maternity Benefits**

**Sickness benefit:** 70% of average earnings during the previous 2 months. The benefit is payable after a 3-day waiting period for up to 52 weeks for one illness.

**Maternity benefit:** 100% of average earnings in the last 9 months, payable for up to 6 weeks before and 8 weeks after the expected date of childbirth.

### **Workers' Medical Benefits**

Benefits include general and specialist care, surgery, hospitalization, laboratory services, medicines, dental care, and maternity care.

Medical services are normally provided directly through the facilities of the Social Insurance Fund or are provided by the Ministry of Health, with the cost reimbursed. In special cases, including those in which the Fund or Ministry have no facilities, the cost of private care obtained in the country or abroad may be reimbursed in part or in full, with the authorization of the Fund.

There is no limit to duration if the medical service is necessary.

### **Dependents' Medical Benefits**

Benefits include general and specialist care, surgery, hospitalization, laboratory services, medicines, and dental care. Benefits are provided to the insured's wife and children under age 18 (age 25 if a student or disabled), a dependent mother, a disabled father, or parents over age 60.

### **Administrative Organization**

Ministry of Health is responsible for national health policy.

Managed by a board of directors with tripartite representation and a director general with an advisory board for technical advice, the Social Insurance Fund 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 law:** 1970.

**Type of program:** Employer-liability system, involving compulsory insurance with a public carrier.

#### **Coverage**

Employees in private and public employment.



## Source of Funds

**Insured person:** None.

**Employer:** Total cost met through the payment of insurance premiums. The cost of premiums varies with the assessed degree of risk. The average premium is 1.7% of payroll.

**Government:** None.

## Qualifying Conditions

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

## Permanent Disability Benefits

**Permanent disability pension:** 60% of earnings, if 100% disabled.

The minimum monthly pension is 175 balboas.

The maximum monthly pension is 1,000 balboas.

Partial disability: The pension is in proportion to the assessed degree of disability. The pension may be increased if the assessed degree of disability is greater than 35%; may be paid as a lump sum if the assessed degree of disability is 35% or less.

Benefit adjustment: Benefits are reviewed every 2 years.

## Workers' Medical Benefits

General and specialist care, surgery, medicines, hospitalization, and appliances.

## Survivor Benefits

**Survivor pension:** A widow or a disabled widower receives 25% of the insured's earnings for life; 30% if the survivor is the sole beneficiary or is disabled.

**Orphan's pension:** 15% of the insured's earnings for one orphan, 25% for two, 35% for three, and 40% for four or more orphans under age 18. Full orphans receive 15% each for two or more children under age 18.

**Other dependents (in order of priority):** The insured's mother may receive between 20% and 30% of the insured's earnings in the absence of a surviving wife or children. The pension is payable for 10 years. Brothers or sisters under age 18 (no limit if disabled) and other aged or disabled or older relatives up to great grandparents receive 10% each, up to a maximum of 30%. The pension is payable for 6 years.

The maximum total survivor pension is 75% of the insured's earnings. Pensions that take the total above the maximum are reduced proportionately.

**Funeral grant:** 300 balboas.

## Administrative Organization

Managed by a board of directors with tripartite representation and a director general with an advisory board for technical advice, the Social Insurance Fund administers the program.

Ministry of Health is responsible for national health policy.

## Unemployment

### Regulatory Framework

No statutory benefits are provided. (Under the 1972 Labor Code, workers are entitled to a severance payment at the end of the labor contract.)

## Paraguay

Exchange rate: U.S.\$1.00 equals 6,250 guarani.

### Old Age, Disability, and Survivors

#### Regulatory Framework

**First law:** 1943.

**Current laws:** 1950, 1973, and 1992.

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

#### Coverage

Employed persons.

Special systems for railroad employees, bank employees, elected parliamentary representatives, and public-sector employees.

#### Source of Funds

**Insured person:** 9% of earnings. Pensioners contribute 5% of pensions.

**Employer:** 14% of payroll.

**Government:** 1.5% of earnings.

The minimum earnings for contribution purposes are equal to the minimum wage.

All of the above contributions also finance sickness and maternity benefits and work injury benefits.

#### Qualifying Conditions

**Old-age pension:** Age 60 (men and women) with 25 years of contributions or age 55 (men and women) with 30 years of contributions.

**Disability pension:** The loss of 2/3 of earning capacity with 150 weeks of contributions and under age 55; between 150 weeks and 250 weeks of contributions if under age 60; between 250 weeks and 400 weeks of contributions if under age 65.

**Survivor benefit:** The insured was a pensioner at the time of death or had 750 weeks of contributions.

**Survivor grant:** The insured had less than 750 weeks of contributions.

**Funeral grant:** Paid to the person who pays for the funeral.

#### Old-Age Benefits

**Old-age pension:** 100% of average earnings during the last 3 years or 80% of average earnings during the last 3 years plus 4% for every year over age 55 up to age 59.

The maximum old-age pension is 300 times the daily minimum wage.

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

#### Permanent Disability Benefits

**Disability pension:** The benefit is equal to 50% of average earnings in the last 3 years, plus 1.5% of average earnings for every 50-week period of contributions beyond 150 weeks up to a maximum of 100%. The benefit calculation is based on the assessed degree of disability (from 70% to 100%) and the number of years of contributions (from 3 years to 20 years).

The maximum disability pension is 300 times the daily minimum wage.

#### Survivor Benefits

**Survivor pension:** 60% of the pension paid or payable to the insured. The pension is payable to a widow(er), unmarried children under age 18 (any age if disabled), dependent parents, and a partner if he or she cohabited with the insured for at least 2 years and had children (5 years if there were no children).

The pension is split in half between the spouse and children. A widow(er) or companion under age 40 receives a benefit equal to three times the insured's yearly pension; if the spouse or partner remarries or cohabits with another person, the benefit is equal to two times the insured's yearly pension.

The maximum survivor pension is 250 times the daily minimum wage.

**Survivor grant:** A lump sum equal to 1 month's minimum wage for every year of contributions.

**Funeral grant:** 75% of the daily minimum wage.

#### Administrative Organization

Managed by a tripartite council and a director general, the Social Insurance Institute administers the program.

#### Sickness and Maternity

##### Regulatory Framework

**First law:** 1943.

**Current laws:** 1950, 1965, 1973, and 1992.

**Type of program:** Social insurance system. Cash and medical benefits.

Note: This information is from 1999.

##### Coverage

Employed persons, including domestic servants, teachers in government and private schools, and university professors.

Voluntary coverage for the self-employed.

Pensioners are covered for medical benefits.

Special systems for railroad, banking, and public-sector employees.

## Source of Funds

**Insured person:** See source of funds under Old Age, Disability, and Survivors, above. (Pensioners contribute 5% of pensions. Teachers in public schools and university professors contribute 5.5% of earnings.)

**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 benefits:** Six weeks of contributions in the last 4 months.

**Cash maternity benefits:** Six weeks of contributions in the last 120 days. (Women cannot receive cash maternity benefits and cash sickness benefits at the same time.)

**Medical and maternity benefits:** Currently insured.

## Sickness and Maternity Benefits

**Sickness benefit:** 50% of average earnings during the last 4 months. The benefit is payable after a 2-day waiting period for up to 26 weeks; may be extended to 50 weeks in special cases. The benefit is reduced by half during periods of hospitalization if there are no dependents.

**Maternity benefit:** 50% of earnings, payable for 3 weeks before and 6 weeks after the expected date of childbirth.

**Milk vouchers:** Milk vouchers are provided for up to 8 months, if the mother is unable to nurse the child.

## Workers' Medical Benefits

Medical services are provided directly to patients through the facilities of the Social Insurance Institute. Benefits include general and specialist care, hospitalization, laboratory services, medicines, prosthetics, dental care (with 8 weeks of recent contributions), and maternity care. The duration of benefits is 26 weeks for any one illness; may be extended to 52 weeks in special cases.

## Dependents' Medical Benefits

Dependents include a wife, unmarried children under age 16, disabled children, and dependent parents over age 60. Medical services are provided directly to patients through the facilities of the Social Insurance Institute. Benefits include general and specialist care, hospitalization, laboratory services, medicines, prosthetics, dental care (with 8 weeks of recent contributions), and maternity care. The duration of benefits is 26 weeks for any one illness; may be extended to 52 weeks in special cases.

## Administrative Organization

Social Insurance Institute administers the program.

Social Insurance Institute operates its own clinics and hospitals.

## Work Injury

### Regulatory Framework

**First law:** 1927.

**Current laws:** 1950, 1973, and 1992.

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

### Coverage

Employed persons, including domestic servants and teachers in private schools.

Voluntary coverage is possible for the self-employed.

## Source of Funds

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

**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

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

### Temporary Disability Benefits

75% of average earnings during the last 4 months or the total contribution period if shorter. The benefit is payable after a 3-day waiting period for up to 50 weeks.

### Permanent Disability Benefits

**Permanent disability pension:** 60% of average earnings during the last 3 years, if totally disabled. If the assessed disability is caused by an occupational illness, the pension varies between 22% and 100% of average earnings during the last 3 years, depending on the length of the contributions period and the assessed degree of disability.

**Total disability supplement:** 20% of average earnings during the last 3 years, plus 0.5% for every year of coverage beyond 3 years.

**Partial disability:** If the assessed degree of disability is more than 30%, the pension is equal to 60% of wage loss, according to the schedule in law. If the value of the pension is less than 30% of the total disability pension, the pension is paid as a lump sum equal to 5 years' pension.

Partial disability supplement: The total disability supplement is reduced in proportion to the assessed degree of disability.

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

Benefits include general and specialist care, hospitalization, medicines, and appliances.

### ***Survivor Benefits***

**Survivor pension:** 40% of the insured's total disability pension, payable to a widow or a dependent disabled widower.

**Orphan's pension:** 20% of the insured's total disability pension for each child under age 16 (no limit if disabled).

**Other eligible survivors (in absence of the above):** 20% of the insured's pension for each dependent parent.

Survivor supplement: 75% of the insured's disability supplement is paid to eligible survivors.

The maximum survivor pension is 100% of the insured's pension.

**Funeral grant:** The grant varies according to locality.

### ***Administrative Organization***

Social Insurance Institute administers contributions and benefits.

### ***Family Allowances***

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#### ***Regulatory Framework***

No statutory benefits are provided. (The 1993 labor code requires employers to provide specified maternity benefits and family allowance benefits.)

Note: This information is from 1999.

## Peru

Exchange rate: U.S.\$1.00 equals  
3.49 nuevos soles.

### Old Age, Disability, and Survivors

#### Regulatory Framework

**First laws:** 1936 (wage earners) and 1962 (salaried employees).

**Current laws:** 1973 (unified social security retirement), 1991 (private pensions), and 1995 (private pensions).

**Type of program:** Dual social insurance and private insurance system.

Note: When public- and private-sector employees enter the workforce, they may choose between the private insurance system (SPP) and the public social insurance system (SNP). SNP members may switch to the SPP but may not switch back.

