

Bolivia

Exchange rate: US\$1.00 = 6.96 bolivianos.

Old Age, Disability, and Survivors

Regulatory Framework

First laws: 1949 (social insurance); and 1956 (social security), implemented in 1959.

Current laws: 1996 (mandatory individual account), implemented in 1997; 2007 (universal pension), implemented in 2008; and 2010 (integrated pensions system).

Type of program: Mandatory individual account and universal pension system.

Note: In 1997, all active members of the social insurance system transferred to a system of privately managed mandatory individual accounts.

In 2008, a new universal pension (*Renta Dignidad*) replaced the *Bonosol* (available to all resident citizens of Bolivia older than age 65 from 1996 to 2008).

Coverage

Mandatory individual account: Salaried workers, including military personnel and apprentices.

Voluntary coverage for self-employed persons.

Universal pension (*Renta Dignidad*): All resident citizens aged 60 or older.

Source of Funds

Insured person

Mandatory individual account: 10% of covered earnings for old-age benefits plus 1.71% of covered earnings for disability and survivor benefits and 0.5% of covered earnings for administrative fees.

The minimum earnings used to calculate contributions are the legal monthly minimum wage.

The maximum earnings used to calculate contributions are 60 times the legal monthly minimum wage.

The legal monthly minimum wage is 815.40 bolivianos. (The legal monthly minimum wage is adjusted according to changes in the cost of living, depending on the financial resources of the government budget. The last adjustment was made in April 2011.)

Solidarity pension: 0.5% of covered earnings of 815.40 bolivianos to 13,000 bolivianos; 1% of earnings above 13,000 bolivianos up to 25,000 bolivianos; 5% of earnings above 25,000 bolivianos up to 35,000 bolivianos; and 10% of earnings above 35,000 bolivianos.

20% of the insured's contributions for survivors and disability insurance also finances the semicontributory pension.

Universal pension (*Renta Dignidad*): None.

Self-employed person

Mandatory individual account: Voluntarily insured persons contribute 10% of declared earnings plus 1.71% of declared earnings for disability and survivor benefits and 0.5% of declared earnings for administrative fees.

The minimum declared earnings used to calculate contributions are the legal monthly minimum wage.

The maximum declared earnings used to calculate contributions are 60 times the legal monthly minimum wage.

The legal monthly minimum wage is 815.40 bolivianos.

Solidarity pension: 0.5% of declared earnings of 815.40 bolivianos to 13,000 bolivianos; 1% of earnings above 13,000 bolivianos up to 25,000 bolivianos; 5% of earnings above 25,000 bolivianos up to 35,000 bolivianos; and 10% of earnings above 35,000 bolivianos.

Mining cooperatives contribute 2% of declared income from sales.

20% of the self-employed's contributions for survivors and disability insurance also finances the solidarity pension. See also source of funds under Work Injury.

Universal pension (*Renta Dignidad*): None.

Employer

Mandatory individual account: None; premiums finance disability and survivor benefits.

Solidarity pension: 3% of covered payroll; 2% of covered payroll (mining sector). See also source of funds under Work Injury.

Universal pension (*Renta Dignidad*): None.

Government

Mandatory individual account: Finances the value of accrued rights under the social insurance system and the funeral grant.

Solidarity pension: None.

Universal pension (*Renta Dignidad*): The total cost is financed through taxes on hydro-carbons and dividends from public enterprises.

Qualifying Conditions

Old-age pension: At any age if the accumulated capital in the individual account plus accrued interest is sufficient to finance a monthly pension of 60% of the insured's average earnings in the last two years (or over the whole contribution period if the insured has less than two years of contributions), funeral expenses, and survivor benefit for the insured's dependents.

Age 55 (men) or age 50 (women) with accrued rights accrued rights for contributions to the social insurance system, if the accumulated capital in the individual account plus accrued interest is sufficient to finance a monthly pension of 60% of the insured's average covered earnings in the last two years (or over the whole contribution period if the insured has less than two years of contributions), funeral expenses, and survivor benefit for the insured's dependents.

