

## Honduras

Exchange rate: US\$1.00 = 18.90 lempiras.

### Old Age, Disability, and Survivors

#### Regulatory Framework

**First and current law:** 1959 (social security), implemented in 1971.

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

#### Coverage

Employed persons in private- and public-sector enterprises in specified regions.

Coverage is being gradually extended to additional regions.

Voluntary coverage for self-employed persons and household workers.

Exclusions: Temporary workers and some groups of agricultural workers.

#### Source of Funds

**Insured person:** 1% of covered earnings.

Monthly earnings used to calculate contributions are subject to a minimum.

The maximum earnings used to calculate contributions are 7,000 lempiras.

**Self-employed person:** 4% of estimated earnings.

Monthly earnings used to calculate contributions are subject to a minimum.

**Employer:** 2% of covered payroll.

Monthly earnings used to calculate contributions are subject to a minimum.

The maximum earnings used to calculate contributions are 7,000 lempiras.

**Government:** 0.5% of covered payroll; also contributes as an employer.

Monthly earnings used to calculate contributions are subject to a minimum.

The maximum earnings used to calculate contributions are 7,000 lempiras.

#### Qualifying Conditions

**Old-age pension:** Age 65 (men) or age 60 (women) with at least 180 months of contributions. Employment must cease.

Constant-attendance supplement: Paid if the insured requires the constant attendance of others to perform daily functions.

**Old-age settlement:** Age 65 (men) or age 60 (women) with less than 180 months of contributions.

**Disability pension:** The insured is assessed with at least a 66.7% loss of earning capacity in the usual occupation and has at least 36 months of contributions in the last six years; eight months of contributions in the last 24 months in the event of a nonoccupational accident.

Constant-attendance supplement: Paid if the insured is assessed with a disability of more than 50% and requires the constant attendance of others to perform daily functions.

**Disability settlement:** The insured is assessed with a disability but does not meet the contribution requirements for the disability pension.

**Survivor pension:** In the case of a death resulting from an illness, the deceased must have had at least 36 months of contributions in the last six years or eight months of contributions in the 24 months before the injury resulting in a nonoccupational accident-related death.

Eligible survivors are a widow(er) or partner aged 65 or older or disabled and orphans younger than age 14 (age 18 if a student, no limit if disabled); if there is no a widow(er), partner, or orphan, a mother of any age and a father older than age 65 or disabled.

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

#### Old-Age Benefits

**Old-age pension:** The pension is 40% of the insured's basic monthly earnings plus 1% of earnings for each 12-month period of contributions exceeding 60 months.

Basic monthly earnings used to calculate the pension are 0.028% or 0.017% of insured earnings in the last three or five years, respectively, before the month of entitlement (whichever is greater).

Deferred pension: An additional 3% of basic monthly earnings is paid for each year of contributions after age 65 (men) or age 60 (women).

The minimum pension is 50% of basic monthly earnings.

The maximum pension is 80% of basic monthly earnings.

Constant-attendance supplement: Up to 50% of the pension is paid.

**Old-age settlement:** The total amount of contributions are refunded as a lump sum.

#### Permanent Disability Benefits

**Disability pension:** For a total (100%) disability, the pension is 40% of the insured's basic monthly earnings plus

## Honduras

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1% of earnings for each 12-month period of contributions exceeding 60 months.

Basic monthly earnings used to calculate the pension are 0.028% or 0.017% of insured earnings in the last 3 or 5 years, respectively, before the month of entitlement (whichever is greater).

The minimum pension is 50% of covered earnings.

The maximum pension is 80% of covered earnings.

Constant-attendance supplement: Up to 50% of the pension is paid.

Partial disability: For disabilities of less than 100%, the total disability pension is multiplied by the assessed degree of disability.

**Disability settlement:** The total amount of contributions is refunded as a lump sum.

### Survivor Benefits

**Survivor pension:** 40% of the pension the deceased received or was eligible to receive is paid to an eligible widow(er) or partner.

Remarriage settlement: A lump sum of 12 months of pension is paid to an eligible widow(er) or partner.

**Orphan's pension:** 20% of the pension the deceased received or was eligible to receive is paid to each orphan; 40% for a full orphan.

**Dependent parent's pension:** If there is no eligible widow(er), partner, or orphan, 20% of the pension the deceased received or was eligible to receive is paid to each eligible parent.

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

**Funeral grant:** 50% of the deceased's basic monthly earnings is paid. The minimum funeral grant is 250 lempiras if the deceased made at least one contribution in the last six months; 100 lempiras if the beneficiary is not a member of the deceased's family.

### Administrative Organization

Secretariat of Labor and Social Security (<http://www.trabajo.gob.hn/>) provides general supervision.

Social Security Institute (<http://www.ihss.hn>), managed by a board of directors and director general, administers the program.

### Sickness and Maternity

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#### Regulatory Framework

**First and current law:** 1959 (social security), implemented in 1962.

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

### Coverage

**Cash sickness benefits:** Public-sector employees and employees of firms in industry and commerce with one or more workers; old-age and disability pensioners; and unemployed persons.

Exclusions: Self-employed persons; and household, agricultural, family, and temporary workers.

**Cash maternity benefits:** Public-sector employees and employees of firms in industry and commerce with one or more workers; self-employed persons; and disability pensioners.

Exclusions: Unemployed persons; and agricultural, family, and temporary workers.

**Medical benefits:** Public-sector employees and employees of firms in industry and commerce with one or more workers; old-age and disability pensioners; unemployed persons; self-employed persons; and household workers.

Exclusions: Agricultural, family, and temporary workers.