#### Coverage

**Social insurance (SNP):** Wage earners and salaried employees in private and public sectors, employees of worker-owned and cooperative enterprises, teachers, self-employed drivers, artists, domestic workers, wage earners and the self-employed in the agricultural sector.

Special systems for fishermen, stevedores, and employees not covered under the SNP.

Voluntary coverage for the self-employed, for those who are economically active but no longer in covered employment (a minimum of 18 months' previous coverage is required), and housewives.

**Private insurance (SPP):** Employed persons.

Voluntary coverage for the self-employed.

#### Source of Funds

##### Social insurance (SNP)

*Insured person:* 13% of earnings.

*Employer:* None.

*Government:* None; the government finances the minimum pension as well as special subsidies needed to finance the program.

The minimum earnings for contribution purposes are equal to the legal minimum wage; for domestic workers, 33.3% of the legal minimum wage.

There are no maximum earnings for contribution purposes.

##### Private insurance (SPP)

*Insured person:* 8% of earnings for old-age benefits, plus an additional amount for disability and survivor insurance and administrative fees.

*Employer:* None.

*Government:* The government finances the guaranteed minimum pension.

#### Qualifying Conditions

##### Social insurance (SNP)

*Old-age pension:* Men born up to December 18, 1932, and women born up to December 18, 1937, with 15 years and 13 years of contributions, respectively. Men and women born after these respective dates with 20 years of contributions and aged 65.

*Disability pension:* A loss of 2/3 of earning capacity and employed at the onset of disability; has 36 months of contributions with 18 months in last 36 months, 12 months of contributions in the last 36 months with 3 to 15 years of contributions, or 15 or more years of contributions.

*Survivor pension:* The insured was a pensioner or met the qualifying conditions for a pension at the time of death.

##### Private insurance (SPP)

*Old-age pension:* Age 65; a pension is payable at any age if the individual account has accumulated assets that will replace at least 50% of average indexed earnings in the last 10 years and provide at least 110% of the minimum benefit at the date of the payment.

*Disability pension:* A loss of 2/3 of earning capacity.

*Survivor pension:* The insured was a pensioner or met the qualifying conditions for a pension at the time of death.

#### Old-Age Benefits

##### Social insurance (SNP)

*Old-age pension:* 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 every additional year of contributions beyond 15 and 13, respectively. The reference salary is equal to average earnings in the last 12 months.

Reduced pension: 1/30 (men) or 1/25 (women) of the reference salary for between 5 and 14 years of contributions (men) or 5 and 12 years of contributions (women).

Men born after December 18, 1932 and women after December 18, 1937, receive 50% of the reference salary, plus 4% for every additional year of contributions beyond 20. The reference salary for between 20 and 25 years of contributions is the average earnings of the last 5 years; for between 25 and 30 years of contributions, average earnings in the last 4 years; for more than 30 years of contributions, average earnings in the last 3 years.

*Dependents' supplements:* All social insurance pensioners are entitled to an increment of between 2% and 10% for a spouse and 2% and 5% for each child.

The minimum pension with up to 5 years of contributions is 145 nuevos soles; with 6 to 9 years of contributions,



173 nuevos soles; with 10 to 19 years, 200 nuevos soles; and with more than 20 years, 250 nuevos soles.

The maximum pension is 100% of the reference salary but not more than 600 nuevos soles.

Constant-attendance supplement: An amount equal to the minimum wage.

Benefit adjustment: Pensions are adjusted according to cost-of-living changes in Lima.

#### **Private insurance (SPP)**

*Old-age pension:* The value of retirement savings varies according to the insured's contributions to an individual account plus accrued earnings, minus administrative fees.

Retirement savings can be used to make programmed withdrawals from the individual's account or to purchase a personal annuity, a joint survivor life annuity, or a deferred annuity accompanied by temporary periodic withdrawals.

Guaranteed minimum pension: For insured persons born no later than 1945 who satisfy the minimum requirements for contributions.

### **Permanent Disability Benefits**

#### **Social insurance (SNP)**

*Disability pension:* 50% of the reference salary, plus 1.5% for each year of contributions over 3 years. For a contribution period of between 1 and 3 years, 1/6 of average earnings for each year of contributions.

Reference salary: The reference salary is equal to 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 minimum pension is three times the minimum wage.

The maximum pension is 80% of total earnings.

Dependents' supplements: 2% to 10% of earnings for a spouse and 2% to 5% for each child. The amount is reduced if concurrent earnings and pension income exceed the insured's former average earnings.

Constant-attendance supplement: An amount equal to the minimum wage.

Benefit adjustment: Pensions adjusted according to cost-of-living changes in Lima.

#### **Private insurance (SPP)**

*Disability pension:* In addition to the accumulated assets of the individual account, the private pension fund administrator purchases a group insurance product on behalf of the fund member. The pension is calculated on the basis of the insured's average monthly salary and is proportional to the assessed degree of disability.

### **Survivor Benefits**

#### **Social insurance (SNP)**

*Survivor pension:* 50% of the pension paid or accrued to the insured is payable to a widow or a disabled widower.

The minimum pension is three times the minimum wage.

*Orphan's pension:* 20% of the pension is payable to the widow for each orphan (40% is payable to each full orphan) under age 18 (age 21 if a student, no limit if disabled).

The minimum orphan's pension is 1.5 times the minimum wage.

*Other eligible survivors (in the absence of the above):* Dependent parents receive 20% each.

The maximum survivor pension is 100% of the insured's pension.

Funeral grant: Up to five times the minimum wage.

Constant-attendance supplement: An amount equal to the minimum wage, if disabled.

Benefit adjustment: Pensions are adjusted according to cost-of-living changes in Lima.

#### **Private insurance (SPP)**

*Survivor pension:* In addition to the accumulated assets of the individual account, the private pension fund administrator purchases a group insurance product on behalf of the fund member. The pension for a spouse, orphans, and dependent parents is calculated on the basis of the insured's average monthly salary, according to the schedule in law. The group insurance also covers the cost of funeral grants.

### **Administrative Organization**

#### **Social insurance (SNP)**

Comptroller General of the Republic provides general supervision.

Office of Social Security Normalization administers the program.

#### **Private insurance (SPP)**

Superintendent of Banks and Insurance is responsible for the licensing and supervision of pension fund administrators and insurance companies.

Investment Classification Commission assesses investment risks.

### **Sickness and Maternity**

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#### **Regulatory Framework**

**First laws:** 1936 (wage earners) and 1948 (salaried employees).

**Current laws:** 1979 (social insurance), 1991 (private pensions), 1997 (modernizing health), and 1999 (social security health insurance, or EsSALUD).

**Type of program:** Social insurance and private insurance system. Cash and medical benefits.

## Coverage

### EsSALUD (Social Security Health Insurance)

Employed persons in the public and private sectors, employees of worker-owned and cooperative enterprises, professional artists, self-employed drivers, domestic workers, pensioners, self-employed persons and other persons who do not meet the requirements for regular affiliation, employed and self-employed persons in agriculture, spouses or partners of insured persons, and children.

**Exclusions:** Employees whose employers provide health services directly.

Special systems for fishermen, stevedores, and employees not covered under the national system.

### EPS (Private health care provider)

All persons opting out of EsSALUD and their dependents.

## Source of Funds

**Insured person:** None; pensioners contribute 4% of their pension.

**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 the contribution.)

**Government:** None.

## Qualifying Conditions

**Sickness cash benefits:** Three months' consecutive contributions or 4 months of contributions in the 6 months preceding the onset of illness.

**Maternity care and cash benefits:** Covered when the child was conceived.

## Sickness and Maternity Benefits

**Sickness benefit:** 100% of average daily earnings in the last 4 calendar months, payable after a 20-day waiting period for up to 11 months and 10 days. The employer pays the full salary during the waiting period.

**Maternity benefit:** 100% of earnings, up to a maximum. The benefit is payable for 45 days before and 45 days after the expected date of childbirth.

**Nursing allowance:** Twice the minimum wage (820 nuevos soles from 8 to 14 months of age).

**Funeral grant:** 2,070 nuevos soles.

## Workers' Medical Benefits

Benefits include general, specialist, maternity, and dental care; hospitalization; laboratory services; appliances; medicines; 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. In order 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 a maximum of 10% of income or 240 nuevos soles, whichever is lower. The insured may purchase additional coverage.

## Dependents' Medical Benefits

The spouse or partner of the insured receives the same benefits for sickness and maternity as the insured. Children under age 18 (no limit if disabled) receive medical care.

## Administrative Organization

Comptroller General of the Republic provides general supervision.

Social Security Health Insurance (EsSALUD) administers the program.

Private health care providers (EPS) under contract provide complementary and private medical care.

## Work Injury

### Regulatory Framework

**First laws:** 1911 (work injury) and 1935 (occupational diseases).

**Current law:** 1997.

**Type of program:** Social insurance system. Cash and medical benefits.

## Coverage

Employed persons in the public and private sectors, including fishermen, domestic workers, and journalists working for one employer, and employees of worker-owned and cooperative enterprises.

## Source of Funds

**Insured person:** None.

**Employer:** 1.0% to 12.2% of payroll, according to the assessed degree of risk and the accident rate.

**Government:** Contributes as an employer.

Maximum earnings for benefit purposes are equal to six times the local minimum wage.

## **Qualifying Conditions**

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

## **Temporary Disability Benefits**

100% of wages, payable after a 20-day waiting period for up to 11 months and 10 days or 340 days. The employer pays the full salary during the waiting period.

The maximum duration of benefit is 18 months in a 36-month period.

## **Permanent Disability Benefits**

**Permanent disability pension:** 80% of average wages (100% in cases requiring constant attendance) if totally disabled (an assessed degree of disability of more than 65%).

Partial disability: The pension is proportionately reduced for an assessed degree of disability of between 40% and 65%. A lump sum of 2 years' pension is paid if the assessed degree of disability is less than 40%.

## **Workers' Medical Benefits**

Benefits include necessary medical, surgical, and hospital care and appliances, until full recovery or certification of permanent disability.

## **Survivor Benefits**

**Survivor pension:** 50% of the insured's total disability pension, payable to a widow or a disabled widower.

**Orphan's pension:** 25% of the insured's pension for each orphan under age 18 (age 23 if a student).

**Other eligible survivors (in the absence of the above):** 25% of the insured's pension for each parent.

The maximum survivor pension is 100% of the insured's pension.

Funeral grant: 2,070 nuevos soles.

## **Administrative Organization**

Comptroller General of the Republic provides general supervision.

Office of Social Security Normalization (ONP) administers the program.

## **Unemployment**

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### **Regulatory Framework**

No statutory benefits are provided. (Under the Labor Code, private-sector employees are entitled to a severance payment at the end of the labor contract.)

## Saint Kitts and Nevis

Exchange rate: U.S.\$1.00 equals  
2.70 East Caribbean dollars (E.C.\$).

### Old Age, Disability, and Survivors

#### Regulatory Framework

**First law:** 1968 (provident fund).

**Current laws:** 1977 (social security), implemented in 1978 with 1996 and 2002 amendments; and 1998 (social development assistance).