Age 58 (age 56 for miners) with at least 10 years of contributions if the accumulated capital in the individual account plus accrued interest is sufficient to finance a monthly pension that is greater than the solidarity pension.

The retirement age for women is reduced by one year for each live birth, up to three. The retirement age for miners is reduced by up to five years for work in unhealthy conditions (one year for every two years of work in unhealthy conditions).

The old-age pension is payable abroad temporarily in specific cases.

Solidarity pension: Age 58 (age 56 for miners) with at least 10 years of contributions, and the accumulated capital in the individual account plus accrued interest is insufficient to finance a monthly pension below a legally defined threshold.

The retirement age for women is reduced by one year for each child born alive, up to three. The retirement age for miners is reduced by up to five years for work in unhealthy conditions (one year for every two years of work in unhealthy conditions).

Universal pension (Renta Dignidad): Paid to resident citizens aged 60 or older.

The universal pension is payable abroad temporarily in specific cases.

Disability pension: The insured must be younger than age 65 with an assessed degree of disability of at least 60%. A partial disability pension may be paid for an assessed degree of disability of at least 50% but less than 60%.

The insured must have made at least five years of contributions to the social insurance or individual account schemes or have made contributions during half the period between the date of the first contribution to the individual account and the date the disability began; must be currently contributing or have ceased contributing no longer than 12 months before the disability began. If the disability is due to an illness, the insured must also have at least 18 months of contributions in the last 36 months before the disability began.

Severe disability supplement: The insured is assessed with a degree of disability of at least 80%.

Certified medical doctors assess the degree of disability.

The disability pension is payable abroad temporarily in specific cases.

Survivor pension: The deceased was a pensioner, had made at least 60 months of contributions to the social insurance or individual account schemes, had made contributions during half the period between the date of the first contribution to the individual account and the date of death, was still contributing, or had ceased contributing no longer than 12 months before the date of death. If the death was the result of an illness, the deceased must also have had at least 18 months of contributions in the last 36 months before the date of death.

Eligible survivors include the spouse or cohabiting partner and children younger than age 18 (age 25 if a student, no limit if disabled).

If there is no eligible surviving spouse, partner, or child, other eligible survivors include the insured's father and mother, the insured's brothers and sisters younger than age 18, or other survivors named by the insured.

The survivor pension is payable abroad temporarily in specific cases.

Funeral grant: Paid for the death of an insured worker younger than age 60 or a citizen aged 60 or older.

Old-Age Benefits

Old-age pension: The insured's accumulated capital (contributions plus accrued interest) is used to purchase a fixed or variable life annuity, depending on the total amount of the accumulated capital. (The value of accrued rights under the social insurance system based on contributions made before 1997 is combined with the individual account balance at retirement.)

The legal monthly minimum wage is 815.40 bolivianos. (The legal monthly minimum wage is adjusted according to changes in the cost of living, based on available funds. The last adjustment was made in April 2011.)

The first monthly amount paid under a variable life annuity must not be less than 60% of the insured's average covered earnings in the last two years (or over the whole contribution period if the insured has less than two years of contributions).

The benefit is paid 13 times a year.

Benefit adjustment: Pensions are adjusted annually according to the UFV (Unidad de Fomento de Vivienda), calculated by the Central Bank according to changes in the cost of living.

Solidarity pension: The monthly pension is the difference between the benefit based on the accumulated capital in the insured's individual account (contributions plus accrued interest) and a legally defined threshold corresponding to the insured's number of years of contributions. The benefit increases incrementally with 10 years to 35 years of contributions, up to a maximum.

Universal pension (Renta Dignidad): 2,400 bolivianos a year is paid for life. The benefit is reduced by 25% if the person receives another pension.

The benefit is paid monthly, bimonthly, quarterly, or annually.

Benefit adjustment: The benefit is adjusted every three years by the Executive Branch based on available funds.

Permanent Disability Benefits

Disability pension: For an assessed degree of disability of at least 60%, the monthly pension is 70% of the insured's average earnings in the last five years (or over the whole contribution period if the insured has less than five years of contributions). For an assessed degree of disability of at least 50% but less than 60%, the pension is the degree of disability multiplied by the insured's average earnings in the last five years (or over the whole contribution period if the insured has less than five years of contributions).

