

Uruguay

Exchange rate: US\$1.00 = 18.30 new pesos.

Old Age, Disability, and Survivors

Regulatory Framework

First laws: 1829 to 1934 (various laws for specified groups of workers) and 1967 (national social security institutions).

Current laws: 1995 (social insurance and individual accounts), implemented in 1996; and 2009 (flexibility on social security).

Type of program: Social insurance, individual account, and social assistance system.

Note: The mixed social insurance and individual account system is mandatory for employed and self-employed persons born after April 1, 1956, with monthly earnings greater than 24,709 pesos and voluntary for those with monthly earnings of 24,709 pesos or less. All others are covered only by the social insurance system.

Coverage

Social insurance only: Employed and self-employed persons, including rural and household workers.

Special systems for bank employees, notaries, university graduates, and military and police force personnel.

Social insurance and individual account: Employed and self-employed persons with monthly earnings greater than 24,709 pesos.

Voluntary coverage for employed and self-employed persons with monthly earnings of 24,709 pesos or less.

Special systems for bank employees, notaries, university graduates, and military and police force personnel.

Social assistance: Needy elderly or disabled persons.

Source of Funds

Insured person

Social insurance only: 15% of gross monthly earnings of 24,709 pesos or less.

Social insurance and individual account: 15% of the first 24,709 pesos of gross monthly earnings to social insurance; 15% of gross monthly earnings above 24,709 pesos to the individual account; 7.5% of gross monthly earnings if enrolled voluntarily.

The insured's contribution to the individual account includes an average 0.97% of covered earnings for disability and survivor insurance and an average 1.86% of covered earnings for administrative fees.

The maximum monthly earnings used to calculate contributions are 74,128 pesos.

Earnings used to calculate contributions are adjusted according to the civil servants' average wage index.

Self-employed person

Social insurance only: 15% of gross monthly earnings of 24,709 pesos or less.

Social insurance and individual account: 15% of the first 24,709 pesos of gross monthly earnings to social insurance; 15% of gross monthly earnings above 24,709 pesos to the individual account; 7.5% of gross monthly earnings if enrolled voluntarily.

The insured's contribution to the individual account includes an average 0.97% of covered earnings for disability and survivor insurance and an average 1.86% of covered earnings for administrative fees.

The maximum monthly earnings used to calculate contributions are 74,128 pesos.

Earnings used to calculate contributions are adjusted according to the civil servants' average wage index.

Employer

Social insurance only: 7.5% of covered payroll.

Social insurance and individual account: None.

Government

Social insurance only: Finances pension deficits; the total cost of noncontributory benefits; contributes as an employer.

Social insurance and individual account: None.

Qualifying Conditions

Old-age pension

Old-age pension (social insurance): Age 60 with at least 30 years of contributions. Women are credited with one year of contributions for each biological or adopted child, up to five years. Additional years of contributions are credited to workers in hazardous occupations.

Deferred pension: The pension may be deferred if the insured has at least 35 years of contributions.

Old-age pension (individual account): Age 60 with at least 30 years of contributions; age 65 with no contributions requirement.

Advanced-age pension (social insurance and individual account): Age 70 with at least 15 years of contributions. Age requirements are reduced according to the number of years worked, from age 69 with at least 17 years of contributions to age 65 with at least 25 years of contributions. Employment must cease.

Noncontributory means-tested pension (social assistance): Age 70, assessed as needy, and a resident of Uruguay for at least 15 years.

Disability pension

Permanent disability pension (social insurance and individual account): The insured must be incapable of any work and have at least a 66% assessed degree of disability. If the disability is the result of an accident, there are no other qualifying conditions. Otherwise, workers aged 26 or older must have at least two years (six months if younger than age 26) of recognized service before the disability began. Coverage is extended two years after employment ceases if the insured has at least 10 years of contributions.