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

#### Coverage

**Social insurance:** Employed and self-employed persons, including public-sector employees and apprentices, aged 16 to 62.

Voluntary coverage for those who cease to be compulsorily covered and who have at least 2 years of contributions.

Exclusions: Unpaid family labor.

**Social assistance:** Resident elderly or disabled persons.

#### Source of Funds

##### Social insurance

**Insured person:** 5% of wages; the self-employed contribute 10% of earnings according to earnings categories ranging from E.C.\$200 to E.C.\$1,350 a week.

**Employer:** 5% of payroll.

**Government:** None, except as an employer.

The maximum monthly earnings for contribution and benefit purposes are E.C.\$6,500.

All of the above contributions also finance cash benefits for sickness and maternity.

##### Social assistance

**Insured person:** None.

**Employer:** None.

**Government:** Total cost.

#### Qualifying Conditions

**Old-age pension:** Age 62 with a total of 500 weeks of paid or credited contributions, including 150 weeks of paid contributions.

**Old-age grant:** Age 62 and does not qualify for an old-age pension.

**Old-age social assistance (means-tested):** Aged 62 or older, not in gainful employment, and in need of financial assistance.

**Disability pension:** Less than age 62 with 150 weeks of paid contributions.

**Disability social assistance (means-tested):** Less than age 62 and assessed as disabled.

**Survivor pension:** 150 weeks of paid contributions.

**Survivor grant:** The insured person did not qualify for a pension.

#### Old-Age Benefits

**Old-age pension:** 30% of the average annual wage (best 3 out of the last 15 contribution years), plus 2% for every 50-week period of paid or credited contributions over 500, up to a maximum of 750 contributions, and 1% for every 50 contributions in excess of 750. The weekly pension is determined by dividing this sum by 52.

The minimum pension is E.C.\$250 a month.

The maximum pension is 60% of wages or E.C.\$3,900 a month, whichever is less.

**Old-age grant:** Six times the average weekly wage for every 50 paid or credited contributions, up to a maximum of 499 contributions.

Insured persons are entitled to a refund of contributions if they have made less than 50.

**Old-age social assistance (means-tested):** E.C.\$100 every 2 weeks.

#### Permanent Disability Benefits

**Disability pension:** 30% of the average annual wage (best 3 out of the last 15 contribution years), plus 2% for every 50-week period of paid or credited contributions over 500, up to a maximum of 750 contributions, and 1% for every 50 contributions in excess of 750. The weekly pension is determined by dividing this sum by 52.

The pension is payable for as long as the disability continues after the exhaustion of 26 weeks of sickness benefit, or once the disability condition has lasted for at least 26 weeks.

The minimum pension is E.C.\$250 a month.

The maximum pension is 60% of wages or E.C.\$3,900 a month, whichever is less.

**Disability social assistance (means-tested):** E.C.\$100 every 2 weeks.

#### Survivor Benefits

**Survivor pension:** For a widow(er) aged 45 or older who was married to the insured person for at least 3 years; 50% of the insured's pension or 30% of the insured's average earnings in the 3 best years of contributions, whichever is higher. The pension is payable for life or until remarriage.

A limited pension is payable for 1 year if the widow(er) is under age 45 or was married to the insured person for less than 3 years.

**Orphan's pension:** Up to 1/6 of the insured's pension if unmarried, under age 16 (age 18 and in full-time education) and previously living with or supported by the deceased insured parent. If the orphan is disabled, the pension is 1/3 of the family maximum (no age limit).

The minimum survivor pension is E.C.\$720 a year.

The family maximum survivor pension is 100% of insured's pension.

**Survivor grant:** Six times the average weekly wage for every 50-week period of paid or credited contributions.

The contributions are refunded if less than 50 were made.

**Funeral grant:** E.C.\$2,500 for the insured person or his or her spouse. Up to E.C.\$1,600 for a dependent child, with the maximum payable for a child aged 10 or older or aged 16 to 25 and a full-time student. The payment is made to the person who pays for the funeral.

### **Administrative Organization**

**Social insurance:** Deputy Prime Minister and Minister of International Trade, Labor, Social Security, CARICOM Affairs, and Telecommunications and Technology provide general supervision.

Social Security Board 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, implemented in 1996, with amendments.

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

#### **Coverage**

Employed and self-employed persons aged 16 to 62.

#### **Source of Funds**

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

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

**Government:** None, except as an employer.

### **Qualifying Conditions**

**Cash sickness benefits:** Under age 62 and employed the day before the onset of illness with 26 weeks of paid contributions, including 8 in the 13 weeks prior to the onset of illness.

**Cash maternity benefit:** 39 weeks of contributions, including 20 weeks immediately preceding eligibility.

**Maternity grant:** Paid to an insured person or the wife of an insured person, with a minimum of 39 weeks of contributions including 20 weeks of contributions in the 39 weeks before the expected date of childbirth.

**Funeral grant:** A minimum of 26 weeks of contributions.

### **Sickness and Maternity Benefits**

**Sickness benefit:** 65% of the average weekly wage divided by 6 (daily rate) is payable from the first day if the illness lasts for 4 or more days. The benefit is payable for up to 26 weeks.

**Maternity benefit:** 65% of the average weekly wage divided by 6 (daily rate) is payable for 13 weeks, beginning up to 6 weeks before the expected date of childbirth.

**Maternity grant:** E.C.\$450 for every childbirth.

**Funeral grant:** E.C.\$2,500.

### **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**

Deputy Prime Minister and Minister of International Trade, Labor, Social Security, CARICOM Affairs, and Telecommunications and Technology provide general supervision.

Social Security Board administers the program.

### **Work Injury**

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#### **Regulatory Framework**

**First law:** 1955.

**Current law:** 1985, implemented in 1986.

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



## **Coverage**

Employed persons regardless of age.

Exclusions: Unpaid family labor and self-employed persons.

## **Source of Funds**

**Insured person:** None.

**Employer:** 1% of payroll.

**Government:** None, except as an employer.

The maximum monthly earnings for contribution and benefit purposes are E.C.\$6,500.

## **Qualifying Conditions**

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

## **Temporary Disability Benefits**

75% of average weekly covered wages is payable from the first day if the disability lasts for 4 or more days. The benefit is payable for up to 26 weeks.

## **Permanent Disability Benefits**

75% of average weekly wages.

Partial disability: The pension is in proportion to the assessed degree of disability. A lump sum is provided if the assessed degree of disability is less than 20%.

Constant-attendance supplement: The supplement should meet the reasonable cost of providing care.

## **Workers' Medical Benefits**

Benefits include the reimbursement of reasonable expenses for medical, surgical, dental, hospital, and nursing care; medicines; appliances; and transportation.

## **Survivor Benefits**

**Survivor pension:** 50% of the permanent total disability pension, payable to a widow(er).

**Orphan's pension:** Up to 1/6 of the permanent total disability pension for a child under age 16; 1/3 to a full orphan under age 16.

The maximum survivor pension is 100% of the permanent total disability benefit.

Funeral grant: E.C.\$4,000.

## **Administrative Organization**

Deputy Prime Minister and Minister of International Trade, Labor, Social Security, CARICOM Affairs, and Telecommunications and Technology provide general supervision.

Social Security Board administers the program.

## Saint Lucia

Exchange rate: U.S.\$1.00 equals  
2.70 East Caribbean dollars (E.C.\$).

### Old Age, Disability, and Survivors

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#### Regulatory Framework

**First law:** 1970 (provident fund).

**Current laws:** 2000 (national insurance corporation) and 2003 (national insurance).

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

#### Coverage

Employees and apprentices aged 16 to 65.

Exclusion: Civil servants were excluded until January 31, 2003.

#### Source of Funds

**Insured person:** 5% of earnings.

**Employer:** 5% of payroll.

**Government:** 5% of payroll for contributing civil servants.

The maximum annual earnings for contribution purposes are E.C.\$60,000.

All of the above contributions also finance sickness, benefits, maternity benefits, and work injury benefits.

#### Qualifying Conditions

**Old-age pension:** Age 61 with 10 years of contributions. Retirement from gainful employment is necessary.

**Old-age settlement:** Age 61 and does not meet the qualifying conditions for the old-age pension.

**Disability pension:** Under age 61 with at least of 5 years of contributions.

**Disability settlement:** Disabled with less than 5 years of contributions.

**Survivor pension:** The insured met the qualifying conditions for a pension or was a pensioner at the time of death. The pension is paid to a widow(er) who is age 61 or older or caring for a dependent child. A limited pension is paid for 1 year to a widow(er) who is under age 61 and has no dependent children.

**Survivor settlement:** Paid to the widow(er) of an insured person who did not meet the qualifying conditions for a pension.

#### Old-Age Benefits

**Old-age pensions:** 40% of average covered earnings in the best 5 of the last 10 years, plus 0.1% of average covered earnings for each month of contributions over 144 months.

**Old-age settlement:** A lump-sum refund of 50% of contributions without interest. (For those covered previously by the provident fund, 100% of contributions plus accrued interest.)

#### Permanent Disability Benefits

**Disability pension:** The pension is in proportion to the assessed degree of disability.

The minimum pension for an assessed degree of disability of at least 30% is 65% of the insured's average insurable earnings in the month of the accident.

**Disability settlement:** A lump-sum benefit.

#### Survivor Benefits

**Survivor pension:** In the absence of any other survivors, 75% of the insured's old-age pension or disability pension is payable to a widow(er). If there are other survivors or dependents, the rate of the survivor pension is reduced by 50%.

**Orphan's pension:** In the absence of any other survivors, 50% of the insured's pension (50% of each insured parent's pension if a full orphan) is payable to a dependent child under age 16 (age 18 if a full-time student). If there are other survivors or dependents, the rate of the orphan's pension is reduced by 50%.

The maximum benefit is 100% of the insured's pension.

**Survivor settlement:** A lump-sum benefit.

**Funeral grant:** Expenses up to a maximum of E.C.\$1,750.

#### Administrative Organization

Minister of Finance provides general supervision.

National Insurance Board 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

Employees and apprentices aged 16 to 65.

Exclusion: Civil servants were excluded until January 31, 2003.

## Source of Funds

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

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

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

The maximum annual earnings for contribution purposes are E.C.\$60,000.

## Qualifying Conditions

**Cash sickness benefits:** Employed on the day before the onset of illness, 6 months of contributions including 2 of the 4 months immediately before the onset of illness.

**Cash maternity benefits:** Seven months of contributions in the 10 months immediately before the date of the claim.

**Maternity grant:** Payable to women receiving cash maternity benefits and to women whose husbands have at least 7 months of contributions.

## Sickness and Maternity Benefits

**Sickness benefit:** 65% of the insured's average salary in the last 2 months. The benefit is payable after a 3-day waiting period for up to 26 weeks.

**Maternity benefit:** 65% of the insured's average salary in the last 7 months. The benefit is payable for 3 months, beginning 1 month before the expected month of childbirth.

**Maternity grant:** A lump sum of E.C.\$600.

## Workers' Medical Benefits

No statutory benefits are provided. (Enabling legislation exists, but specific benefits are yet to be prescribed.)

