

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

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

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.