

## Uruguay

Exchange rate: US\$1.00 equals  
24.15 new pesos (NP).

### Old Age, Disability, and Survivors

#### Regulatory Framework

**First laws:** Various laws from 1829 to 1954.

**Current law:** 1995 (social insurance and individual accounts), implemented in 1996.

**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 12,951 NP; the individual account is voluntary for those with monthly income of 12,951 NP or less.

#### Coverage

**Social insurance:** Employed and self-employed persons, including rural and domestic workers.

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

**Social insurance and individual account:** Employed and self-employed persons, including rural and domestic workers, with monthly earnings greater than 12,951 NP.

Voluntary coverage for employed and self-employed persons with monthly earnings of 12,951 NP or less.

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

**Social assistance:** Needy elderly or disabled persons.

#### Source of Funds

**Insured person:** Contributions depend on the insured's level of monthly earnings and whether the insured has an individual account:

- 15% of gross monthly earnings to social insurance, with earnings up to 12,951 NP. (If the insured opted for the individual account, 7.5% of gross monthly earnings to social insurance and 7.5% of gross monthly earnings to the individual account.)
- 15% of gross monthly earnings (up to a ceiling of 12,951 NP) to social insurance and 15% of monthly earnings for earnings above 12,951 NP to the individual account, with monthly earnings from 12,951 NP up to a ceiling of 19,427 NP. (If the insured opted for the indi-

vidual account, 7.5% of monthly earnings (up to a ceiling of 12,951 NP) plus 15% of monthly earnings for earnings above 12,951 NP (up to a ceiling of 19,427 NP) to social insurance and 7.5% (up to a ceiling of 12,951 NP) to the individual account.)

- 15% of monthly earnings (up to a ceiling of 12,951 NP) to social insurance and 15% of monthly earnings for earnings above 12,951 NP (up to a ceiling of 38,854 NP) to the individual account, with earnings of 19,427 NP or more.

The insured's contribution includes an average 0.98% of earnings for disability and survivor insurance and an average 1.88% of earnings for administrative fees.

The minimum monthly earnings for contribution purposes are 1,397 NP.

Earnings for contribution purposes are adjusted according to the civil servants' average wage index.

**Self-employed person:** 15% of declared earnings, including an average 0.98% of declared earnings for disability and survivor insurance and an average 1.88% of declared earnings for administrative fees.

The minimum monthly declared earnings for contribution purposes are 2,829.42 NP.

Street vendors with annual earnings up to 400,000 NP contribute 27.625% of 1,397 NP for old-age, disability, and survivor benefits (plus an additional amount if covered for sickness benefits).

**Employer:** 12.5% of payroll for social insurance only.

The minimum monthly earnings for contribution purposes are 1,397 NP.

The maximum monthly earnings for contribution purposes are 38,854 NP.

**Government:** Earmarked proceeds of various taxes help finance pension deficits; pays the total cost of noncontributory benefits; contributes as an employer.

#### Qualifying Conditions

##### Old-age pension

**Old-age pension (social insurance):** Age 60 (men and women) with at least 35 years of coverage. Additional years of service are credited for hazardous occupations.

Deferred pension: With at least 35 years of coverage, the pension is increased for each year of deferral.

**Old-age pension (individual account):** Age 60 (men and women) with at least 35 years of coverage; age 65 with no coverage requirement.

**Advanced-age pension (social insurance and individual account):** Age 70 (men and women) with 15 years of service. Retirement from the current place of employment is necessary.

*Noncontributory means-tested pension (social assistance):* Age 70 (men and women), assessed as needy, and with at least 15 years of residency.

### **Disability pension**

*Permanent disability pension (social insurance and individual account):* Must be incapable of any work and have an assessed degree of disability of at least 66%. If the disability is the result of an accident, there are no other qualifying conditions. Must have at least 2 years of recognized service, including the 6 months before the onset of disability; at least 6 months of recognized service before the onset of disability if younger than age 26. Coverage is extended for up to 2 years after employment ceases if the insured has at least 10 years of coverage.