## Administrative Organization

Minister of Finance provides general supervision.

National Insurance Board 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

Employees and apprentices aged 16 to 65.

Exclusion: Civil servants were excluded until January 31, 2003.

## Source of Funds

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

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

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

The maximum annual earnings for contribution purposes are E.C.\$60,000.

## Qualifying Conditions

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

## Temporary Disability Benefits

65% of wages. The benefit is payable from the day of injury until full recovery, for up to 52 weeks.

## Permanent Disability Benefits

65% of covered earnings for an assessed degree of disability of 100%; the pension is reduced in proportion to an assessed degree of disability of less than 100%.

## Workers' Medical Benefits

All medical expenses, including specialist care abroad if necessary, up to a maximum of E.C.\$20,000.

## Survivor Benefits

**Survivor benefit:** A benefit is paid to parents and grandparents who were fully or largely dependent on the insured.

**Funeral grant:** Expenses up to a maximum of E.C.\$1,750.

## Administrative Organization

Minister of Finance provides general supervision.

National Insurance Board administers the program.

## Saint Vincent and the Grenadines

Exchange rate: U.S.\$1.00 equals  
2.70 East Caribbean dollars (E.C.\$).

### Old Age, Disability, and Survivors

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#### Regulatory Framework

**First law:** 1970 (provident fund).

**Current law:** 1986 (social insurance).

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

#### Coverage

Employed persons aged 16 to 59 and the self-employed.

#### Source of Funds

**Insured person:** 2.5% of earnings.

**Employer:** 3.5% of payroll.

**Government:** None.

The maximum monthly earnings for contribution purposes are E.C.\$3,770.

All of the above contributions also finance sickness and maternity benefits and work injury benefits.

#### Qualifying Conditions

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

**Old-age grant:** Age 60 with 50 weeks of contributions.

**Disability pension:** Under age 60 and disabled with 150 weeks of contributions.

**Survivor pension:** 150 weeks of contributions.

**Survivor grant:** The insured did not meet the qualifying conditions for a pension.

**Funeral grants:** The insured was eligible for a pension.

#### Old-Age Benefits

**Old-age pension:** 30% of average annual earnings. The pension is increased if the insured has over 500 weeks of contributions.

**Provisional or reduced pension:** A pension may be paid with 150 weeks of contributions; the benefit increases with 25 additional weekly contributions a year.

The minimum benefit is E.C.\$55 a week.

The maximum benefit is 60% of average annual earnings.

**Old-age grant:** Six times the average weekly wage for each 50-week period of contributions.

#### Permanent Disability Benefits

30% of average earnings with between 150 and 500 contributions; the pension is increased if the insured has over 500 contributions.

The minimum benefit is E.C.\$55 a week.

The maximum benefit is 60% of average annual earnings.

#### Survivor Benefits

**Survivor pension:** 75% of the insured's pension, payable to a surviving spouse aged 50 or older or disabled or caring for a child who is eligible for survivor benefits. The pension is payable for 1 year to a pregnant widow under age 50 with no dependent children; the benefit continues if the child is born and is eligible for benefits.

**Orphan's pension:** 25% of the insured's pension for each dependent child under age 16 (age 18 if a student); 50% for a full orphan.

**Other eligible survivors (in the absence of the above):** Dependent parents may be eligible.

**Survivor grant:** A benefit is provided.

**Funeral grant:** E.C.\$2,000 is payable to the person who paid for the funeral.

#### Administrative Organization

National Insurance Board administers the program.

### Sickness and Maternity

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#### Regulatory Framework

**First and current law:** 1986.

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

#### Coverage

Employed persons aged 16 to 60.

#### Source of Funds

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

**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 benefits:** Currently employed with 26 weeks of contributions, including 8 weeks in the last 13 weeks before onset of illness.

**Cash maternity benefits:** Thirty weeks of contributions, including 20 weeks during the 30-week period immediately preceding the claim.

**Maternity grant:** The woman or her husband meets the qualifying conditions for cash sickness benefit.

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

**Sickness benefit:** 65% of average earnings during the 13 weeks before the onset of illness. The benefit is payable for up to 26 weeks.

**Maternity benefit:** 65% of average earnings during the 30 weeks before the start of benefit. The benefit is payable for up to 13 weeks (including the week of childbirth, plus 6 weeks before and 6 weeks after).

**Maternity grant:** E.C.\$500.

### ***Administrative Organization***

National Insurance Board administers the program.

### ***Work Injury***

#### ***Regulatory Framework***

**First law:** 1939.

**Current law:** 1997.

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

#### ***Coverage***

Employed persons.

Exclusion: Self-employed persons.

#### ***Source of Funds***

**Insured person:** None.

**Employer:** 0.05% of payroll.

**Government:** 0.05% of payroll as an employer.

#### ***Qualifying Conditions***

**Work injury benefits:** The insured must be employed. Employees older and younger than the usual insurable ages are eligible. The benefit is paid for an occupational injury only.

#### ***Temporary Disability Benefits***

70% of average weekly insurable earnings for a period of 26 weeks in the first instance; thereafter, for 52 weeks.

#### ***Permanent Disability Benefits***

70% of average weekly insurable earnings for the duration of the disability. The assessed degree of disability must exceed

30%, and the insured must have exhausted entitlement to the temporary disability benefit.

Constant-attendance allowance: 150% of the disability pension for as long as constant attendance is required. Must be an outpatient receiving a permanent disability pension (100% disability) and in need of the constant attendance of another.

Disability grant: If the assessed degree of disability is less than 30%, a lump sum is paid equal to 365 times average weekly insurable earnings. The insured must have exhausted entitlement to a temporary disability benefit.

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

Benefits include medical, surgical, and hospital treatment; medicines; appliances; and transportation.

### ***Survivor Benefits***

**Survivor benefit:** The insured's death resulted from a work injury or an occupational disease. A widow(er), unmarried children, and any other person who was fully dependent on the insured may qualify. Insured workers have the prior option of naming the beneficiary.

**Widow(er) pension:** 35% of average weekly insurable earnings. The pension is paid to the widow(er) until death or remarriage.

**Orphan's pension:** 11.6% of average weekly insurable earnings (23% if disabled) to children up to age 16 (age 18 if a full-time student).

**Other dependents:** 11.6% of average weekly insurable earnings for 1 year.

**Funeral grant:** If the insured died as the result of a work injury or an occupational disease, E.C.\$3,600 is payable to the person who paid for the funeral.

### ***Administrative Organization***

National Insurance Board administers the program.



## Trinidad and Tobago

Exchange rate: U.S.\$1.00 equals  
6.05 Trinidad and Tobago dollars (TT\$).

### Old Age, Disability, and Survivors

#### Regulatory Framework

**First and current laws:** 1939 (social assistance) and 1971 (social insurance), implemented in 1999, with 1999 amendment.

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

Note: This information is from 1999.

#### Coverage

**Social insurance:** Employed persons aged 16 to 64, including agricultural and domestic workers, apprentices, and public-sector employees.

Voluntary insurance for old-age and survivor pensions.

Exclusion: The self-employed.

**Social assistance (means-tested):** Residents aged 65 or older; aged 40 or older if blind and needy.

#### Source of Funds

##### Social insurance

**Insured person:** 2.8% of earnings according to 12 wage classes. The voluntarily insured contribute 7.1% of earnings.

**Employer:** 5.6% of payroll, according to 12 wage classes.

**Government:** None.

The maximum weekly earnings for contribution purposes are TT\$810.

All of the above contributions also finance sickness and maternity and work injury benefits.

##### Social assistance

**Insured person:** None.

**Employer:** None.

**Government:** Total cost.

#### Qualifying Conditions

**Old-age pension (social insurance):** From age 60 with 750 weeks of contributions paid or credited (in 1972, workers were credited with 25 weeks of coverage for each year of age over 35; up to a maximum 600 weeks). An increment is paid for every 25-week period of contributions in excess of 750, excluding the age credits.

**Old-age settlement (social insurance):** The insured does not meet the qualifying conditions for a pension.

Retirement is compulsory at age 65.

**Disability pension (social insurance):** Ten weeks of contributions in the 13 weeks before the onset of disability, payable after receiving 26 weeks of sickness benefit.

**Disability settlement (social insurance):** The insured does not meet the qualifying conditions for a pension.

**Survivor pension (social insurance):** The insured had at least 50 contributions or was a pensioner at the time of death.

**Means-tested pension (social assistance):** Aged 65 or older with 20 years' residence and annual income below TT\$5,000; certified as blind and aged 40 or older. The social assistance pension is not payable abroad.

#### Old-Age Benefits

**Old-age pension (social insurance):** 30% to 48% of average weekly earnings (TT\$50 to TT\$243 a week), according to 12 wage classes, plus 0.4% of average weekly earnings for each 25-week period of contributions over 750 weeks.

**Old-age settlement (social insurance):** A lump sum equal to three times the total employer/employee contributions.

The minimum settlement is TT\$200.

**Means-tested pension (social assistance):** TT\$620 a month.

#### Permanent Disability Benefits

**Disability pension (social insurance):** 30% to 48% of average weekly earnings (TT\$50 to TT\$243 a week), according to 12 wage classes, plus 0.4% of average weekly earnings for each 25-week period of contributions over 750 weeks.

**Disability settlement (social insurance):** A lump sum equal to three times the total employer/employee contributions.

The minimum grant is TT\$200.

**Means-tested pension (social assistance):** TT\$620 a month.

#### Survivor Benefits

**Survivor pension (social insurance):** 60% of the insured's pension, payable to a widow aged 55 or older or disabled or caring for a child under age 16 (age 19 if a full-time student, no limit if disabled). The pension is payable for life if the widow reaches age 50 before the child reaches the statutory age limit. A limited pension is payable for 1 year to a widow who does not meet the qualifying conditions. A pension is also payable to a disabled widower.

**Orphan's pension (social insurance):** 30% of the insured's pension (60% if a full orphan) until age 16 (age 19 if a full-time student).

**Dependent parents (social insurance):** 30% of the insured's pension.

The maximum survivor pension is 100% of the insured's pension.

**Funeral grant (social insurance):** TT\$2,000.

## Administrative Organization

Ministry of Finance provides general supervision of the national insurance system.

National Insurance Board administers the national insurance system.

National Insurance Board is a tripartite body comprising government, labor, and employer representatives.

Ministry of Social Development provides general supervision of social assistance and means-tested old-age pensions.

## Sickness and Maternity

### Regulatory Framework

**First and current laws:** 1939 (social assistance) and 1971 (social insurance), with 1999 amendment.

**Type of program:** Dual social insurance and social assistance system. Cash and medical benefits.

### Coverage

**Social insurance:** Employed persons aged 16 to 64, including agricultural and domestic workers, apprentices, and public-sector employees.