Partial disability benefit (social insurance and individual account): The insured must be incapable of work in the current job and have a 50% to 66% assessed degree of disability. If the disability is the result of an accident, there are no other qualifying conditions. Otherwise, workers aged 26 or older must have at least two years (six months if younger than age 26) of recognized service before the disability began. The benefit is temporary and subject to reassessment of the incapacity to work.

District medical commissions of the Social Security Bank assess the degree of incapacity to work.

Noncontributory means-tested pension (social assistance): Must be assessed as needy with a total and permanent disability and a resident of Uruguay for at least 15 years.

Survivor pension

Survivor pension (social insurance and individual account): The deceased was working; a pensioner; a partial disability, sickness, maternity, or work injury beneficiary; unemployed and receiving unemployment benefits; or died in the 12-month period after the unemployment benefit ceased. Coverage is extended for up to 12 months after employment ceases; no limit with at least 10 years of contributions.

Eligible survivors include a widow(er), divorced spouse, unmarried orphans up to age 21 (no limit if disabled), and dependent, disabled parents. A widow(er) must have average monthly earnings of no more than 59,414 pesos (2009) in the 12 months before the insured's death.

Funeral grant: The grant is paid to the person who paid for the funeral.

Old-Age Benefits

Old-age pension

Old-age pension (social insurance): 45% of the insured's monthly average earnings in the last 10 years or 45% of 105% of the insured's monthly average earnings in the best 20 years of earnings (whichever is lower) is paid. The pension is increased by 1% for each year of work from 30 to 35 years; 0.5% for each year of work exceeding 35 years, up to 2.5%; and 2% for each year of work after age 60 if the

contribution conditions were not met, up to age 70 or until contribution conditions are met.

Deferred pension: The pension is increased by 3% for each year of work after age 60 with at least 35 years of work, up to 30%; 2% if the insured has less than 35 years of work, up to age 70 or until contribution conditions are met.

The minimum monthly pension is 3,339 pesos.

The maximum monthly pension is 20,385 pesos (social insurance and individual account) or 30,145 pesos (social insurance only).

The pension is payable abroad under bilateral or multilateral agreement only.

Benefit adjustment: Benefits are adjusted according to the civil servants' average wage index.

Advanced-age pension (social insurance): 50% of the insured's monthly average earnings in the last 10 years plus 1% for each year of work exceeding the respective minimum years of service (from 15 to 25 minimum years, up to 14%) is paid.

The pension is payable abroad under bilateral or multilateral agreement only.

Benefit adjustment: Benefits are adjusted according to the civil servants' average wage index.

Old-age pension (individual account): At retirement, the insured uses the accumulated capital (contributions plus interest) to purchase an annuity from an insurance company.

The pension is payable abroad under bilateral or multilateral agreement only.

Advanced-age pension (individual account): The value of the pension depends on the insured's contributions plus accrued interest. At retirement, the insured uses the accumulated capital to purchase an annuity from an insurance company.

The pension is payable abroad under bilateral or multilateral agreement only.

Noncontributory means-tested pension (social assistance): 4,767 pesos a month is paid.

Benefit adjustment: Benefits are adjusted according to the civil servants' average wage index.

Permanent Disability Benefits

Disability pension

Permanent disability pension (social insurance): 65% of the insured's average indexed earnings in the 20 years before the disability began or the total number of years worked (whichever is less) is paid.

Special allowances: A lump sum of 1,272 pesos is paid for transportation costs, and 2,855 pesos for rehabilitation costs.

Partial disability benefit (social insurance): 65% of the insured's average indexed earnings in the 20 years before the disability began or the total number of years worked (whichever is less) is paid for up to three years.

The minimum monthly benefit is 4,742 pesos.

Benefits are payable abroad under bilateral or multilateral agreement only.

Benefit adjustment: Benefits are adjusted according to the civil servants' average wage index.

Permanent disability pension (individual account): 45% of the insured's average indexed earnings in the 10 years before the disability began is paid. The accumulated capital in the individual account (contributions plus accrued interest) is transferred to an insurance company, which pays the pension.

