

Venezuela

Exchange rate: US\$1.00 equals 2,150 bolivares.

Old Age, Disability, and Survivors

Regulatory Framework

First law: 1940.

Current laws: 1966, 1991, and 2002.

Type of program: Social insurance system.

Note: The 1990 labor code established supplementary pension funds financed by employer contributions only.

Coverage

Employees in the private and public sectors and members of cooperatives.

Voluntary coverage for persons who were previously covered, subject to conditions.

Special system for armed forces personnel.

Source of Funds

Insured person: The average contribution is 1.93% of covered earnings.

The maximum monthly earnings for contribution and benefit purposes are equal to five times the minimum urban wage.

The insured's contributions also finance the marriage grant (See Family Allowances, below).

Self-employed person: Not applicable.

Employer: The average contribution is 4.82% of covered payroll.

The maximum monthly earnings for contribution and benefit purposes are equal to five times the minimum urban wage.

The employer's contributions also finance the marriage grant (See Family Allowances, below).

Government: At least 1.5% of total covered earnings to cover the cost of administration; contributes as an employer.

Qualifying Conditions

Old-age pension: Age 60 (men) or age 55 (women) with at least 750 weeks of contributions. The pensionable age is lower for those in unhealthy and arduous occupations.

Retirement is not necessary.

The pension is payable abroad.

Old-age grant: Paid if the insured does not satisfy the qualifying conditions for the pension but has at least 100 weeks of contributions in the last 4 years.

Disability pension: Paid for the permanent or prolonged loss of over 2/3 of working capacity with at least 250 weeks of contributions (reduced by 20 contributions for each year the insured is younger than age 35), including 100 weeks in the last 3 years before the disability began. There is no qualifying period for a disability caused by an accident.

Partial disability pension: Paid for an assessed degree of disability of between 25% and 66.6%.

Disability grant: Paid for an assessed degree of disability of between 5% and 24%.

Survivor pension: The insured satisfied the qualifying conditions for a pension or was a pensioner at the time of death. There is no qualifying period if the death is caused by an accident.

Eligible survivors are a widow older than age 45 or at any age with children; a partner older than age 45 or at any age with children and who cohabited with the deceased for at least 2 years; a widower older than age 60 or disabled; and children younger than age 14 (age 18 if a student, no limit if disabled). A widow or partner younger than age 45 receives a lump sum.

Survivor grant: The insured did not satisfy the qualifying period for a pension but had at least 100 weeks of contributions during the last 4 years.

Eligible survivors are a widow older than age 45 or at any age with children; a partner older than age 45 or at any age with children and who cohabited with the deceased for at least 2 years; a widower older than age 60 or disabled; and children younger than age 14 (age 18 if a student, no limit if disabled).

Old-Age Benefits

Old-age pension: The pension is equal to 296,524.80 bolivares a month, plus 30% of average earnings in the last 5 years or the average of the best 5 years in the last 10 years (whichever is higher), plus 1% of earnings for each 50-week period of contributions exceeding 750 weeks.

The minimum pension is equal to 40% of earnings.

Deferred pension: An additional 5% of the pension is paid for each year the pension is deferred after the pensionable age.

Benefit adjustment: Pensions are adjusted periodically for changes in prices and wages.

Old-age grant: The grant is equal to 10% of the insured's total covered earning.

Benefit adjustment: Benefits are adjusted periodically for changes in prices and wages.

Permanent Disability Benefits

Disability pension: The pension is equal to 296,524.80 bolivares a month, plus 30% of average earnings (payable

after 6 months of disability), plus 1% of earnings for each 50-week period of contributions exceeding 750 weeks.

The minimum pension is equal to 40% of the insured's earnings.

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

Partial disability: For an assessed degree of disability of between 25% and 66.6%, a percentage of the full pension is paid according to the assessed degree of disability (if the disability is the result of a nonoccupational accident).

Benefit adjustment: Pensions are adjusted periodically for changes in prices and wages.

Disability grant: The grant is equal to 36 months' disability pension.

Benefit adjustment: Benefits are adjusted periodically for changes in prices and wages.

Survivor Benefits

Survivor pension: An eligible widow(er) or partner receives 40% of the pension paid or payable to the deceased. Other widows or partners receive a lump sum equal to 2 years' survivor pension.

Orphan's pension: Each orphan younger than age 14 (age 18 if a student, no limit if disabled) receives 20% of the deceased's pension; the first full orphan receives 40% of the pension and other full orphans, 20%.

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

Other eligible survivors (in the absence of the above): Brothers, sisters, and parents may receive an amount equal to 10% of the deceased's total covered earnings.

Benefit adjustment: Pensions are adjusted periodically for changes in prices and wages.

Survivor grant: 10% of the deceased's total covered earnings is paid.

Funeral grant: The grant must not be greater than five times the deceased's monthly salary.

Benefit adjustment: Benefits are adjusted periodically for changes in prices and wages.

Administrative Organization

Ministry of Labor (<http://www.mintra.gov.ve>) provides general supervision.

Managed by a tripartite board and director general, the Social Insurance Institute (<http://www.ivss.gov.ve>) administers the program.

Sickness and Maternity

Regulatory Framework

First law: 1940.

Current laws: 1966, 1991, and 2002.

Type of program: Social insurance system.

Coverage

Employees in the private and public sectors.

Source of Funds

Insured person: The average contribution is 1.79% of earnings.

The insured's contributions also finance work injury benefits.

Self-employed person: Not applicable.

Employer: The average contribution is 3.46% of payroll.

The employer's contributions also finance work injury benefits.