**Exclusions:** Voluntary contributors and self-employed persons.

**Social assistance:** Means-tested assistance is available to indigent persons.

### Source of Funds

#### Social insurance

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

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

**Government:** None.

#### Social assistance

**Insured person:** None.

**Employer:** None.

**Government:** Total cost.

### Qualifying Conditions

**Cash sickness benefits:** Ten weeks of contributions in the 13 weeks before the onset of illness.

**Cash maternity benefits:** Ten weeks of contributions in the 13 weeks preceding the 6 weeks before the expected date of childbirth or receiving sickness benefits during the 13 weeks preceding the 6 weeks before the expected date of childbirth.

**Maternity grant:** Paid if the pregnancy lasts at least 28 weeks.

## Sickness and Maternity Benefits

### Social insurance

**Sickness benefit:** 60% of average earnings according to 12 wage classes (TT\$63 to TT\$486 a week). The benefit is payable after a 4-day waiting period for up to 52 weeks.

**Maternity benefit:** 60% of average earnings according to 12 wage classes, payable for a maximum of 13 weeks (TT\$63 to TT\$486 a week).

**Maternity grant:** A lump sum of TT\$1,000.

**Social assistance:** Means-tested assistance is available to indigent persons.

### Workers' Medical Benefits

Medical care is available to recipients of means-tested social assistance in public hospitals and in health offices and centers.

### Dependents' Medical Benefits

Medical care is available to recipients of means-tested social assistance in public hospitals and in health offices and centers.

## Administrative Organization

Ministry of Finance provides general supervision of the national insurance system.

National Insurance Board administers national insurance system.

National Insurance Board is a tripartite body comprising government, labor, and employer representatives.

Ministry of Social Development provides general supervision of the national insurance system and administers means-tested social assistance.

## Work Injury

### Regulatory Framework

**First and current law:** 1976 (social insurance), with 1999 amendment.

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

### Coverage

Employed persons aged 16 to 64, including agricultural and domestic workers, apprentices, and public-sector employees.

### Source of Funds

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

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

**Government:** None.

### **Qualifying Conditions**

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

### **Temporary Disability Benefits**

67% of average earnings, according to 12 wage classes (TT\$70 to TT\$540). The benefit is payable for up to 52 weeks. There is no waiting period.

### **Permanent Disability Benefits**

**Permanent disability pension:** The pension is in proportion to the assessed degree of disability, if at least 20% disabled. The pension is payable for life.

**Partial disability grant:** For an assessed degree of disability of less than 20%, the grant is calculated as a percentage of average weekly earnings in proportion to half the assessed degree of disability multiplied by the period of disability (up to a maximum of 365 weeks).

### **Workers' Medical Benefits**

Benefits include medical expenses for the treatment of the employment injury, up to a maximum of TT\$15,000.

### **Survivor Benefits**

**Survivor pension:** A widow receives 60% of the insured's pension until she remarries. A widower receives 60% of the insured's pension if he is disabled and unable to work.

**Orphan's pension:** 30% of the insured's pension (60% if a full orphan) until age 16 (age 19 if a full-time student, no limit if disabled).

**Dependent parents:** 30% of the insured's pension.

**Funeral grant:** TT\$2,000.

### **Administrative Organization**

Ministry of Finance provides general supervision of the national insurance system.

National Insurance Board administers the national insurance system.

National Insurance Board is a tripartite body comprising government, labor, and employer representatives.

### **Family Allowances**

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#### **Regulatory Framework**

**First and current law:** 1939 (social assistance).

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

#### **Coverage**

Available to indigent persons on a means-tested basis.

### **Source of Funds**

**Insured person:** None.

**Employer:** None.

**Government:** Total cost.

### **Qualifying Conditions**

Female, over age 18, and destitute due to the death or absence of the head of the household.

### **Family Allowance Benefits**

**Family allowances:** A family grant of TT\$632.60, plus a food subsidy of TT\$70.15 a month. The grant is payable for a maximum of 12 months.

### **Administrative Organization**

Ministry of Social Development provides general supervision and administers the program.

## United States

Exchange rate: U.S.dollar (U.S.\$).

### Old Age, Disability, and Survivors

#### Regulatory Framework

**First and current law:** 1935, with amendments.

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

#### Coverage

Gainfully occupied persons, including self-employed persons.

Exclusions: Casual agricultural and domestic employees, some categories of self-employed (when annual net income is below U.S.\$400), and some federal employees hired before 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, Virgin Islands, Guam, and American Samoa, and to citizens and residents employed abroad by U.S. employers.

Special systems for railroad employees, federal employees, and many employees of state and local governments.

#### Source of Funds

**Insured person:** 6.2% of earnings; self-employed persons contribute 12.4%.

**Employer:** 6.2% of payroll.

**Government:** Total cost of the means-tested allowance.

Maximum annual earnings for contribution and benefit purposes are U.S.\$87,000.

Maximum earnings for contribution and benefit purposes are automatically adjusted to wage levels.

#### Qualifying Conditions

**Old-age pension:** Effective for workers retiring at age 65 in 2003, the age at which one can receive an unreduced benefit (the full retirement age) has been raised from age 65 to age 66 and 2 months. The full retirement age will increase gradually to age 67 by 2027. Insured persons may receive reduced benefits as early as age 62. The insured must have 40 quarters of coverage; less for those who reach age 62 before 1991. The pension is reduced by U.S.\$1 for every U.S.\$2 of earnings above U.S.\$11,520 a year for people under age 65 and by U.S.\$1 for every U.S.\$3 of earnings above U.S.\$30,720 for beneficiaries aged 65 to 69.

Earnings limits are adjusted annually according to average wage increases.

Pensions can be paid to noncitizens abroad if reciprocity exists. However, noncitizen's dependents and survivors who were first eligible after 1984 generally must meet a residency test.

**Means-tested old-age benefit:** For persons aged 65 or older with low income and limited resources. The means test is based on earned and unearned income, including benefits.

**Disability pension:** Inability to engage in substantial gainful activity due to an impairment that is expected to last at least 1 year or result in death. The insured must have 1 quarter of coverage for each year since age 21 up to the year of the onset of disability, up to a maximum of 40 quarters of coverage. The insured must also have 20 quarters of coverage in the 10-year period before the onset of disability.

The qualifying conditions for young and blind persons are more liberal.

**Means-tested disability benefit:** For disabled and blind persons under 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 insured was a pensioner or had 1 quarter of coverage for each year since age 21 up to the year before the year of death, up to a maximum of 40 quarters of coverage.

In the case of orphans or a nonaged widow(er) with an eligible dependent orphan, the qualifying conditions are 6 quarters of coverage in the 13 quarters ending with the quarter in which the death occurred.

#### Old-Age Benefits

**Old-age pension:** The pension is based on covered earnings averaged over the period after 1950 (or age 21, if later) and indexed for past wage inflation, up to age 62 (or death, if earlier) excluding the 5 years with the lowest earnings. (Earnings in years outside this period may be substituted, if higher.) The pension is available at age 62 but is reduced for each month of receipt prior to the full retirement age.

There is no minimum pension for insured persons reaching age 62 after 1981.

The maximum monthly pension for workers retiring at the full retirement age in 2003 is U.S.\$1,741.

**Pension increment:** An increment is provided for each month the insured delays retirement at the full retirement age, up to age 69. The increment amount depends on the year the insured person reached age 62. In 2003, the increment is 7.5% a year for those aged 62.

**Benefit adjustment:** Automatic adjustment for cost-of-living changes.

**Dependents' allowance:** 50% of the insured's pension is paid to a wife or a husband (or divorced spouse, if the marriage lasted 10 years) at the full retirement age (reduced if age 62 up to the full retirement age) or to a wife or a husband at any age



caring for a child under age 16 or disabled; to each child (or dependent grandchild) under 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 pension ranges from 150% to 188% of the insured's basic pension.

The maximum monthly family benefit for an insured person retiring at the full retirement age in 2003 is U.S.\$3,047.

**Means-tested old-age benefit:** The maximum monthly benefit is U.S.\$552 for an individual or U.S.\$829 for a couple.

Benefit adjustment: Benefits are adjusted annually for cost-of-living changes.

### **Permanent Disability Benefits**

**Disability pension:** The pension is based on covered earnings averaged over the period after 1950 (or age 21, if later) and indexed for past wage inflation, up to the onset of disability, excluding up to 5 years with the lowest earnings.

Benefit adjustment: Automatic adjustment for cost-of-living changes.

There is no minimum pension for insured persons becoming disabled after 1981.

The maximum monthly pension for insured persons who become disabled at age 50 in 2003 is U.S.\$1,952. The maximum pension for insured persons disabled at any other age is computed on the basis of that age.

Dependents' allowance: 50% of the insured's pension is paid to a wife or a husband (or a divorced spouse, if the marriage lasted 10 years) at the full retirement age (reduced if age 62 up to the full retirement age) or to a wife or a husband at any age caring for a child under age 16 or disabled; to each child (or dependent grandchild) under 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 pension ranges from 100% to 150% of the insured's basic pension.

The maximum monthly family benefit for an insured person who becomes disabled in 2003 is U.S.\$2,929.

**Means-tested disability benefit:** The maximum monthly benefit is U.S.\$552 for an individual or U.S.\$829 for a couple.

Benefit adjustment: Benefits are adjusted annually for cost-of-living changes.

### **Survivor Benefits**

**Survivor pension:** 100% of insured's pension at the full retirement age (reduced if age 60 up to the full retirement age); a reduced pension is paid if the insured was disabled at age 50 to 59. The pension is payable to a widow(er) (or a surviving divorced spouse, if the marriage lasted 10 years); 75% of the insured's pension for a widow(er) or surviving divorced spouse at any age caring for a child under age 16 or disabled.

**Orphan's pension:** 75% of the insured's pension for each child under age 18 or aged 18 to 19 and attending elementary or secondary school full time (no age limit if disabled before age 22).

Dependent parent(s): 82.5% of the insured's pension at age 62, or 150% for two eligible parents.

The maximum total family pension is based on the insured's pension.

The maximum monthly family benefit, if the insured died in 2003, is U.S.\$3,466.

### **Administrative Organization**

Social Security Administration, an independent agency within the executive branch, administers the program through regional program centers, district offices, and branch offices.

Treasury Department supervises the collection of Social Security taxes through the Internal Revenue Service and supervises the payment of benefits and the management of funds.

Administered by the Social Security Administration, the Supplemental Security Income (SSI) program provides means-tested benefits.

### **Sickness and Maternity**

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#### **Regulatory Framework**

##### **First and current laws**

**Cash benefits:** Rhode Island (1942), California (1946), New Jersey (1948), New York (1949), Hawaii (1969), and Puerto Rico (1968).

**Medical benefits:** 1965 (health insurance for aged) and 1972 (health insurance for disabled).

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

##### **Coverage**

**Cash benefits:** Employees in industry and commerce in six jurisdictions. Most agricultural workers, except in New York.

Self-employed persons in California may elect to participate.

Contracting-out is allowed, except in Rhode Island. (There are no programs in 45 states.)

Special national system for railroad employees (cash benefits) and a federal/state system for the medically indigent (medical benefits).