*Partial disability benefit (social insurance and individual account):* Must be incapable of work in the usual job and have an assessed degree of disability of 50% to 66%. If the disability is the result of an accident, there are no other qualifying conditions. Must have at least 2 years of recognized service, including the 6 months before the onset of disability; at least 6 months of recognized service before the onset of disability if younger than age 26. The benefit is payable on a temporary basis and is subject to a 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):* Assessed as totally and permanently disabled, needy, and with at least 15 years of residency.

### **Survivor pension**

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

Eligible survivors include a widow(er), a divorced spouse, orphans up to age 21 (no limit if disabled), and dependent disabled parents. A widow(er) or a divorced spouse younger than age 30 receives benefits for 2 years; from age 30 to age 39, for 5 years; or without limit if older than age 39. A widow(er) must have average monthly earnings in the 12 months before the insured's death of no more than 38,854 NP; 22,341.33 NP for a divorced spouse.

**Funeral grant:** The grant is payable to eligible survivors or to the person who paid for the funeral. (If the funeral costs are paid by a pension scheme, only necessary additional funeral costs are paid.)

## **Old-Age Benefits**

### **Old-age pension**

*Old-age pension (social insurance):* The monthly benefit is 50% of average indexed earnings in the last 10 or 20 years, whichever is higher, with at least 35 years of coverage. The pension is increased by 0.5% for each year of work exceeding 35 years, up to a maximum of 2.5%, and by 2% for each year of work after age 60 if the contribution condition was not met.

Deferred pension: The pension is increased by 3% for each year after age 60, up to a maximum of 30%.

The maximum earnings for benefit calculation purposes are 12,951 NP.

The minimum monthly pension is 1,452.20 NP.

The maximum monthly pension is 10,684.98 NP.

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

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

*Advanced-age pension (social insurance):* The monthly benefit is 50% of average indexed earnings in the last 10 or 20 years, whichever is higher, plus 1% for each year of work exceeding 15 years, up to a maximum of 14%.

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

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

*Old-age pension (individual account):* The value of the pension is dependent on the insured's contributions plus accrued interest, minus administrative fees. 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.

*Advanced-age pension (individual account):* The value of the pension is dependent on the insured's contributions plus accrued interest, minus administrative fees. 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):* 2,498.73 NP a month.

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

## **Permanent Disability Benefits**

### **Disability pension**

*Permanent disability pension (social insurance):* The monthly pension is equal to 65% of average indexed

earnings in the 10 or 20 years before the onset of disability, whichever is higher, or the total number of years worked if less than 10 years.

**Special allowances:** A lump sum of 1,036 NP is paid for transportation costs, and a lump sum of 1,921 NP is paid for rehabilitation costs.

**Partial disability benefit (social insurance):** The monthly benefit is equal to 65% of average indexed earnings in the 10 or 20 years before the onset of disability, whichever is higher, or the total number of years worked if less than 10 years. The benefit is payable for up to 3 years.

The maximum earnings for benefit calculation purposes are 12,951 NP.

The minimum monthly benefit is 2,425.64 NP.

The maximum monthly benefit is 10,684.98 NP.

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):** The monthly pension is equal to 45% of average indexed earnings in the 10 years before the onset of disability. (Disability insurance tops up the accumulated capital in the individual account if the balance is less than the required minimum to finance the permanent disability pension.)

**Partial disability benefit (individual account):** The monthly pension is equal to 45% of average indexed earnings in the 10 years before the onset of disability. The benefit is payable for up to 3 years.

**Noncontributory means-tested pension (social assistance):** 2,498.73 NP a month.

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

## Survivor Benefits

### Survivor pension

**Survivor pension (social insurance and individual account):** A monthly pension equal to between 66% and 75% of the pension paid or payable to the deceased is paid, depending on the number of survivors. (Life insurance tops up the accumulated capital in the deceased's individual account if the balance is less than the required minimum to finance the survivor pension.)

