

Brazil

Exchange rate: US\$1.00 equals 1.95 reais.

Old Age, Disability, and Survivors

Regulatory Framework

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

Current laws: 1991 (social security), with 1999 amendment; 1991 (social insurance); 1993 (social assistance); and 1999 (social insurance regulations).

Type of program: Social insurance and social assistance system.

Coverage

Social insurance: Employed persons in industry, commerce, and agriculture; rural workers; household workers; some categories of casual workers; elected civil servants; and self-employed persons.

Voluntary coverage for students, housewives, unemployed persons, and other categories.

Special systems for public-sector employees and military personnel.

Social assistance: Needy elderly persons or persons with disabilities.

Source of Funds

Social insurance

Insured person: 8% of covered earnings with monthly earnings up to 965.67 reais; 9% with earnings from 965.68 reais to 1,609.45 reais; or 11% with earnings from 1,609.46 reais to 3,218.90 reais. Voluntary contributors contribute 20% of declared earnings; a reduced contribution of 11% of the minimum monthly salary finances reduced benefits.

The minimum monthly earnings for contribution calculation purposes are equal to the legal monthly minimum wage (465 reais).

The maximum monthly earnings for contribution calculation purposes are 3,218.90 reais.

The insured's contributions also finance sickness and maternity benefits and family allowances.

Self-employed person: 20% of declared covered earnings; a reduced contribution of 11% of the minimum monthly salary finances reduced benefits.

The minimum monthly earnings for contribution calculation purposes are equal to the legal monthly minimum wage (465 reais).

The maximum monthly earnings for contribution calculation purposes are 3,218.90 reais.

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

Employer: 20% of covered payroll.

The minimum monthly earnings for contribution calculation purposes are equal to the legal monthly minimum wage (465 reais).

The maximum monthly earnings for contribution calculation purposes are 3,218.90 reais.

Small-enterprise employers may contribute from 2.75% to 7.83% of monthly declared earnings, depending on annual earnings declared in the last 12 months and on the industry sector.

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

Government: Earmarked taxes are used to finance administrative costs and any deficit.

Social assistance

Insured person: None.

Self-employed person: None.

Employer: None.

Government: The total cost.

Qualifying Conditions

Old-age pension

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

Persons who were first insured before July 25, 1991, must have at least 168 months of contributions; persons first insured since July 25, 1991, must have at least 180 months of contributions.

Contributory pension (social insurance): The insured must have 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.

Proportional pension (social insurance): Age 53 with at least 30 years of contributions (men) or age 48 with at least 25 years of contributions (women); for persons first insured before December 16, 1998, the insured must also contribute 40% of the difference between the required contribution years at age 53 (men) or age 48 (women) and the number of years actually paid as of December 16, 1998.

All contributory pensions are payable abroad under bilateral or multilateral agreement.

Old-age assistance (social assistance): Age 65, without remunerated work, and with family monthly earnings less

than 25% of the legal monthly minimum wage for each person (116.25 reais). Eligibility is reviewed every 2 years.

Disability pension

Disability pension (social insurance): The insured must be assessed with a permanent incapacity to work and have at least 12 months of contributions. The contribution period is waived if the disability is the result of an accident.

The degree of disability is assessed by the National Institute of Social Security.

Disability benefit (social assistance): The insured must be assessed with a disability and have family monthly earnings less than 25% of the legal monthly minimum wage for each person (116.25 reais). Eligibility is reviewed every 2 years.

Survivor pension (social insurance): The deceased was a pensioner or insured.

Eligible survivors include the widow(er) or partner and children younger than age 21 (no limit if disabled); in the absence of the above (in order of priority), parents and siblings younger than age 21 (no limit if disabled). The pension is split equally among eligible survivors. If one survivor ceases to be eligible, the pensions for the remaining survivors are recalculated.

Prisoner's survivor pension (social insurance): The insured is imprisoned.

Eligible survivors include the spouse or partner and children younger than age 21 (no limit if disabled); in the absence of the above (in order of priority), parents and siblings younger than age 21 (no limit if disabled). The pension is split equally among eligible family members. If one family member ceases to be eligible, the pensions for the remaining members are recalculated.

Old-Age Benefits

Old-age pension

Age pension (social insurance): The monthly benefit is 70% of the insured's average earnings plus 1% of average earnings for each year of contributions, up to 100%.

For persons first insured before November 29, 1999, average earnings for benefit calculation purposes are based on the best 80% of monthly earnings since July 1994.

For persons first insured after November 28, 1999, average earnings for benefit calculation purposes are based on the best 80% of total monthly earnings.

Insured persons may opt for the pension to be calculated using the Factor Previdenciario method. The Factor Previdenciario is an actuarial coefficient based on the insured's contribution rate, contribution period, age, and life expectancy.