##### **Medical benefits**

**Hospitalization:** Persons eligible for a pension and aged 65 or older, certain others who qualify at age 65, disability pensioners on rolls for more than 2 years, and persons with end-stage kidney disease.

**Other medical services:** Persons eligible for a pension aged 65 or older, certain others who qualify at age 65, disability pensioners on rolls for more than 2 years, persons with end-



stage kidney disease, and all other persons aged 65 or older through voluntary coverage.

## Source of Funds

### Insured person

**Cash benefits:** Up to 1.2% of taxable earnings, according to the jurisdiction.

**Hospitalization:** 1.45% (self-employed, 2.9%), paid by all workers who are covered for old-age, disability, and survivor benefits, plus some federal and state and local employees.

**Other medical services:** Pensioners contribute U.S.\$45.50 a month.

### Employer

**Cash benefits:** Variable payroll contributions are paid in Hawaii, New Jersey, and New York; 0.5% of payroll in Puerto Rico.

**Hospitalization:** 1.45% of payroll.

**Other medical services:** None.

### Government

**Cash benefits:** None.

**Hospitalization:** Total cost of hospitalization benefits for certain noninsured aged persons.

**Other medical services:** The balance of the cost for voluntary insurance.

The maximum annual earnings for contribution purposes for cash benefits are U.S.\$6,900 to U.S.\$38,000.

There are no maximum earnings for contribution purposes for hospitalization.

## Qualifying Conditions

**Cash benefits:** For insured persons with the required minimum insured wages in the last year (from U.S.\$300 to U.S.\$6,900), specific weeks of employment in the last year (from 4 to 20 weeks), or a combination of these conditions.

### Medical benefits

**Hospitalization:** Pensioners aged 65 or older, disabled persons entitled to disability benefits for at least 2 years, or persons with end-stage kidney disease.

**Other medical services:** Meets the requirement for hospitalization benefits, election of coverage, and payment of required premiums.

## Sickness and Maternity Benefits

**Sickness benefit:** Cash benefits vary, depending on the jurisdiction; 75% of earnings (Rhode Island), 66.6% (Hawaii), and 53% (New Jersey). A variable proportion of quarterly or annual earnings (California, New York, and Puerto Rico). A supplement of U.S.\$5 a week per child up to a maximum of four children is payable in Rhode Island only.

Benefit is payable after 7-day waiting period (waived in California and Puerto Rico from the date of hospitalization) for up to 52 weeks.

The maximum benefit varies by jurisdiction.

**Maternity benefit:** Cash benefits vary, depending on the jurisdiction; 75% of earnings (Rhode Island), 66.6% (Hawaii), and 53% (New Jersey). A variable proportion of quarterly or annual earnings (California, New York, and Puerto Rico).

## Workers' Medical Benefits

**Hospitalization:** Inpatient care is provided for stays of up to 90 days; the beneficiary is responsible for the first-day deductible of U.S.\$768 (amount adjusted each year) and, for the 60th to the 90th day, 1/4 of the first-day deductible amount per day. For inpatient care longer than 90 days, coverage is available for up to 60 lifetime reserve days (the beneficiary is responsible for 1/2 of the first-day deductible amount per day). Posthospital skilled nursing facility care for an additional 100 days (the patient pays U.S.\$96 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 reasonable charges above U.S.\$100 a year for physician's services, outpatient diagnostic and physical therapy, laboratory services, appliances, and transportation; 100% of reasonable charges for home health services (after a U.S.\$100 deductible is paid).

Persons eligible for both hospitalization and other medical services under the regular Medicare program, except for those with end-stage kidney disease, can as an alternative elect to participate in one of several types of Medicare Plus Choice plan if one is available in their jurisdiction.

**Federal/state assistance programs:** Medical services are provided to medically indigent 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 kidney disease.

**Hospitalization:** Inpatient care is provided for stays of up to 90 days; the beneficiary is responsible for the first-day deductible of U.S.\$768 (amount adjusted each year) and, for the 60th to the 90th day, 1/4 of the first-day deductible amount per day. For inpatient care longer than 90 days, coverage is available for up to 60 lifetime reserve days (the beneficiary is responsible for 1/2 of the first-day deductible amount per day). Posthospital skilled nursing facility care for an additional 100 days (the patient pays U.S.\$96 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 reasonable charges above U.S.\$100 a year for physician's services, outpatient diagnostic and physical therapy, laboratory services, appliances, and transportation; 100% of reasonable

charges for home health services (after a U.S.\$100 deductible is paid).

Persons eligible for both hospitalization and other medical services under the regular Medicare program, except for those with end-stage kidney disease, can as an alternative elect to participate in one of several types of Medicare Plus Choice plan if one is available in their jurisdiction.

**Federal/state assistance programs:** Medical services are provided to medically indigent persons of any age.

### **Administrative Organization**

**Cash benefits:** State employment security agencies, except in New York (Workers' Compensation Board) and Hawaii (Labor Department), deliver benefits.

**Medical benefits:** Department of Health and Human Services provides general supervision. Centers for Medicare and Medical Services 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.

### **Work Injury**

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#### **Regulatory Framework**

**First laws:** 1908 (federal employees) and 1911 (10 state laws).

**Current laws:** All states, Puerto Rico, District of Columbia, Guam, and Virgin Islands; federal employees, longshoremen, and harbor workers. Most laws were enacted before 1920.

Special federal program for miners (pneumoconiosis).

**Type of program:** Compulsory (elective for employers in three states) insurance through public or private carrier (according to the state) or self-insurance.

#### **Coverage**

Employees in industry and commerce generally and most public-sector employees.

Exclusions: Agricultural employees in 1/5 of all states; domestic servants in 1/2 of all states; casual employees in 3/5 of all states; employees of firms with fewer than three to five employees in 1/6 of all states.

### **Source of Funds**

**Insured person:** Nominal contributions in a few states.

**Employer:** 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 1995 was about 2.05% of payroll.) Total cost of pneumoconiosis benefits for insured persons coming onto the employment rolls after 1973.

**Government:** None, except for own employees. Total cost of pneumoconiosis benefits for insured persons coming onto the employment rolls before 1974.

### **Qualifying Conditions**

**Work injury benefits:** There is no minimum qualifying period, except for exposure to occupational disease.

### **Temporary Disability Benefits**

66.6% of earnings in most states. The benefit is payable after a waiting period of 3 to 7 days (first day in Virgin Islands). Benefits are paid retroactively if the disability lasts a specified period, ranging from 4 days to 6 weeks.

**Dependents' supplement:** About 1/5 of all states provide supplements for dependents, in some instances as a lump sum.

The maximum weekly benefit is U.S.\$270 to U.S.\$714, according to the state.

**Benefit adjustment:** About 4/5 of all states increase benefits automatically with increases in state wages.

### **Permanent Disability Benefits**

**Permanent disability pension:** 66.6% of earnings in most states, if totally disabled. The pension is limited to between 312 days and 500 weeks in nine jurisdictions.

**Partial disability:** The pension is proportionate to wage loss, or at the full rate for fewer weeks in the case of scheduled injuries.

**Pneumoconiosis pension:** The basic monthly pension is U.S.\$516.50. The family maximum monthly is U.S.\$1,037 (2002).

**Constant-attendance supplement:** Provided in some states. The supplement is payable for life or for the duration of the disability in 4/5 of all states. Some states provide limited supplements for a duration of 104 to 500 weeks; the maximum total benefit in others is U.S.\$100,000 to U.S.\$214,000.

**Dependents' supplement:** Provided in some states. The supplement is payable for life or for the duration of the disability in 4/5 of all states. Some states provide limited supplements for a duration of 104 to 500 weeks; the maximum total benefit in others is U.S.\$100,000 to U.S.\$214,000.

### **Workers' Medical Benefits**

Medical care is provided for as long as is required in all states.

## Survivor Benefits

**Survivor pension:** 35% to 70% of the insured's earnings for a widow(er); 60% to 80% for a widow(er) with dependent children.

**Survivor pension (pneumoconiosis):** The basic monthly pension is U.S.\$516.50. The family maximum monthly is U.S.\$1,037 (2002).

Other eligible survivors (some work injury laws and pneumoconiosis): Dependent parents, brothers, and sisters.

**Funeral grant:** A lump sum of U.S.\$700 to U.S.\$6,000, according to the state (1/2 of states pay U.S.\$3,000 or more).

## Administrative Organization

**Work injury:** Administration of the program by state workers' compensation agencies in about 1/2 of all states, by state Departments of Labor in about 3/8 of all states, and by courts in three states.

**Pneumoconiosis:** The federal government was responsible before 1974; state participation was authorized after 1973. Government workers' compensation funds exist in about 1/3 of all states.

Employers must insure with the state fund in six states; may insure with the state fund or a private carrier in 14 states and with a private carrier in the remainder.

Self-insurance by employers is also permitted under all but three state laws.

## Unemployment

### Regulatory Framework

**Federal law:** 1935 (requires tax on employers, with offset for contributions paid to approved state programs; grants to states for administration; and minimum administrative standards).

**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 systems.

### Coverage

Employees of firms in industry and commerce and employees of nonprofit organizations with four or more employees during 20 weeks in a year. Almost all state and local government workers, domestics, and 2/5 of farm workers are covered.

Exclusions: Some agricultural employees, employees of religious organizations, casual employees, family labor, and self-employed persons.

Special federal program for railroad employees.

## Source of Funds

**Insured person:** None, except in Alaska, New Jersey, and Pennsylvania.

### Employer

**Federal tax:** 0.8% of taxable payroll (6.2% basic rate minus a basic rate up to the 5.4% state contribution; includes the temporary basic rate of 0.2%) on the first U.S.\$7,000 annually. The base has been raised in 49 jurisdictions.

**State programs:** A basic rate of 5.4% in most states; actual rates vary from zero to 10% or more, according to the individual employer's experience.

**Government:** Federal government pays for the administration of state programs from the federal tax. The balance is used for loans to states or to finance the extended benefit program.

## Qualifying Conditions

**Unemployment benefits:** About 3/4 of states require minimum earnings in the preceding base year equal to a specified multiple of the weekly benefit or high-quarter wages, or to specified total amount. Eight states require a specified number of weeks of employment (for example, from 15 to 20 weeks). The insured person must be registered with the employment service and be capable of and available for work. Unemployment is not due to voluntary leaving, misconduct, a labor dispute, or the refusal of a suitable offer (the length of the disqualification period varies among states).

## Unemployment Benefits

**Unemployment benefit:** About 50% of earnings, according to diverse state formulas.

**Dependents' supplement:** About 1/4 of states provide from U.S.\$1 to U.S.\$95 a week for each child and sometimes for other dependents. The benefit is payable after a 1-week waiting period in most states for up to 26 weeks, according to the state.

Federal law provides up to 13 additional weeks in states with high unemployment.

**Unemployment assistance:** Assistance is available in some states to workers who are ineligible because of insufficient periods of covered employment and to needy unemployed persons who have exhausted benefit rights under the federal/state assistance programs.

## Administrative Organization

Department of Labor administers the program nationally through its Employment Training Administration and Unemployment Insurance Service.