Widow(er)s and divorced spouses share 100% of the pension if there are no other eligible survivors. Widow(er)s and divorced spouses share 70% of the total pension if they have children; 60% if there are no children but other eligible survivors. The remainder is split equally among other eligible survivors. In the absence of a widow(er) or a divorced spouse, 100% of the pension is split equally among other eligible survivors.

Eligibility ceases if the widow(er) or divorced spouse remarries.

For members of an individual account scheme, the accumulated capital in the individual account, equal to the insured's contributions plus accrued interest, minus administrative fees, is transferred to an insurance company, which pays the pension.

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

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

**Funeral grant:** The cost of the funeral up to 6,015.27 NP. (Additional costs related to the funeral are covered up to 2,978.84 NP.)

## Administrative Organization

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

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

Pension fund management companies (AFAPs) manage the individual accounts.

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

## 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), and 2001 (child adoption).

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

### Coverage

**Sickness benefits:** Employed persons in the private sector, self-employed persons, persons receiving unemployment benefits, and employers with one employee.

Voluntary coverage for rural workers and their spouses; and pensioners.

Special systems for bank employees and civil servants.

**Maternity benefits:** Benefits are provided under Family Allowances, below.

### Source of Funds

**Insured person:** 3% of gross earnings; 3% of gross earnings for voluntary coverage.

The minimum earnings for contribution purposes are 1,746.25 NP.

**Self-employed person:** 8% of declared earnings.

**Employer:** 5% of payroll, plus an additional amount for medical benefits. Employers with one employee contribute 8% of declared earnings.

**Government:** Earmarked proceeds of various taxes help finance maternity benefits and any deficits for sickness benefits.

### **Qualifying Conditions**

**Cash sickness benefits:** Must have 3 months of contributions or 75 days of contributions in the last 12 months.

**Cash maternity benefits:** See Family Allowances, below.

### **Sickness and Maternity Benefits**

**Sickness benefit:** The benefit is equal to 70% of earnings and is payable after a 3-day waiting period (no waiting period in case of hospitalization) for up to a year; may be extended for an additional year.

The maximum monthly benefit is 4,191 NP; 978 NP for the self-employed.

**Maternity benefit:** See Family Allowances, below.

### **Workers' Medical Benefits**

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

Grants for eyeglasses, contact lenses, prostheses, orthopedic appliances, wheelchairs, and psychiatric hospitalization are provided by health institutions.

Prenatal and postnatal medical care is provided for insured women under Family Allowances, below.

Copayments for benefits range from 43 NP to 189 NP.

### **Dependents' Medical Benefits**

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

Grants for eyeglasses, contact lenses, prostheses, orthopedic appliances, wheelchairs, and psychiatric hospitalization are provided by health institutions.

Prenatal and postnatal medical care are provided for insured women under Family Allowances, below.

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, below.

### **Administrative Organization**

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

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

### **Work Injury**

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#### **Regulatory Framework**

**First law:** 1914.

**Current law:** 1989 (work injury), with 1990 amendment.

**Type of program:** Compulsory insurance with a public carrier.

#### **Coverage**

Private-sector employees, including agricultural workers; certain public-sector workers; apprentices; and persons working with horses.

Exclusions: Self-employed persons, sportsmen, and actors.

#### **Source of Funds**

**Insured person:** None.

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

**Employer:** Total cost, met through contributions varying with the assessed degree of risk. For agricultural workers, assessments are made according to 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**

For a work injury, the benefit is equal to 66% of earnings before the onset of disability; for workers in irregular employment, 66% of total adjusted earnings in the last 6 months divided by 150. The daily benefit is payable after a 4-day waiting period until the insured is assessed as no longer disabled. The benefit for the waiting period is paid retroactively.

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

An additional benefit equal to 3.607% of earnings is payable under sickness benefits.

The State 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 20% or more, the monthly pension is equal to the monthly loss of earnings; 115% of earnings before the onset of disability if the insured needs the constant attendance of another person.

For an assessed degree of disability of 10% to 20%, a lump sum is paid equal to 36 times the monthly loss of earnings; 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 State 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 State Insurance Bank. Benefits include medical, surgical, and dental care; hospitalization; medicines; and appliances.