The minimum monthly earnings for benefit calculation purposes are equal to the legal monthly minimum wage (465 reais).

The maximum monthly earnings for benefit calculation purposes are 3,218.90 reais.

The minimum monthly age pension is equal to the legal monthly minimum wage (465 reais).

The maximum monthly age pension is 3,218.90 reais.

Pensioners are not required to cease gainful activity.

Schedule of payments: Thirteen payments a year.

Benefit adjustment: Benefits are adjusted annually according to changes in the consumer price index.

Contributory pension (social insurance): The monthly benefit is 100% of the insured's average earnings.

For persons first insured before November 29, 1999, average earnings for benefit calculation purposes are based on the best 80% of monthly earnings since July 1994, multiplied by the Factor Previdenciario.

For persons first insured after November 28, 1999, average earnings for benefit calculation purposes are based on the best 80% of total monthly earnings, multiplied by the Factor Previdenciario.

The Factor Previdenciario is not applied to arduous work with 15, 20, or 25 years contributions.

The Factor Previdenciario is an actuarial coefficient based on the insured's contribution rate, contribution period, age, and life expectancy.

The minimum monthly earnings for benefit calculation purposes are equal to the legal monthly minimum wage (465 reais).

The maximum monthly earnings for benefit calculation purposes are 3,218.90 reais.

The minimum pension for minimum monthly contributions is equal to the legal monthly minimum wage (465 reais).

Pensioners are not required to cease gainful activity.

Schedule of payments: Thirteen payments a year.

Benefit adjustment: Benefits are adjusted annually according to changes in the consumer price index.

Proportional pension (social insurance): For persons first insured before November 16, 1998, the monthly benefit is 70% of the insured's average earnings plus 5% of average earnings for each additional year of contributions, up to 100%.

Average earnings for benefit calculation purposes are based on the best 80% of total monthly earnings since July 1994, multiplied by the Factor Previdenciario.

The Factor Previdenciario is not applied to arduous work with 15, 20, or 25 years contributions.

The Factor Previdenciario is an actuarial coefficient based on the insured's contribution rate, contribution period, age, and life expectancy.

The minimum monthly earnings for benefit calculation purposes are equal to the legal monthly minimum wage (465 reais).

The maximum monthly earnings for benefit calculation purposes are 3,218.90 reais.

The minimum pension is equal to the legal monthly minimum wage (465 reais).

Pensioners are not required to cease gainful activity.

Schedule of payments: Thirteen payments a year.

Benefit adjustment: Benefits are adjusted annually according to changes in the consumer price index.

Old-age assistance (social assistance): The monthly benefit is equal to the legal monthly minimum wage (465 reais).

Benefit adjustment: Benefits are adjusted annually according to changes in the minimum wage.

Permanent Disability Benefits

Disability pension

Disability pension (social insurance): The monthly benefit is 100% of the insured's average earnings; 100% of the minimum wage for rural workers.

For persons first insured before November 29, 1999, average earnings for benefit calculation purposes are based on the best 80% of monthly earnings since July 1994.

For persons first insured after November 28, 1999, average earnings for benefit calculation purposes are based on the best 80% of total monthly earnings.

The minimum monthly earnings for benefit calculation purposes are equal to the legal monthly minimum wage (465 reais).

The maximum monthly earnings for benefit calculation purposes are 3,218.90 reais.

The minimum monthly pension is equal to the legal monthly minimum wage (465 reais).

The maximum monthly pension is 3,218.90 reais.

Pensioners are not required to cease gainful activity.

Schedule of payments: Thirteen payments a year.

Benefit adjustment: Benefits are adjusted annually according to changes in the consumer price index.

Disability assistance (social assistance): The monthly benefit is equal to the legal monthly minimum wage (465 reais).

Benefit adjustment: Benefits are adjusted annually according to changes in the minimum wage.

Survivor Benefits

Survivor pension (social insurance): The monthly pension is 100% of the pension the deceased received or would have been entitled to receive; 100% of the minimum wage for rural workers.

The minimum monthly pension is equal to the legal monthly minimum wage (465 reais).

The maximum monthly pension is 3,218.90 reais.

Schedule of payments: Thirteen payments a year.

Benefit adjustment: Benefits are adjusted annually according to changes in the consumer price index; the minimum wage for rural workers' benefits.

Prisoner's survivor pension (social insurance): The monthly pension is 100% of the disability pension the insured would have been entitled to receive; 100% of the minimum wage for rural workers.

The minimum monthly pension is equal to the legal monthly minimum wage (465 reais).

The maximum monthly pension is 752.12 reais.

Schedule of payments: Thirteen payments a year.

Benefit adjustment: Benefits are adjusted annually according to changes in the consumer price index; the minimum wage for rural workers' benefits.

Administrative Organization

Ministry of Social Insurance (<http://www.previdencia.gov.br>) provides general supervision.