State employment security agencies, through local employment offices, are responsible for the administration of individual

state programs. More than half of agencies are within a department of the state government; the remainder are independent boards or commissions.

### ***Family Allowances***

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#### ***Regulatory Framework***

A federal/state system of aid (cash payments, social services, and job training) provides temporary assistance to needy families, and a system of liberalized refundable federal tax credits operates for low-income families with eligible children and for some single persons.

## Uruguay

Exchange rate: U.S.\$1.00 equals  
27.90 new pesos (NP).

### Old Age, Disability, and Survivors

#### Regulatory Framework

**First laws:** Various laws from 1829 to 1934.

**Current laws:** 1995, implemented in 1996; 2000, and 2001.

**Type of program:** Dual social insurance and private insurance system.

#### Coverage

##### Social insurance

Employees and self-employed persons.

##### Private insurance

Employees and self-employed persons with monthly income above 11,188 NP.

Voluntary coverage for private insurance for those with monthly income of 11,188 NP or less.

Special systems for bank employees, notaries, university graduates, the armed forces, and the police force.

#### Source of Funds

**Insured person:** 15% of earnings.

Contributions are split between the social insurance and private insurance programs according to earnings ceilings. For earnings of less than 11,188 NP, 7.5% of earnings goes to the social insurance fund and 7.5% goes to the individual account; for those with earnings of 11,188 NP or more, 15% of monthly earnings up to a ceiling of 11,188 NP goes to the social insurance program and 15% of monthly earnings for earnings above 11,188 NP up to a ceiling of 33,563 NP goes to the individual account. For disability and survivor insurance under the private insurance program, the insured's accumulated capital is transferred to the insurance company as part of the insurance premium to finance the pension.

**Employer:** 12.5% of payroll for social insurance only.

**Government:** Earmarked proceeds of various taxes help finance deficits of the cost of the pension benefit.

The maximum earnings for contribution purposes for social insurance are 11,188 NP.

The minimum earnings for contribution purposes for private insurance are 11,188 NP.

The maximum earnings for contribution purposes for private insurance are 33,563 NP.

#### Qualifying Conditions

##### Old-age pension

**Social insurance:** Age 60 (men and women) with 35 years of coverage. Additional years of service are credited for hazardous occupations.

**Private insurance:** Age 60 (men and women) with 35 years of coverage; age 65 with no coverage requirement.

Old-age pensions are payable abroad.

**Advanced-age pension (social assistance):** Age 70 (men and women) with 15 years of service (residency may be required). Retirement from the current place of employment is necessary.

**Noncontributory means-tested pension (social assistance):** Age 70 (men and women) without the necessary resources to cover basic needs or assessed as totally and permanently disabled and 15 years of residency.

##### Disability pension

**Social insurance:** Incapacity to work in any form of employment and not receiving any other benefit. If the disability is caused by an accident, there are no other qualifying conditions. For a permanent disability pension, 2 years of recognized service including the 6 months prior to the onset of disability; 10 years of coverage if the insured was unemployed at the time of onset.

For a partial disability pension, must have at least 3 years of service.

**Private insurance:** For temporary disability, the insured is assessed as incapable of performing his or her current job. For permanent disability, the insured is assessed as incapable of performing any job.

##### Survivor pension

**Social insurance:** Eligible survivors include widows, dependent widowers, orphans up to age 21 (no limit if disabled), and dependent disabled parents.

The pension is payable abroad for a limited period only, unless a reciprocal agreement permits otherwise.

**Private insurance:** Eligible survivors include widows, dependent widowers, orphans up to age 21 (no limit if disabled), and dependent disabled parents.

#### Old-Age Benefits

##### Old-age pension

**Social insurance:** 50% of average earnings in the last 10 years with 35 years of service or 50% of average earnings in the last 20 years. The pension is increased by 0.5% for every year of work over 35 years, up to a maximum of 2.5% of earnings, plus 3% for every additional year over age 60, up to a maximum of 30%.

The minimum monthly pension at age 60 is 1,231 NP.

The maximum monthly pension is 9,230 NP or 7 to 15 times the minimum wage in special cases.



The total maximum monthly pension with increments is 82.5% of average earnings.

**Benefit adjustment:** Automatic annual adjustment of pensions according to changes in wages.

**Private insurance:** The accumulated capital in the individual account is equal to the insured's contributions plus accrued interest, less administrative fees. The insured uses the accumulated capital to purchase an annuity from an insurance company. The annuity varies according to the individual's life expectancy at the time of retirement.

**Advanced-age pension (social assistance):** 50% of average earnings in the last 10 years, plus 1% of earnings for each year of service over 15 years, up to a maximum of 14 years.

**Noncontributory means-tested pension (social assistance):** The value of the pension varies according to need.

**Benefit adjustment:** Automatic annual adjustment of pensions according to changes in wages.

### Permanent Disability Benefits

#### Disability pension

**Social insurance:** 65% of average earnings in the last 10 years or the actual number of years worked if less than 10 years.

The minimum monthly pension is 2,126 NP.

The maximum monthly pension is 9,230 NP.

**Benefit adjustment:** Automatic annual adjustment according to changes in wages.

**Private insurance:** A disability pension is equal to 45% of the insured's average indexed salary during the 10 years before the onset of disability. A temporary disability pension is payable for up to 3 years; the permanent pension is payable for life.

**Noncontributory means-tested pension (social assistance):** The value of the pension varies according to need.

**Benefit adjustment:** Automatic annual adjustment according to changes in wages.

### Survivor Benefits

#### Survivor pension

**Social insurance:** From 66% to 75% of the insured's pension is payable to a widow(er), a divorced spouse, unmarried children under age 21 (no limit if disabled), and disabled parents.

**Benefit adjustment:** Automatic annual adjustment according to changes in wages.

**Private insurance:** If the insured died before retirement, the pension is a percentage of the old-age annuity to which the insured would have been entitled to at the time of death. This annuity must be no lower than 45% of the insured's average indexed salary during the 10 years before death. If the insured died after retirement, the pension is a percentage of the insured's old-age annuity.

Widow(er)s and divorced spouses share 70% of the total pension if they have dependents; 60% if there are no dependents. The remainder is split equally among other eligible survivors. Widow(er)s and divorced spouses share 100% of the pension if there are no other eligible survivors. In the absence of a widow(er) or a divorced spouse, 100% of the pension is split equally among other eligible survivors.

**Funeral grant:** The cost of the funeral up to 5,146 NP.

### Administrative Organization

Ministry of Labor and Social Security (MTSS) provides general supervision.

Social Security Bank supervises and administers the social insurance program.

Pension fund management companies (AFAPs) manage the individual accounts.

Central Bank of Uruguay (BCU) oversees pension fund management companies and insurance companies.

### 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) and 1980 (maternity).

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

#### Coverage

**Sickness benefits:** All employed persons in the private sector and self-employed persons.

**Maternity benefits:** Employed and self-employed persons and persons not receiving unemployment benefits. (Benefits are provided under Family Allowances, below.)

Special system for civil servants.

#### Source of Funds

**Insured person:** 3% of earnings.

**Employer:** 5% of payroll, plus an additional amount for affiliation with medical service providers.

**Government:** Earmarked proceeds of various taxes help finance maternity benefits and any deficits for sickness benefits.

#### Qualifying Conditions

**Cash sickness benefits:** Three months of contributions or 75 days of contributions in the last 12 months.

**Cash maternity benefits:** See Family Allowances, below.

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

**Sickness benefit:** 70% of earnings, payable after a 3-day waiting period for up to 1 year (may be extended for an additional year).

The maximum benefit is 3 times the minimum wage.

**Maternity benefit:** See Family Allowances, below.

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

Comprehensive medical services are available through special mutual systems. Prenatal and postnatal medical care is provided for insured women under Family Allowances, below.

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

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, below.

## ***Administrative Organization***

Social Security Bank administers the program.

## ***Work Injury***

### ***Regulatory Framework***

**First law:** 1914.

**Current law:** 1989.

**Type of program:** Compulsory insurance with a public carrier.

### ***Coverage***

Public- and private-sector employees.

### ***Source of Funds***

**Insured person:** None.

**Employer:** Total cost, met through contributions varying with the assessed degree of risk. For agricultural workers, assessments are made according to the land area the employer has under cultivation.

**Government:** None.

### ***Qualifying Conditions***

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

### ***Temporary Disability Benefits***

66.6% of earnings, payable after a 4-day waiting period. The benefit for the waiting period is paid retroactively.

## ***Permanent Disability Benefits***

**Permanent disability pension:** For an assessed degree of disability of between 10% and 100%, the pension is proportional to the assessed degree of disability.

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

Benefits include medical and surgical care, hospitalization, medicines, and appliances.

## ***Survivor Benefits***

**Survivor pension:** 50% of the insured's earnings, payable to a spouse or a common-law wife.

**Orphan's pension:** Between 20% and 100% of the insured's earnings for dependent orphans under age 16 (no limit if disabled).

## ***Administrative Organization***

State Insurance Bank administers the program.

## ***Unemployment***

### ***Regulatory Framework***

**First law:** 1934.

**Current laws:** 1981 and 2001.

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

### ***Coverage***

Employees in industry and commerce, bank employees, and agricultural workers.

Exclusion: Domestic workers.

### ***Source of Funds***

**Insured person:** None.

**Employer:** None.

**Government:** Earmarked proceeds of various taxes help finance benefits.

### ***Qualifying Conditions***

**Unemployment benefits:** During the 12-month period prior to unemployment, workers who are paid monthly must have had 6 months (workers paid on a daily basis, 150 days) of work; workers who are paid at irregular intervals must have earned the equivalent of 6 times the minimum wage. Unemployment may be due to the reduction or suspension of employment but must not be due to dismissal for disciplinary reasons.

### **Unemployment Benefits**

50% of average earnings or 12 days' average earnings in the 6 months prior to the start of unemployment.

Dependents' supplement: An additional 20% of the benefit.

The minimum benefit is 50% of the national minimum wage.

The maximum benefit is 8 times the minimum national monthly wage.

### **Administrative Organization**

Social Security Bank administers the program.

Ministry of Labor and Social Security provides general supervision.

### **Family Allowances**

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#### **Regulatory Framework**

**First law:** 1943.

**Current laws:** 1980, 1995, 1999 (families with low income), 2001 (special paid leave), and 2002 (multiple-child pregnancy).

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

#### **Coverage**

Employed persons, domestic workers, unemployment benefit recipients, newspaper vendors, small rural products vendors, and pensioners.

Special scheme for civil servants.

#### **Source of Funds**

**Insured person:** None.

**Employer:** None.

**Government:** Earmarked proceeds of various taxes help finance benefits.

#### **Qualifying Conditions**

**Family allowances:** Child must be under age 14 (age 18 if a student, no limit if disabled). The benefit is paid from the day the mother is confirmed as being pregnant.

**Cash maternity benefits:** The benefit is paid on the expected date of childbirth.

**Prenatal multiple-child pregnancy allowance:** In cases of multiple-child pregnancy, the benefit is paid from the day the mother is confirmed as being pregnant. The benefit is equal to 3 times the amount for a single-child pregnancy.