Partial disability benefit (individual account): 45% of the insured's average indexed earnings in the 10 years before the disability began is paid by disability insurance for up to three years.

Noncontributory means-tested pension (social assistance): 4,742 pesos a month is paid.

Benefit adjustment: Benefits are adjusted according to the civil servants' average wage index.

Survivor Benefits

Survivor pension

Survivor pension (social insurance and individual account): 66% to 75% of the pension the deceased received or was eligible to receive is paid, depending on the number of survivors.

Widow(er)s, divorced spouses, and partners with at least five years of cohabitation with the insured share 100% of the pension if there are no other eligible survivors; 70% of the pension if they have children; 60% if there are no children but other eligible survivors. The remainder is split equally among other eligible survivors. If there is no widow(er) or a divorced spouse, 100% of the pension is split equally among other eligible survivors.

The pension ceases if the widow(er), divorced spouse, or eligible partner remarries.

For the survivors of a member of an individual account scheme, the accumulated capital in the individual account (contributions plus accrued interest) is transferred to an insurance company, which pays the pension.

Survivor pensions are payable abroad under bilateral or multilateral agreement only.

Benefit adjustment: Benefits are adjusted according to the civil servants' average wage index.

Funeral grant: The cost of the funeral is paid, up to 11,476 pesos.

Administrative Organization

Ministry of Labor and Social Security (<http://www.mtss.gub.uy>) provides general supervision.

Social Insurance Bank (<http://www.bps.gub.uy>) supervises and administers the social insurance program.

Central Bank of Uruguay (<http://www.bcu.gub.uy>) oversees pension fund management companies and insurance companies.

Pension fund management companies manage the individual accounts.

Sickness and Maternity

Regulatory Framework

First laws: 1958 (maternity benefits) and 1960 (sickness benefits for construction workers).

Current laws: 1975 (sickness), 1980 (maternity), 1981 (maternity), 1995 (pensioners), 1999 (maternity), 2007 (national health fund), 2008 (national integrated health system), and 2010 (maximum sickness benefits).

Type of program: Social insurance system.

Coverage

Sickness benefits: Employed persons in the private sector and their children younger than age 18 (no limit if disabled), self-employed persons, persons receiving unemployment benefits, employers with up to three employees, and pensioners.

Exclusions: Workers with less than 13 days a month of covered work or who earn less than 2,782 pesos a month.

Special systems for military and police force personnel.

Maternity benefits: Benefits are provided under Family Allowances.

Source of Funds

Insured person: 3% to 6% of gross earnings. Small business owners with up to one employee contribute 1,374 pesos (without children) or 1,591 pesos (with children).

Self-employed person: 1,374 pesos (without children) or 1,591 (with children).

Employer: 5% of payroll, plus additional premiums.

Government: Finances maternity benefits and any deficits for sickness benefits.

Qualifying Conditions

Cash sickness benefits: The insured must have at least three months of contributions or 75 days of contributions in the last 12 months.

Cash maternity benefits: See Family Allowances.

Sickness and Maternity Benefits

Sickness benefit: 70% of the insured's earnings is paid after a three-day waiting period (no waiting period for hospitalization) for up to a year; may be extended for an additional year.

The maximum monthly benefit is 8,904 pesos.

Maternity benefit: See Family Allowances.

Workers' Medical Benefits

Medical services are available through mutual health institutions. Medical services include medical assistance, surgery, and pharmaceutical products.

Health institutions provide grants for eyeglasses, contact lenses, prostheses, orthopedic appliances, wheelchairs, and psychiatric hospitalization.

Maternity care is provided for insured women under Family Allowances.

Dependents' Medical Benefits

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

Administrative Organization

Social Insurance Bank (<http://www.bps.gub.uy>) supervises and administers cash benefits.

Collective medical assistance or mutual health institutions contracted by the Social Insurance Bank provide medical benefits.

Work Injury

Regulatory Framework

First law: 1914.

Current law: 1989 (work injury).

Type of program: Compulsory insurance with a public carrier.