National Social Security Institute (<http://www.inss.gov.br>) administers benefits.

Sickness and Maternity

Regulatory Framework

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

Current laws: 1990 (health); 1991 (social security), with 1999 amendment; and 1991 (social insurance).

Type of program: Social insurance system.

Coverage

Employed persons in industry, commerce, and agriculture; household workers; some categories of casual workers; elected civil servants; and self-employed persons.

Voluntary coverage for students, housewives, unemployed persons, and other categories.

Special systems for public-sector employees and military personnel.

Source of Funds

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

Self-employed 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

Cash sickness benefits: The insured must have contributed in the last 12 months. There is no qualifying period in the event of an accident or serious illness.

Cash maternity benefits: There is no minimum qualifying period for salaried workers, household workers, and casual workers; 10 months of contributions for self-employed persons and rural workers.

Medical benefits: The insured must have contributed in the last 12 months. There is no qualifying period in the event of an accident or serious illness.

Sickness and Maternity Benefits

Sickness benefit: The monthly benefit is 91% of average earnings; 100% of the minimum wage for rural workers. The benefit is paid after a 15-day waiting period (during which the employer is required to pay 100% of earnings); there is no waiting period for self-employed persons and voluntarily covered persons.

There is no limit to duration.

Average earnings for benefit calculation purposes are based on the best 80% of total monthly earnings.

The minimum monthly earnings for benefit calculation purposes are equal to the legal monthly minimum wage (465 reais).

The maximum monthly earnings for benefit calculation purposes are 3,218.90 reais.

Schedule of payments: Thirteen payments a year.

Benefit adjustment: Benefits are adjusted annually according to changes in the consumer price index; the minimum wage for rural workers' benefits.

Maternity benefit: The monthly benefit is 100% of the last wage; 100% of average earnings in the last 12 months for self-employed and voluntarily covered women; 100% of the minimum wage for rural workers. The benefit is paid for a total of 120 days, from 28 days before until 91 days after the expected date of childbirth.

The benefit is paid for 2 weeks in the case of a miscarriage.

The benefit is also paid for 120 days to a woman who adopts a child younger than age 1; 60 days if the child is aged 1 to 4; or 30 days if the child is aged 4 to 8.

The minimum monthly earnings for benefit calculation purposes are equal to the legal monthly minimum wage (465 reais).

The maximum monthly earnings for benefit calculation purposes are 3,128.90 reais.

Workers' Medical Benefits

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

Dependents' Medical Benefits

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

Administrative Organization

Ministry of Health (<http://www.saude.gov.br>) provides general supervision of the Unified Health System.

Ministry of Social Insurance (<http://www.previdencia.gov.br>) provides general supervision.

National Social Security Institute (<http://www.inss.gov.br>) administers cash benefits.

Federal, state, and municipal institutions are part of the Unified Health System and administer medical benefits.

Work Injury

Regulatory Framework

First laws: 1919, 1944, and 1967.

Current laws: 1991; and 1991, with 1999 amendment.

Type of program: Social insurance system.

Coverage

Employed persons.

Exclusions: Self-employed persons.

Source of Funds

Insured person: None.

Self-employed person: Not applicable.

Employer: 1% to 3% of gross payroll according to the assessed degree of risk; 0.1% of gross payroll for employers of rural workers.

There are no minimum or maximum earnings for contribution calculation purposes.

Government: None.

Qualifying Conditions

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

Temporary Disability Benefits

The monthly benefit is 91% of average earnings and is paid after a 15-day waiting period (during which the employer is required to pay 100% of earnings). No waiting period is required for casual and rural workers.

There is no limit to duration.

Average earnings for benefit calculation purposes are based on the best 80% of total monthly earnings. For rural workers, average earnings are 100% of the legal monthly minimum wage.

The minimum monthly earnings for benefit calculation purposes are equal to the legal monthly minimum wage (465 reais).

The maximum monthly earnings for benefit calculation purposes are 3,128.90 reais.

Schedule of payments: Thirteen payments a year.

Benefit adjustment: Benefits are adjusted annually according to changes in the consumer price index; the minimum wage for rural workers' benefits.

Permanent Disability Benefits

Permanent disability pension: The monthly pension is 100% of average earnings and is paid if the insured is incapable of any work.

Average earnings for benefit calculation purposes are based on the best 80% of total monthly earnings.

The minimum monthly earnings for benefit calculation purposes are equal to the legal monthly minimum wage (465 reais).

The maximum monthly earnings for benefit calculation purposes are 3,128.90 reais.

Constant-attendance supplement: If the insured requires the constant attendance of others to perform daily functions, 25% of the pension is paid.

Schedule of payments: Thirteen payments a year.

The degree of disability is assessed every 2 years by National Social Security Institute doctors.