**Special paid leave:** Paid to a salaried worker who adopts a child.

**Low-income family allowance:** Paid for children or dependents up to age 18; persons who have exhausted coverage under the unemployment scheme and are still

unemployed; or for families in which a woman is the sole breadwinner.

### **Family Allowance Benefits**

**Family allowances:** The standard rate is not less than 16% of the monthly minimum wage for those whose incomes are less than 6 times the national minimum wage; 8% for those with incomes between 6 times and 10 times the national minimum wage. For a family with children resulting from a multiple-child pregnancy, the allowance is paid at the rate of three times the standard rate until the children reach age 5, at twice the amount until the children reach age 12, and at the standard rate until the children are age 18. The benefit is paid every 2 months.

**Cash maternity benefit:** 100% of average earnings in the preceding 6 months, payable for the period from 6 weeks before until 6 weeks after the expected date of childbirth. The benefit is paid on the expected date of childbirth.

**Prenatal multiple-child pregnancy allowance:** In cases of multiple-child pregnancy, the prenatal allowance is paid at three times the standard child allowance rate for every child, starting from the day when the mother is confirmed as being pregnant.

**Special paid leave:** Private-sector workers receive benefits equivalent to the cash maternity benefit for a period of 6 weeks; civil servants receive 100% of salary during the leave period.

**Low-income family allowance:** 16% of the minimum wage per month; 32% if disabled.

Pediatric care for children up to age 6 and dental care for children up to age 9.

### **Administrative Organization**

Social Security Bank administers the program.

## Venezuela

Exchange rate: U.S.\$1.00 equals 1,600 bolivares.

### Old Age, Disability, and Survivors

#### Regulatory Framework

**First law:** 1940.

**Current laws:** 1966, 1991, and 2001.

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

Note: The 1990 labor code established supplementary pension funds financed by employer contributions only.

#### Coverage

Employees in the private and public sectors.

Voluntary coverage is possible under certain conditions for persons who were previously covered.

#### Source of Funds

**Insured person:** An average of 1.93% of earnings.

**Employer:** An average of 4.82% of payroll.

**Government:** At least 1.5% of total taxable earnings to cover the cost of administration. Contributes as an employer.

The maximum monthly earnings for contribution and benefit purposes are 375,000 bolivares.

#### Qualifying Conditions

**Old-age pension:** Age 60 (men) or age 55 (women) with 750 weeks of contributions. The pensionable age is lower for those in unhealthy and arduous occupations. Retirement is not necessary. The pension is payable abroad.

**Old-age grant:** The insured was not eligible for a pension but has at least 100 weeks of contributions during the last 4 years.

**Disability pension:** The permanent or prolonged loss of over 2/3 of working capacity with 250 weeks of contributions (reduced by 20 contributions for every year under age 35), including 100 weeks in the last 3 years before the onset of disability. There is no qualifying period if the disability was caused by an accident that occurred while covered.

Partial disability pension: The loss of between 25% and 66.6% of working capacity.

**Disability grant:** For an assessed degree of disability of between 5% and 25%.

**Survivor pension:** The insured met the qualifying conditions for a pension or was a pensioner at the time of death. There is no qualifying period if the death is due to an accident that occurred while covered.

**Survivor grant:** The insured did not meet the qualifying period for a pension but had at least 100 weeks of contributions during the last 4 years. The grant is payable to an eligible widow(er), a common-law wife, or to orphans.

#### Old-Age Benefits

**Old-age pension:** 9,000 bolivares a month, plus 30% of average earnings during the last 5 years or the average of the best 5 years in the last 10 years (whichever is higher), plus an increment of 1% of earnings for every 50-week period of contributions beyond 750 weeks.

The minimum pension is 40% of earnings.

Deferred pension: An increment of 5% of the pension for every year that the pension is deferred after the pensionable age.

Benefit adjustment: Periodic adjustments of benefits for changes in prices and wages.

**Old-age grant:** An amount equal to 10% of total covered earnings if the insured is not eligible for a pension but has at least 100 weeks of contributions during the last 4 years.

Benefit adjustment: Periodic adjustments of benefits for changes in prices and wages.

#### Permanent Disability Benefits

**Disability pension:** 9,000 bolivares a month plus 30% of average earnings (payable after 6 months of disability), plus an increment of 1% of earnings for every 50-week period of contributions beyond 750 weeks.

The minimum pension is 40% of earnings.

Constant-attendance supplement: Up to 50% of the pension.

Partial disability: For an assessed degree of disability of between 25% and 66.6%, a percentage of the full pension proportional to the assessed degree of disability (if the disability is the result of a nonoccupational accident).

**Disability grant:** Thirty-six months' disability pension.

Benefit adjustment: Periodic adjustment of benefits for changes in prices and wages.

#### Survivor Benefits

**Survivor pension:** 40% of the pension paid or accrued to the insured is payable to a widow aged 45 or older or caring for a child. Other widows receive a lump sum of 2 years' widow's pension. A pension is also payable to a dependent widower aged 60 or disabled. In the absence of a widow, the pension may be paid to a surviving common-law wife.

**Orphan's pension:** 20% of the insured's pension for each orphan under age 14 (age 18 if a student, no limit if disabled).

Full orphans: The first full orphan receives 40% of pension; other full orphans, 20%.

The maximum survivor pension is 100% of the insured's pension.

**Benefit adjustment:** Periodic adjustment of benefits for changes in prices and wages.

**Other eligible survivors (in the absence of the above):** An amount equal to 10% of the insured's total covered earnings is payable to brothers, sisters, and parents.

**Survivor grant:** An amount equal to 10% of the insured's total covered earnings.

**Funeral grant:** The grant must not be more than five times the insured's monthly salary.

**Benefit adjustment:** Periodic adjustment of benefits for changes in prices and wages.

### **Administrative Organization**

Ministry of Labor provides general supervision.

Managed by a tripartite board and a director general, the Social Insurance Institute administers the program.

### **Sickness and Maternity**

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#### **Regulatory Framework**

**First law:** 1940.

**Current laws:** 1966, 1991, and 2001.

**Type of program:** Social insurance system. Cash and medical benefits.

#### **Coverage**

Employees in the private and public sectors.

#### **Source of Funds**

**Insured person:** An average of 1.79% of earnings.

**Employer:** An average of 3.46% of payroll.

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

All of the above contributions also finance work injury benefits.

#### **Qualifying Conditions**

**Cash and medical benefits:** Current coverage is necessary.

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

**Sickness benefit:** 66.6% of earnings, payable after a 3-day waiting period for up to 52 weeks; may be extended under certain conditions. The benefit is reduced by 50% when the patient is hospitalized.

**Maternity benefit:** 66.6% of earnings is payable for up to 6 months.

### **Workers' Medical Benefits**

Free medical services are normally provided directly to patients by the medical facilities of the Social Security Institute for up to a maximum of 52 weeks; may be extended for another 52 weeks for convalescent care. Benefits include general and specialist care, hospitalization, laboratory services, medicines, 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, medicines, dental care, maternity care, appliances, and transportation. The maximum duration of medical benefits for dependents of pensioners is 26 weeks; survivors of pensioners are entitled to medical service benefits for up to 52 weeks.

### **Administrative Organization**

Ministry of Labor provides general supervision.

Social Insurance Institute administers the program.

Social Insurance Institute operates its own clinics and hospitals and contracts for other facilities.

### **Work Injury**

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#### **Regulatory Framework**

**First law:** 1923.

**Current laws:** 1966, 1991, and 2001.

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

#### **Coverage**

Employees in the private and public sectors.

#### **Source of Funds**

**Insured person:** See source of funds under Sickness and Maternity, above.

**Employer:** See source of funds under Sickness and Maternity, above.

**Government:** See source of funds under Sickness and Maternity, above.

#### **Qualifying Conditions**

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

#### **Temporary Disability Benefits**

66.6% of earnings. The benefit is payable after a 3-day waiting period for up to 52 weeks (may be extended for an additional 52 weeks if recovery is likely.)



## Permanent Disability Benefits

**Permanent disability pension:** 66.6% of earnings, if totally disabled.

Constant-attendance supplement: Up to 50% of the pension.

Partial disability: For an assessed degree of disability of between 25% and 66.6%, a percentage of the full pension in proportion to the assessed degree of disability. For an assessed degree of disability of between 6% and 24%, a lump sum equal to 3 years' pension.

## Workers' Medical Benefits

Benefits include free general and specialist care, hospitalization, medicines, laboratory services, appliances, and rehabilitation services.

## Survivor Benefits

**Survivor pension:** 40% of the insured's total disability pension, payable to a widow aged 45 or caring for a child. Other widows receive a lump sum of 2 years' widow's pension. A pension is also payable to a dependent widower aged 60 or older or disabled and a common-law wife (in the absence of a widow).

**Orphan's pension:** 20% of the insured's pension for each orphan under age 14 (age 18 if a student, no limit if disabled).

Full orphans: The first full orphan receives 40% of the insured's pension; other full orphans, 20%.

**Other eligible survivors (in the absence of the above):** Brothers, sisters, and parents may receive an amount equal to 10% of the insured's total covered earnings.

**Survivor settlement:** An amount equal to 10% of the insured's total covered earnings. The settlement is payable if the insured did not meet the qualifying period for a pension but had at least 100 weeks of contributions during the last 4 years.

**Funeral grant:** 5,000 bolivares.

## Administrative Organization

Ministry of Labor provides general supervision.

Social Insurance Institute administers contributions and benefits.

Social Insurance Institute provides medical benefits through its own clinics and hospitals.

## Unemployment

### Regulatory Framework

**First law:** 1940.

**Current laws:** 1966, 1991, and 2001.

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

Labor law requires that employers provide a severance payment for dismissal without due notice, for unjustified dismissal, or involuntary retirement.

## Coverage

Employees in the private and public sectors.

## Source of Funds

**Insured:** 0.5% of earnings.

**Employer:** 1.7% of payroll.

**Government:** None.

The maximum monthly earnings for contribution and benefit purposes are 375,000 bolivares.

The above contributions also help finance health insurance for the unemployed.

## Qualifying Conditions

**Unemployment benefit:** Fifty-two weeks of contributions during the 18 months preceding the date unemployment began. The insured must be available for training or suitable employment.

## Unemployment Benefits

60% of the average weekly salary during the last 50 weeks. The benefit is paid for up to 18 weeks; may be extended to 26 weeks. Unemployed persons are entitled to a transportation bonus, employment training, and guidance services.

Transportation grant: 200 bolivares.

## Workers' Medical Benefits

Unemployed insured persons and family members are covered for health insurance for 26 weeks.

## Administrative Organization

Ministry of Labor provides general supervision.

Employment services administer training and guidance.

Venezuelan Social Insurance Institute administers the program.

## Family Allowances

### Regulatory Framework

**Marriage grant:** A lump sum of 7,000 bolivares with 100 weekly contributions paid in the 3 years before marriage. (The grant is provided under Old Age, Disability, and Survivors.)