Coverage

Private-sector employees, including agricultural workers; certain public-sector workers; and apprentices.

Exclusions: Self-employed persons, professional athletes, and actors.

Source of Funds

Insured person: None.

Self-employed person: Not applicable.

Employer: The total cost, which varies with the assessed degree of risk. For agricultural workers, based on the land area the employer has under cultivation.

Government: None.

Qualifying Conditions

Work injury benefits: There is no minimum qualifying period. Accidents that occur while commuting to and from work are not covered.

Temporary Disability Benefits

66% of earnings before the disability began is paid; for occasional workers, 66% of total adjusted earnings in the last six months divided by 150. The daily benefit is paid retroactively after a four-day waiting period for the duration of the disability.

For an occupational disease, 100% of earnings before the disease was diagnosed is paid. There is no waiting period.

An additional benefit of 3.607% of earnings is paid under sickness benefits.

The Social Insurance Bank assesses the degree of loss of earnings.

Benefit adjustment: Benefits are adjusted according to the civil servants' average wage index.

Permanent Disability Benefits

Permanent disability pension: For an assessed degree of disability of at least 20%, the monthly pension is the monthly loss of earnings.

Constant-attendance supplement: 115% of earnings before the disability began is paid if the insured needs the constant attendance of others to perform daily functions.

For an assessed degree of disability of 10% to 19%, a lump sum of 36 times the monthly loss of earnings is paid; for an assessed degree of disability less than 10%, a benefit is paid only if the assessed disability is the result of repeated accidents.

The Social Insurance Bank assesses the degree of loss of earnings.

Benefit adjustment: Benefits are adjusted according to the civil servants' average wage index.

Workers' Medical Benefits

Medical services are available through the Social Insurance Bank. Benefits include medical, surgical, and dental care; hospitalization; medicine; and appliances.

There is no limit to duration.

Survivor Benefits

Survivor pension: 75% of the deceased's earnings is paid to a widow(er), divorced spouse, or partner with

dependents. The widow(er) must have been married to the deceased for a year; a partner must have cohabited with the deceased for at least five years. If the only eligible survivors are the divorced spouse or dependent parents of the deceased, the benefit is 50% of the deceased's earnings.

Orphan's pension: If there are no other eligible survivors, 66% of the deceased's earnings is paid.

For survivors of a member of an individual account scheme, the accumulated capital in the individual account (contributions plus accrued interest) is transferred to an insurance company, which pays the pension.

Benefit adjustment: Benefits are adjusted according to the civil servants' average wage index.

Administrative Organization

Social Insurance Bank (<http://www.bps.gub.uy>) supervises and administers benefits.

Unemployment

Regulatory Framework

First law: 1934.

Current laws: 1981 (industry and commerce), with amendments in 2008, 2001 (rural workers), 2002 (term contracts), and 2006 (household workers).

Type of program: Social assistance system.

Coverage

Private-sector employees in industry and commerce, rural workers, and household workers.

Exclusions: Self-employed persons.

Source of Funds

Insured person: None.

Self-employed person: Not applicable.

Employer: None.

Government: The total cost.

Qualifying Conditions

Unemployment benefits: The insured must have at least six months of work in the 12-month period before unemployment; workers who are paid at irregular intervals must have at least five months of work and have earned at least 13,356 pesos in the 12-month period before unemployment began.

Rural workers who are paid monthly must have at least 12 months of work in the 24-month period before unemployment; rural workers who are paid at irregular intervals must have at least 250 days of work and have earned at least

26,712 pesos in the 24-month period before unemployment began.

Household workers must be registered; household workers who are paid monthly must have at least six months of work in the 12-month period before unemployment; household workers who are paid at irregular intervals must have at least 12 months in the 24-month period before unemployment began; workers who are paid daily or weekly must have at least 150 days in the 12 months or 250 days in the 24 months of work before unemployment began.

Unemployment must not be the result of dismissal for disciplinary reasons.

Partial unemployment benefit: A benefit is paid to workers who are paid daily or at irregular intervals if working time is reduced by 25% or more.