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

Qualifying Conditions

Cash sickness and maternity benefits: Must be currently insured.

Medical benefits: Must be currently insured.

Sickness and Maternity Benefits

Sickness benefit: The benefit is equal to 66.6% of earnings and is paid after a 3-day waiting period for up to 52 weeks; may be extended under certain conditions. The benefit is reduced by 50% if the insured is hospitalized.

Maternity benefit: The benefit is equal to 66.6% of earnings in the last month before maternity leave and is paid for up to 6 months.

Workers' Medical Benefits

Free medical services are normally provided directly to patients by the medical facilities of the Social Security Institute for up to a maximum of 52 weeks; may be extended for another 52 weeks for convalescent care. Benefits include general and specialist care, hospitalization, laboratory services, medicines, dental care, maternity care, appliances, and transportation.

Dependents' Medical Benefits

Free medical services are normally provided directly to patients by the medical facilities of the Social Security Institute. Benefits include general and specialist care,

hospitalization, laboratory services, medicines, dental care, maternity care, appliances, and transportation.

The maximum duration of medical benefits for the dependents of pensioners is 26 weeks; survivors of pensioners are entitled to medical service benefits for up to 52 weeks.

Administrative Organization

Ministry of Labor (<http://www.mintra.gov.ve>) provides general supervision.

Managed by a tripartite board and director general, the Social Insurance Institute (<http://www.ivss.gov.ve>) administers the program.

Social Insurance Institute operates its own clinics and hospitals and contracts for other facilities.

Work Injury

Regulatory Framework

First law: 1923.

Current laws: 1966, 1991, and 2002.

Type of program: Social insurance system.

Coverage

Employees in the private and public sectors and members of cooperatives.

Source of Funds

Insured person: See source of funds under Sickness and Maternity, above.

Self-employed person: Not applicable.

Employer: See source of funds under Sickness and Maternity, above.

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

Qualifying Conditions

Work injury benefits: There is no minimum qualifying period.

Temporary Disability Benefits

The benefit is equal to 66.6% of the insured's earnings and is paid after a 3-day waiting period for up to 52 weeks; may be extended for an additional 52 weeks if recovery is likely.

Permanent Disability Benefits

Permanent disability pension: If the insured is assessed as totally disabled, the pension is equal to 66.6% of the insured's earnings.

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

Partial disability: For an assessed degree of disability of between 25% and 66.6%, a percentage of the full pension is paid according to the assessed degree of disability. For an assessed degree of disability of between 6% and 24%, a lump sum is paid equal to 3 years' pension.

Workers' Medical Benefits

Benefits include free general and specialist care, hospitalization, medicines, laboratory services, appliances, and rehabilitation services.

Survivor Benefits

Survivor pension: An eligible widow(er) or partner receives 40% of the pension paid or payable to the deceased. Other widows or partners receive a lump sum equal to 2 years' survivor pension.

Eligible survivors are a widow older than age 45 or at any age with children; a partner older than age 45 or at any age with children and who cohabited with the deceased for at least 2 years; a widower older than age 60 or disabled; and children younger than age 14 (age 18 if a student, no limit if disabled).

Orphan's pension: Each orphan younger than age 14 (age 18 if a student, no limit if disabled) receives 20% of the deceased's pension; the first full orphan receives 40% of the pension and other full orphans, 20%.

Other eligible survivors (in the absence of the above): Brothers, sisters, and parents who were dependent on the deceased may receive an amount equal to 10% of the deceased's total covered earnings.

Survivor settlement: 10% of the deceased's total covered earnings is paid if the deceased did not satisfy the qualifying period for a pension but had at least 100 weeks of contributions in the last 4 years.

Funeral grant: 5,000 bolivares is paid.

Administrative Organization

Ministry of Labor (<http://www.mintra.gov.ve>) provides general supervision.

Managed by a tripartite board and director general, the Social Insurance Institute (<http://www.ivss.gov.ve>) administers the program.

Social Insurance Institute provides medical benefits through its own clinics and hospitals.

Unemployment

Regulatory Framework

First law: 1940.

Current laws: 1966, 1991, and 2002.

Type of program: Social insurance system.

Coverage

Employees in the private and public sectors and members of cooperatives.

Source of Funds

Insured: 0.5% of covered earnings.

The maximum monthly earnings for contribution and benefit purposes are equal to five times the minimum urban wage.

The insured's contributions also help finance health insurance for unemployed persons.

Self-employed person: Not applicable.

Employer: 1.7% of covered payroll.

The maximum monthly earnings for contribution and benefit purposes are equal to five times the minimum urban wage.

The employer's contributions also help finance health insurance for unemployed persons.

Government: None.

Qualifying Conditions

Unemployment benefits: The insured must have at least 52 weeks of contributions in the 18 months before unemployment began and be available for training or suitable employment.

Unemployment Benefits

The benefit is equal to 60% of the insured's average weekly wage in the last 50 weeks and is paid for up to 18 weeks; may be extended to 26 weeks.

Unemployed persons are entitled to a transportation grant of 200 bolivares, employment training, and guidance services.

Workers' Medical Benefits

Unemployed insured persons and dependent family members are covered for health insurance for 26 weeks.

Administrative Organization

Ministry of Labor (<http://www.mintra.gov.ve>) provides general supervision.

Employment services administer training and guidance.

Social Insurance Institute (<http://www.ivss.gov.ve>) administers the program.

Family Allowances

Regulatory Framework

Marriage grant: A lump sum of 7,000 bolivares is paid with 100 weekly contributions made in the 3 years before marriage. (The grant is provided under Old Age, Disability, and Survivors, above.)