Severe disability supplement: A monthly benefit equal to the legal monthly minimum wage is paid.

The legal monthly minimum wage is 815.40 bolivianos. (The legal monthly minimum wage is adjusted according to changes in the cost of living, depending on the financial resources of the government budget. The last adjustment was made in April 2011.)

The insurance company also pays a monthly contribution of 10% of the insured's average earnings in the last five years (or over the whole contribution period if the insured has less than five years of contributions) to the insured person's individual account until retirement or death.

The minimum earnings used to calculate the disability pension are the legal monthly minimum wage.

The maximum earnings used to calculate the disability pension are 60 times the legal monthly minimum wage.

The legal monthly minimum wage is 815.40 bolivianos. (The legal monthly minimum wage is adjusted according to changes in the cost of living, based on available funds. The last adjustment was made in April 2011.)

The benefit is paid 13 times a year.

The disability pension ceases at age 65 and is replaced by the old-age pension.

If an insured person with a disability is not eligible for a pension, the insured may use the accumulated capital plus accrued rights under the social insurance system (if applicable) in his or her individual account to purchase a temporary annuity. The monthly amount of the annuity must not be less than 60% of the legal monthly minimum wage.

Benefit adjustment: Pensions are adjusted annually according to the UFV (Unidad de Fomento de Vivienda), calculated by the Central Bank according to changes in the cost of living.

Survivor Benefits

Survivor pension: 90% of the monthly base survivor pension is paid to a widow(er) or cohabiting partner with no eligible children; 70% if there is one eligible child; and 50% if there are two or more eligible children. (Life insurance tops up the accumulated capital in the deceased's individual account if the balance plus accrued rights under the social insurance system (if applicable) is less than the required minimum survivor pension.)

The monthly base survivor pension is the old-age (mandatory individual account or solidarity) or disability pension the deceased received or was eligible to receive, whichever is greater, depending on the deceased's age at death.

The minimum earnings used to calculate the monthly base pension are the legal monthly minimum wage.

The maximum earnings used to calculate the monthly base pension are 60 times the legal monthly minimum wage.

The legal monthly minimum wage is 815.40 bolivianos. (The legal monthly minimum wage is adjusted according to changes in the cost of living, based on available funds. The last adjustment was made in April 2011.)

The benefit is paid 13 times a year.

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

Orphan's pension: 20% of the monthly base survivor pension is paid for one orphan; 50% is split equally if there are two or more orphans; and 100% is split equally between full orphans. (Life insurance tops up the accumulated capital in the deceased's individual account if the balance plus accrued rights under the social insurance system (if applicable) is less than the required minimum survivor pension.)

The monthly base survivor pension is the old-age (mandatory individual account or solidarity) or disability pension the deceased received or was eligible to receive, whichever is greater, depending on the deceased's age at death.

The benefit is paid 13 times a year.

When an orphan ceases to be eligible, the widow(er)'s or partner's pension is recalculated.

All survivor benefits combined must not exceed 100% of the base survivor pension.

Other eligible survivors: If there is no eligible surviving spouse, partner, or child, 60% of the monthly base survivor pension is divided equally among other eligible survivors.

The monthly base survivor pension is the old-age (mandatory individual account or solidarity) or disability pension the deceased received or was eligible to receive, whichever is greater, depending on the deceased's age at death.

The benefit is paid 13 times a year.

All benefits combined for other eligible survivors must not exceed 60% of the base survivor pension.

If the deceased was not entitled to receive a pension, the accumulated capital plus accrued rights under the social insurance system (if applicable) in the deceased's individual account may be used to finance temporary payments to the eligible survivors according to pension allocation rules. The monthly payments are based on a hypothetical base survivor pension of at least 60% of the legal monthly minimum wage.

The legal monthly minimum wage is 815.40 bolivianos. (The legal monthly minimum wage is adjusted according to changes in the cost of living, based on available funds. The last adjustment was made in April 2011.)

Benefit adjustment: Pensions are adjusted annually according to the UFV (Unidad de Fomento de Vivienda), calculated by the Central Bank according to changes in the cost of living.