There is no limit to duration.

### **Survivor Benefits**

**Survivor pension:** A monthly benefit equal to 50% of the deceased's earnings is payable to a widow(er) or partner with dependents; 66% without dependents. The widow(er) must have been married to the deceased for a year; a partner must have cohabited with the deceased for a year.

**Orphan's pension:** Between 20% and 100% of the deceased's earnings for dependent orphans younger than age 18 (no limit if disabled), subject to the number of orphans and other eligible survivors.

If the deceased worked for at least 150 days in the last 6 months, the earnings for pension calculation purposes are based on 24 times average half-monthly earnings in the 6 months before the accident; half-monthly earnings if the insured worked less than 15 days.

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

### **Administrative Organization**

State Insurance Bank (<http://www.bse.com.uy>) administers the program.

## **Unemployment**

### **Regulatory Framework**

**First law:** 1934.

**Current laws:** 1981 (industry and commerce) and 2001 (rural workers).

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

### **Coverage**

Private-sector employees.

Exclusions: Domestic workers, bank employees, pensioners, and self-employed persons.

### **Source of Funds**

**Insured person:** None.

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

**Employer:** None.

**Government:** Earmarked proceeds of various taxes help finance benefits.

### **Qualifying Conditions**

**Unemployment benefits:** Workers who are paid monthly must have 6 months (150 days if paid daily) of work in the 12-month period before unemployment; workers who are paid at irregular intervals must have earned 8,382 NP in the 12-month period.

Rural workers who are paid monthly must have 12 months (250 days if paid daily) of work in the 24-month period before unemployment; rural workers who are paid at irregular intervals must have earned 16,764 NP in the 12-month period.

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: Payable 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**

Workers who are paid monthly or at irregular intervals receive a benefit equal to 50% of average earnings in the 6 months before unemployment.

Workers who are paid daily receive a monthly benefit equal to 12 days of earnings before unemployment.

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

**Dependent's supplement:** Equal to 20% of the benefit.

The minimum unemployment benefit is 698.50 NP.

The maximum unemployment benefit is 11,176 NP.

### **Administrative Organization**

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

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

### **Family Allowances**

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#### **Regulatory Framework**

**First law:** 1943.

**Current laws:** 1980 (family allowances), implemented in 1981, with 1999 amendment; 1995 (social security); 2002 (multiple pregnancy); and 2004 (low-income families).

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

#### **Coverage**

Private-sector employees, domestic 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:** Earmarked proceeds of various taxes help finance benefits.

#### **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.

Pensioners with benefits of 4,191 NP or more and employees with earnings of 13,970 NP or more do not receive family allowances. (For employees with earnings of 13,970 NP or more and with three or more dependents, the earnings limit is increased to 1,397 NP for each additional dependent.)

**Cash maternity benefit:** Payable for the birth of a child.

**Multiple birth allowance:** Payable 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:** Payable to eligible children in households with monthly earnings of 4,191 NP or less.

### **Family Allowance Benefits**

**Family allowances:** The allowance is 223.52 NP (447.04 NP for a disabled child) for covered persons with income up to 8,382 NP; 111.76 NP (223.52 NP for a disabled child) with income between 8,382 NP and 13,970 NP.

For a family with children resulting from a multiple pregnancy, 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 2 months.

**Cash maternity benefit:** The benefit is equal to 100% of average earnings in the last 6 months and is payable for the period 6 weeks before until 6 weeks after the expected date of childbirth. The benefit is paid on 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 2 months.

The maximum allowance is 20,955 NP.

**Special paid leave:** Private-sector workers receive benefits equal to 6 weeks' cash maternity benefit.

**Low-income family allowance:** 223.52 NP (447.04 NP for a disabled child) is payable every 2 weeks.

In-kind benefits include pediatric care for children up to age 6, dental care for children up to age 9, and specialist medical care and transportation for children up to age 14. Medical examinations and medicines for children are free.

### **Administrative Organization**

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

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