Dependent's supplement: Paid if the unemployed person is married, has children younger than age 21 (any age if disabled), or has disabled dependents.

There is a 12-month waiting period before a new claim for unemployment benefits can be made.

Unemployment Benefits

For full unemployment, workers who are paid monthly or at irregular intervals receive a monthly benefit of 50% of average earnings in the six months before unemployment; a monthly benefit of 12 days of earnings before unemployment for workers who are paid daily.

Partial unemployment benefit: The monthly benefit is 12 days of earnings before partial unemployment, minus the value of current monthly earnings.

Dependent's supplement: 20% of the benefit is paid.

The minimum monthly unemployment benefit is 2,226 pesos.

The maximum monthly unemployment benefit is 24,486 pesos.

Administrative Organization

Ministry of Labor and Social Security (<http://www.mtss.gub.uy>) provides general supervision.

Social Insurance Bank (<http://www.bps.gub.uy>) supervises and administers the unemployment insurance program.

Family Allowances

Regulatory Framework

First law: 1943.

Current laws: 1995 (social security), 2002 (multiple pregnancy), and 2008 (equity in family allowances).

Type of program: Social assistance system.

Coverage

Needy private-sector employees, household workers, unemployment benefit recipients, newspaper vendors, small rural products vendors, and pensioners.

Exclusions: Self-employed persons.

Special system for civil servants.

Source of Funds

Insured person: None.

Self-employed person: Not applicable.

Employer: None.

Government: The total cost.

Qualifying Conditions

Family allowances: The child must be younger than age 14 (age 18 if a student, no limit if disabled). The benefit is paid from the day the pregnancy is confirmed.

Parents or guardians with up to two children and earnings of more than 22,260 pesos do not receive family allowances. For parents with three or more children, the earnings limit is increased by 2,226 pesos for each additional dependent child.

Cash maternity benefit: Paid for the birth of a child.

Multiple birth allowance: Paid to a pregnant woman expecting more than one child. The benefit is paid from the day the pregnancy is confirmed.

Special paid leave: Paid to a salaried worker who adopts a child.

Low-income family allowance: Paid from the birth of the child until age 14 if in primary school, age 16 if the child could not finish primary school for justified reasons, or age 18 if in higher education (no limit if disabled).

Family Allowance Benefits

Family allowances: 356 pesos is paid for covered families with income up to 13,356 pesos; 178 pesos with income between 13,356 pesos and 22,260 pesos; for income over

22,260 pesos, 178 pesos is paid depending on the number of children. In the case of a child with a disability, the allowance is doubled.

For a family with children resulting from a multiple birth, the allowance is paid at three times the standard rate until the children reach age 5, at twice the standard rate until the children reach age 12, and at the standard rate until the children reach age 18.

The benefit is paid every two months.

Cash maternity benefit: 100% of average earnings in the last six months is paid on the expected date of childbirth for the period six weeks before and six weeks after the expected date of childbirth.

Multiple birth allowance: The allowance is paid at three times the family allowance standard rate until the children reach age 5, at twice the standard rate until the children reach age 12, and at the standard rate until the children reach age 18. The benefit is paid every two months.

Special paid leave: Private-sector workers receive benefits equal to six months of cash maternity benefit.

Low-income family allowance: Based on the number of beneficiaries in the family, the number of family members with disabilities, and their level of education, the benefit is 809 pesos for a child in primary school and 1,156 pesos for a child in secondary school or with a disability.

In-kind benefits include pediatric care for children up to age 6, dental care for children up to age 9, and medical specialist care and transportation for children up to age 14. Free medical examinations and medicine for children.

The benefit is paid monthly.

Benefit adjustment: Benefits are adjusted according to the civil servants' average wage index.

Administrative Organization

Social Insurance Bank (<http://www.bps.gub.uy>) supervises and administers benefits.

Collective medical assistance or mutual health institutions contracted by the Social Insurance Bank provide medical benefits.