Funeral grant: A lump sum of 1,800 bolivianos is paid.

Administrative Organization

Note: The Public Management Body for Long-Term Social Security, once established, will take over administration of old-age, disability, and survivors benefits, under the supervision of the Ministry of the Economy and Public Finances. The Public Management Body for Long-Term Social Security will transfer administration of disability benefits to the Public Insurance Entity, once established.

Ministry of the Economy and Public Finances (<http://www.economiayfinanzas.gob.bo/>) provides general supervision.

Pension Fund Administrators (AFPs) administer the old-age benefits and contract with insurance companies for disability and survivor insurance.

Insurance companies administer the disability pension and survivor pension program.

Assessment Body, established by the AFPs and the insurance companies, carries out assessments for the calculation of disability and survivor benefits.

Sickness and Maternity

Regulatory Framework

First law: 1949.

Current laws: 1987 (social security), 1988, 1998 (health), and 2002 (maternity).

Type of program: Social insurance system.

Coverage

Cash and medical benefits: All workers.

Voluntary coverage for self-employed persons.

Medical benefits only: Persons older than age 60.

Source of Funds

Insured person: None; pensioners contribute 5% of the pension.

Self-employed person: Voluntarily insured persons make contributions. (Self-employed miners contribute 10% of 1.3 times the legal monthly minimum wage.)

The legal monthly minimum wage is 815.40 bolivianos. (The legal monthly minimum wage is adjusted according to changes in the cost of living, depending on the financial resources of the government budget. The last adjustment was made in April 2011.)

The self-employed person's contributions also finance temporary disability benefits and medical benefits under Work Injury.

Employer: 10% of payroll.

The employer's contributions also finance temporary disability benefits and medical benefits under Work Injury.

Government: None.

Qualifying Conditions

Cash sickness benefits: The insured must have made at least two contributions before the incapacity began.

Cash maternity and medical benefits: The insured must have at least four months of contributions before the start of the pregnancy. The benefit is paid to an insured woman or to the wife of an insured man.

Medical benefits: The insured must have made at least one month of contributions in the previous two months.

Sickness and Maternity Benefits

Sickness benefit: 75% of the insured's last earnings is paid after a three-day waiting period for up to 26 weeks; may be extended to 52 weeks if continuing medical care will prevent permanent disability.

Maternity benefit: 95% of the insured's earnings is paid for up to 45 days before and 45 days after the expected date of childbirth.

Nursing and prenatal allowances: See Family Allowances.

Workers' Medical Benefits

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

Dependents' Medical Benefits

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

Administrative Organization

Ministry of Health and Sports (<http://www.sns.gob.bo>) provides supervision.

National Health Fund (<http://www.cns.gob.bo>) administers the program.

Work Injury

Regulatory Framework

First law: 1924.

Current laws: 1987 (social security); 1996 (mandatory individual account), implemented in 1997; and 2010 (integrated pensions system).

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

Coverage

Salaried workers and apprentices.

Voluntary coverage for self-employed persons.

Source of Funds

Insured person: For temporary disability benefits and medical benefits, see source of funds under Sickness and Maternity.

Self-employed person: For temporary disability benefits and medical benefits, see source of funds under Sickness and Maternity. For permanent survivors and disability insurance (work injury), 1.71% of covered earnings.

20% of the self-employed's contributions for survivors and disability insurance (work injury) also finances the solidarity pension. See also source of funds under Old Age, Disability, and Survivors.

Employer: For temporary disability benefits and medical benefits, see source of funds under Sickness and Maternity. For permanent survivors and disability insurance (work injury), the total cost is met through employer's contributions calculated based on the gross earnings of all employees.

20% of the employer's contributions for survivors and disability insurance (work injury) also finances the solidarity pension. See also source of funds under Old Age, Disability, and Survivors.

Government: Contributes as an employer.

Qualifying Conditions

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

Insured persons must be younger than age 65 and assessed with a degree of disability of at least 10%. If the disability is the result of an accident at work, the insured must have been employed when the accident occurred. If the disability is the result of an illness, the disability must begin while the insured is employed or up to 12 months (18 months for miners) after employment ceases.