Coverage is limited to certain regions and is being extended gradually to additional regions. The Honduran Social Security Institute subcontracts private health services in cities without public facilities. The labor code is still in force in regions where social insurance has not yet been extended.

### Source of Funds

**Insured person:** 2.5% of covered earnings.

Monthly earnings used to calculate contributions are subject to a minimum and a maximum.

The insured's contributions also finance work injury benefits.

**Self-employed person:** 8.5% of estimated earnings.

Monthly earnings used to calculate contributions are subject to a minimum.

**Employer:** 5% of covered payroll.

Monthly earnings used to calculate contributions are subject to a minimum and a maximum.

The employer's contributions also finance work injury benefits.

**Government:** 0.5% of total covered earnings; contributes as an employer.

Monthly earnings used to calculate contributions are subject to a minimum and a maximum.

### Qualifying Conditions

**Cash sickness benefits:** The insured must have at least two months of contributions in the four months before the incapacity began. (The unemployed must have at least 35 days of coverage in the three months before unemployment.)

**Cash maternity benefits:** The insured must have at least 75 days of contributions in the last 10 months.

**Medical benefits:** Must be in insured employment or unemployed with at least 35 days of coverage in the three months before unemployment. For maternity medical benefits the insured must have at least 10 months of contributions before the expected date of childbirth or at least 12 months of contributions in the last 18 months. For children's benefits, the insured must have at least 35 days of contributions in the three months before the incapacity began.

### **Sickness and Maternity Benefits**

**Sickness benefit:** 66% of the insured's earnings in the last three months (50% if hospitalized and without dependents) is paid after a three-day waiting period for up to 26 weeks; may be extended to 52 weeks.

The labor code requires employers to provide sick leave to employees not covered by social insurance.

**Maternity benefit:** 66% of the insured's earnings in the last three months is paid for six weeks before and six weeks after the expected date of childbirth.

The labor code requires employers to provide maternity leave to employees not covered by social insurance.

### **Workers' Medical Benefits**

Social Security Institute provides medical services directly to patients through its health facilities. Benefits include general and specialist care, surgery, hospitalization, necessary medicine, laboratory services, appliances, dental care, and maternity care including postpartum care for up to 45 days, which may be extended up to a total of 26 weeks.

The period of duration is dependent on continuing to meet the contribution requirements. If the insured person is unemployed, benefits are limited to 60 days of general care and six months of specialized care.

### **Dependents' Medical Benefits**

Benefits include maternity care for the insured's wife, including postpartum care for up to 45 days; pediatric care for the insured's children up to one month after reaching age 5, or up to 26 weeks after an insured's death.

### **Administrative Organization**

Secretariat of Labor and Social Security (<http://www.trabajo.gob.hn/>) provides general supervision.

Social Security Institute (<http://www.ihss.hn>), managed by a board of directors and director general, administers the program.

Social Security Institute operates its own hospitals and out-patient clinics and contracts the services of private clinics.

## **Work Injury**

### **Regulatory Framework**

**First and current law:** 1959 (social security), implemented in 1971.

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

### **Coverage**

Public-sector employees and employees of firms in industry and commerce with one or more workers in specified regions.

Coverage is being extended gradually to additional regions. The labor code is still in force in regions to which social insurance has not yet been extended.

Exclusions: Self-employed persons and agricultural, household, family, and temporary workers.

### **Source of Funds**

**Insured person:** None.

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

**Employer:** 0.2% of payroll.

**Government:** None.

### **Qualifying Conditions**

**Work injury benefits:** There is no minimum qualifying period. An insured person who becomes unemployed must prove that the illness or incapacity is work-related and began no more than two months after employment ceases.

**Survivor benefits:** The deceased must have worked for at least a month in insured employment.

### **Temporary Disability Benefits**

For an assessed disability of 15% or less, 100% of the insured's daily wage is paid after a three-day waiting period until recovery, certification of permanent disability, or death.

The daily wage used to calculate benefits is subject to a maximum.

### **Permanent Disability Benefits**

**Permanent disability pension:** For an assessed degree of disability of greater than 65%, 70% of the insured's basic monthly earnings is paid.

Basic monthly earnings used to calculate the pension are 0.028% or 0.017% of insured earnings in the last three or five years, respectively, before the month of entitlement (whichever is greater).

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

## Honduras

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Partial disability: For an assessed degree of disability of 16% to 65%, a percentage of the full pension is paid according to the assessed degree of disability.

### **Workers' Medical Benefits**

Benefits include medical, surgical, and hospital care; medicine; and appliances.

### **Survivor Benefits**

**Survivor pension:** 40% of the pension the deceased received or was eligible to receive is paid to a widow(er) older than age 65 or disabled.

**Orphan's pension:** 20% of the pension the deceased received or was eligible to receive is paid to each orphan younger than age 14 (age 18 if a student, no limit if disabled); 40% for a full orphan.

**Dependent parent's pension:** If there is no widow(er) or orphan, 20% of the deceased's pension is paid to a mother of any age or a father older than age 65 or disabled.

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

**Funeral grant:** 50% of the deceased's basic monthly earnings is paid. The minimum funeral grant is 125 lempiras if the deceased had made at least one contribution in the last six months.

Basic monthly earnings used to calculate the pension are 0.028% or 0.017% of insured earnings in the last three or five years, respectively, before the month of entitlement (whichever is greater).

### **Administrative Organization**

Secretariat of Labor and Social Security (<http://www.trabajo.gob.hn/>) provides general supervision.

Social Security Institute (<http://www.ihss.hn>), managed by a board of directors and director general, administers the program.

Social Security Institute operates its own outpatient clinics and hospitals.