Accident benefit (partial disability): The monthly benefit is 50% of average earnings and is paid to workers with disabilities who are capable of some kind of work.

Average earnings for benefit calculation purposes are based on the best 80% of total monthly earnings.

Schedule of payments: Thirteen payments a year.

Benefit adjustment: Benefits are adjusted annually according to changes in the consumer price index.

Workers' Medical Benefits

Medical treatments are directly provided to patients in urban and rural areas by the Unified Health System. Medical and dental treatment, hospital treatment, medicine (some cost sharing is required), and transportation. There is no limit to duration.

Survivor Benefits

Survivor pension: The monthly benefit is 100% of the pension the deceased received or would have been entitled to receive; 100% of the minimum wage for rural workers. The pension is split equally among eligible survivors. If one survivor ceases to be eligible, the pensions for the remaining survivors are recalculated.

Eligible survivors include the widow(er) or partner and children younger than age 21 (no limit if disabled); in the absence of the above (in order of priority), parents and brothers and sisters younger than age 21 (no limit if disabled).

The minimum monthly pension is equal to the legal monthly minimum wage (465 reais).

The maximum monthly pension is 3,128.90 reais.

Schedule of payments: Thirteen payments a year.

Benefit adjustment: Benefits are adjusted annually according to changes in the consumer price index; the minimum wage for rural workers' benefits.

Administrative Organization

Ministry of Health (<http://www.saude.gov.br>) provides general supervision of the Unified Health System.

Ministry of Social Insurance (<http://www.previdencia.gov.br>) provides general supervision.

National Social Security Institute (<http://www.inss.gov.br>) administers cash benefits.

Federal, state, and municipal institutions are part of the Unified Health System and administer medical benefits.

Unemployment

Regulatory Framework

First laws: 1965 (severance pay fund) and 1986 (unemployment insurance).

Current law: 1990 (unemployment insurance), with 1994 and 2002 amendments; and 1991 (traditional fishermen).

Type of program: Social assistance system.

Note: Employers contribute 8% of earnings to the Guarantee Fund for Severance Pay (FGTS), which has individual savings accounts to which the insured has access in the event of unemployment, marriage, retirement, and other contingencies.

Coverage

Persons employed in the formal private sector and other categories of workers, such as household workers, survivors of slave labor, and fishermen (during closed season periods).

Exclusions: Self-employed persons.

Source of Funds

Insured person: None.

Self-employed person: Not applicable.

Employer: None.

Government: The total cost is financed by earmarked taxes.

Qualifying Conditions

Unemployment benefits: The benefit varies according to whether the insured had 6 months to 11 months of coverage, 12 months to 23 months of coverage, or 24 months or more of coverage in the last 36 months. Unemployment must not be due to misconduct or resignation. The insured must lack other resources to support self or family and must not receive other social insurance benefits.

Unemployment Benefits

Unemployment benefit (means-tested): The monthly benefit varies according to average earnings in the last 3 months of employment: 80% of average earnings is paid with average earnings up to 767.60 reais; plus 50% of earnings between 767.61 reais and 1,279.46 reais.

The minimum monthly benefit is equal to the legal monthly minimum wage (465 reais).

The maximum monthly benefit is 870.01 reais.

The benefit is paid for 3 to 5 months, depending on the insured's duration of coverage. Under special conditions, the benefit may be extended for an additional 2 months.

Benefit adjustment: Benefits are adjusted annually according to changes in the minimum wage.

Administrative Organization

Ministry of Labor and Employment (<http://www.mte.gov.br>) provides general supervision.

Worker Assistance Fund Advisory Council administers the program.

Family Allowances

Regulatory Framework

First law: 1941 (large families).

Current laws: 1991 (social insurance) and 1998 (family allowances).

Type of program: Employment-related system.

Coverage

Low-income employees with one or more children.

Exclusions: Household and casual workers, elected civil servants, and self-employed persons.

Source of Funds

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

Self-employed person: Not applicable.

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

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

Qualifying Conditions

Family allowances (income-tested): Employees with monthly income up to 752.12 reais. The child must be younger than age 14. The parents are required to present annual proof of vaccinations for children up to age 6 and proof of school attendance each semester from age 7. The parent must be currently in insured employment or receiving a sickness benefit. The allowance is paid to both parents if both are insured.

Family Allowance Benefits

Family allowances (income-tested): 25.66 reais is paid monthly for each child if the insured's earnings do not exceed 500.40 reais; 18.08 reais a month if earnings are between 500.41 reais and 752.12 reais.

Employers pay allowances and the total cost is reimbursed by government.

Benefit adjustment: Benefits are adjusted annually according to changes in the consumer price index.

Administrative Organization

Ministry of Social Insurance (<http://www.previdencia.gov.br>) provides general supervision.

National Social Security Institute (<http://www.inss.gov.br>) administers benefits.

Employers pay benefits to employees.