Voluntarily insured self-employed persons must be younger than age 65, be assessed with a degree of disability of at least 10%, and have made at least three contributions in the last 12 months before the disability began. If the disability is the result of an accident at work, the disability must be assessed while the insured is making contributions. If the disability is the result of an illness, the disability must begin while the insured is making contributions or up to nine months (18 months for members of mining cooperatives) after contributions cease.

Temporary Disability Benefits

75% of the insured's last earnings is paid after a three-day waiting period for up to 26 weeks; may be extended for an additional 26 weeks if continuing medical care will prevent permanent disability.

Permanent Disability Benefits

Permanent disability pension: For an assessed degree of disability of at least 60%, the monthly pension is 100% of the insured's average earnings in the last five years (or over the whole contribution period if the insured has less than five years of contributions).

The insurance company also pays a monthly contribution of 10% of the insured's average earnings in the last five years (or over the whole contribution period if the insured has less than five years of contributions) to the insured person's individual account until retirement or death.

The minimum earnings used to calculate benefits are the legal monthly minimum wage.

The maximum earnings used to calculate benefits are 60 times the legal monthly minimum wage.

The legal monthly minimum wage is 815.40 bolivianos. (The legal monthly minimum wage is adjusted according to changes in the cost of living, based on available funds. The last adjustment was made in April 2011.)

Partial disability: For an assessed degree of disability of at least 25% but less than 60%, the pension is the degree of disability multiplied by the insured's average earnings in the last five years (or over the whole contribution period if the insured has less than five years of contributions).

The disability pension ceases at age 65 and is replaced by the old-age pension.

Disability grant: For an assessed degree of disability of at least 10% but less than 25%, a lump sum of 48 times the insured's average earnings in the last five years (or over the

whole contribution period if the insured has less than five years of contributions) is paid.

Certified medical doctors assess the degree of disability.

Benefit adjustment: Pensions are adjusted annually according to the UFV (Unidad de Fomento de Vivienda), calculated by the Central Bank according to changes in the cost of living.

Workers' Medical Benefits

Benefits include necessary medical and surgical care, hospitalization, and medicine.

Survivor Benefits

Survivor pension: 80% of the monthly base survivor pension is paid to a widow(er) or cohabiting partner with no eligible children; 60% if there is one eligible child; and 50% if there are two or more eligible children.

The monthly base survivor pension is 100% of the deceased's average earnings in the last five years (or over the whole contribution period if the deceased had less than five years of contributions).

The minimum earnings used to calculate benefits are the legal monthly minimum wage.

The maximum earnings used to calculate benefits are 60 times the legal monthly minimum wage.

The legal monthly minimum wage is 815.40 bolivianos. (The legal monthly minimum wage is adjusted according to changes in the cost of living, based on available funds. The last adjustment was made in April 2011.)

The benefit is paid 13 times a year.

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

Orphan's pension: 20% of the monthly base survivor pension is paid for one orphan; 50% is split equally if there are two or more orphans; and 100% is split equally among full orphans.

The monthly base survivor pension is 100% of the deceased's average earnings in the last five years (or over the whole contribution period if the deceased had less than five years of contributions).

The benefit is paid 13 times a year.

When an orphan ceases to be eligible, the widow(er)'s or partner's pension is recalculated.

All survivor benefits combined must not exceed 100% of the base survivor pension.

Other eligible survivors: If there is no surviving spouse, partner, or child, 60% of the monthly base survivor pension is split equally among other eligible survivors.

The monthly base survivor pension is 100% of the deceased's average earnings in the last five years (or over

the whole contribution period if the deceased had less than five years of contributions).

The benefit is paid 13 times a year.

All benefits combined for other eligible survivors must not exceed 60% of the base survivor pension.

If the deceased was not eligible for a pension, the accumulated capital plus interest of the deceased's mandatory individual account may be used to finance temporary payments to the eligible survivors according to pension allocation rules. The monthly payments must be based on a hypothetical base survivor pension of at least 60% of the legal monthly minimum wage.

The legal monthly minimum wage is 815.40 bolivianos. (The legal monthly minimum wage is adjusted according to changes in the cost of living, based on available funds. The last adjustment was made in April 2011.)

Benefit adjustment: Pensions are adjusted annually according to the UFV (Unidad de Fomento de Vivienda), calculated by the Central Bank according to changes in the cost of living.

Funeral grant: A lump sum of 1,800 bolivianos is paid.

Administrative Organization

Note: Once established, the Public Management Body for Long-term Social Security, under the supervision of the Ministry of the Economy and Public Finances, will administer permanent survivors and disability insurance (work injury) until a Public Insurance Entity is established.

Ministry of the Economy and Public Finances (<http://www.economiayfinanzas.gob.bo/>) provides general supervision.

Pension Fund Administrators collect contributions and contract insurance companies for work injury disability and survivor insurance.

Insurance companies administer work injury disability and survivor programs.

Assessment Body, established by the AFPs and the insurance companies, carries out assessments for the calculation of disability and survivor benefits.

National Health Fund (<http://www.cns.gob.bo>) administers temporary disability benefits and medical benefits.

Unemployment

Regulatory Framework

No statutory unemployment benefits are provided.

Labor law requires employers to grant severance pay to dismissed employees. Dismissed workers are covered for medical and maternity benefits for up to two months after employment ceases.

Family Allowances

Regulatory Framework

First law: 1953.

Current laws: 1956 (social security), implemented in 1959; 1987 (social security); and 2009 (conditional cash transfers).

Type of program: Employment-related system and social assistance.

Coverage

All workers and unemployed pregnant women.

Exclusions: Self-employed persons.

Special systems for bank employees, military personnel, and other groups of workers.

Source of Funds

Insured person: None.

Self-employed person: Not applicable.

Employer: The total cost.

Government: The total cost of the conditional cash transfers.

Qualifying Conditions

Family allowances: The child must be aged 1 (when the nursing allowance ceases) to 19; no limit if disabled. The family head must be currently working more than 15 days a month.

Mother and baby bonus: Paid to unemployed women during pregnancy and up until her child is age 2. The payment is conditional on regular attendance at medical appointments during pregnancy and during the child's first two years. Beneficiaries may not receive any other family allowances.

Housing allowance: Paid to single and married workers.

Prenatal grant: Paid from the fifth month of pregnancy.

Birth grant: Paid for the birth of a child.

Nursing allowance: Paid (in kind) for each child for the 12-month period following birth.

Burial allowance: Paid for the funeral of a child younger than age 19.

Family Allowance Benefits

Family allowances: A monthly allowance is paid for each child.

Mother and baby bonus: 50 bolivianos is paid to the mother for each medical appointment attended during pregnancy, up to four; 120 bolivianos at child birth, provided she uses public health services; and 125 bolivianos for each bimonthly medical appointment attended by the child until age 2.

Housing allowance: An allowance is paid to single and married workers.

Prenatal grant: A benefit equal to the legal monthly minimum wage is paid. In-kind benefits, including milk, are also provided from the fifth month of pregnancy.

The legal monthly minimum wage is 815.40 bolivianos. (The legal monthly minimum wage is adjusted according to changes in the cost of living, based on available funds. The last adjustment was made in April 2011.)

Birth grant: A grant equal to the legal monthly minimum wage is paid for each birth.

The legal monthly minimum wage is 815.40 bolivianos. (The legal monthly minimum wage is adjusted according to changes in the cost of living, depending on the financial resources of the government budget. The last adjustment was made in April 2011.)

Nursing allowance: A monthly milk allowance is provided for each child for the 12-month period following birth (paid in kind).

Burial allowance: A lump sum equal to the legal monthly minimum wage is paid.

The legal monthly minimum wage is 815.40 bolivianos. (The legal monthly minimum wage is adjusted according to changes in the cost of living, based on available funds. The last adjustment was made in April 2011.)

Administrative Organization

Ministry of Housing and Economic Development provides general supervision.

National Secretariat of Pensions, through the National Institute of Pensions, administers the program.

Employers pay allowances for single and married adults to employees.