

## Paraguay

Exchange rate: US\$1.00 equals 4,960 guaraníes.

### Old Age, Disability, and Survivors

#### Regulatory Framework

**First law:** 1943.

**Current laws:** 1992 (unified pension scheme), with amendments; and 2005 (retirement).

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

#### Coverage

Employed persons, including employees of decentralized state entities and enterprises partially owned by the state, municipal workers, and apprentices.

Exclusions: Self-employed persons.

Special systems for public-sector employees (including civil servants, police and military personnel, justice employees, and public teachers), railroad employees, bank employees, elected parliamentary representatives, municipal workers, employees of Itaipu (a binational electricity generating company), and household workers.

#### Source of Funds

**Insured person:** 9% of gross earnings.

The minimum monthly earnings for contribution calculation purposes are equal to the legal monthly minimum wage.

The legal monthly minimum wage is 1,408,863 guaraníes.

There are no maximum earnings for contribution calculation purposes.

The insured's contributions also finance sickness and maternity benefits and work injury benefits.

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

**Employer:** 14% of gross payroll.

The minimum monthly earnings for contribution calculation purposes are equal to the legal monthly minimum wage.

The legal monthly minimum wage is 1,408,863 guaraníes.

There are no maximum earnings for contribution calculation purposes.

The employer's contributions also finance sickness and maternity benefits and work injury benefits.

**Government:** 1.5% of gross earnings; contributes as an employer.

The minimum monthly earnings for contribution calculation purposes are equal to the legal monthly minimum wage.

The legal monthly minimum wage is 1,408,863 guaraníes.

There are no maximum earnings for contribution calculation purposes.

Government contributions also finance sickness and maternity benefits and work injury benefits.

#### Qualifying Conditions

**Old-age pension:** Age 60 (men and women) with at least 25 years of contributions.

Insured persons may claim a pension under the old scheme if they were aged 60 or older and had at least 15 years of contributions before February 28, 1999.

Early pension: Age 55 (men and women) with at least 30 years of contributions.

**Disability pension:** The insured must be assessed with a loss of 66.7% of earning capacity and have at least 150 weeks of contributions if younger than age 55; between 150 weeks and 250 weeks if aged 55 to 59; or between 250 weeks and 400 weeks if aged 60 to 65.

A medical commission and three doctors assess the degree of disability. The degree of disability is reviewed at least once every 5 years.

**Survivor pension:** The insured was a pensioner at the time of death or had at least 750 weeks of contributions.

Eligible survivors include a widow(er) or a partner who lived with the deceased for at least 5 years (2 years if they had children); a child younger than age 18 (no limit if disabled); and dependent parents in the absence of other eligible survivors.

**Survivor grant:** The deceased had less than 750 weeks of contributions.

**Funeral grant:** In the absence of any eligible survivors, paid to the person who pays for the funeral.

#### Old-Age Benefits

**Old-age pension:** The monthly pension is 100% of the insured's average earnings.

Early pension: The monthly pension is 80% of the insured's average earnings plus 4% of average earnings for each year the insured is older than age 55, up to age 59.

Average earnings are based on earnings in the last 36 months (excluding the last month) before retirement.

The minimum monthly old-age pension is 300,000 guaraníes.

The maximum monthly old-age pension is 300 times the minimum daily wage. (The legal monthly minimum wage is 1,408,863 guaraníes).

All gainful activity must cease.

The pension is paid monthly plus a December bonus of one month of pension.

Old-age benefits are payable abroad under bilateral or multilateral agreement.

Benefit adjustment: Benefits are adjusted annually according to changes in the cost-of-living.

### **Permanent Disability Benefits**

**Disability pension:** The monthly pension is 50% of the insured's average earnings in the last 36 months before the disability began plus 1.5% of average earnings for each 50-week period of contributions exceeding 150 weeks, up to 100%.

The minimum monthly disability pension is 300,000 guaraníes.

The maximum disability pension is 300 times the minimum daily wage. (The legal monthly minimum wage is 1,408,863 guaraníes.)

The pension is paid monthly plus a December bonus of one month of pension.

Disability benefits are payable abroad under bilateral or multilateral agreement.

Benefit adjustment: Benefits are adjusted annually according to changes in the cost-of-living.

### **Survivor Benefits**

**Survivor pension:** The monthly pension is 60% of the pension the deceased received or would have been entitled to receive. The pension is split equally between a widow(er) or partner older than age 40 and children younger than age 18.

A widow(er) or partner younger than age 40 receives a lump sum of three times the annual pension the deceased received or would have been entitled to receive.

Remarriage and cohabitation settlement: A lump sum of twice the deceased's annual pension is paid.

The pension is paid monthly plus a December bonus of one month of pension.

#### **Other eligible survivors (in the absence of the above):**

The pension is paid to the deceased's parents.

**Survivor grant:** A lump sum of 1 month of minimum wage is paid for each year of contributions.

The legal monthly minimum wage is 1,408,863 guaraníes.

Survivor benefits are payable abroad under bilateral or multilateral agreement.

Benefit adjustment: Benefits are adjusted annually according to changes in the cost-of-living.

**Funeral grant:** A lump sum of 75 times the minimum daily wage is paid.

The legal monthly minimum wage is 1,408,863 guaraníes.

### **Administrative Organization**

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

### **Sickness and Maternity**

#### **Regulatory Framework**

**First law:** 1943.

**Current laws:** 1992 (unified pension scheme), with amendments; and 1996 (medical benefits).

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

#### **Coverage**

Employed persons, including employees of decentralized state entities and enterprises partially owned by the state, and apprentices.

Pensioners are covered for medical benefits.

Exclusions: Public-sector employees (including civil servants, police and military personnel, and justice employees), railroad employees, bank employees, elected parliamentary representatives, municipal workers, employees of Itaipu (a binational electricity generating company), and self-employed persons.

Special systems for household workers, teachers, and war veterans.

#### **Source of Funds**

**Insured person:** See source of funds under Old Age, Disability, and Survivors. (Pensioners contribute 6% of pensions.)

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

**Employer:** See source of funds under Old Age, Disability, and Survivors.

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

#### **Qualifying Conditions**

**Cash sickness and maternity benefits:** The insured must have at least 6 weeks of contributions in the last 4 months. (Insured women cannot receive cash maternity benefits and cash sickness benefits at the same time.)

**Medical benefits:** Must be currently insured.

### **Sickness and Maternity Benefits**

**Sickness benefit:** The monthly benefit is 50% of the insured's average earnings in the last 4 months before the incapacity began. The benefit is paid from the day after the incapacity began, for up to 26 weeks; may be extended for an additional 24 weeks in special cases. The benefit is

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reduced by half during periods of hospitalization if there are no dependents.

**Maternity benefit:** The monthly benefit is 50% of the insured's average earnings in the last 4 months immediately before the maternity leave and is paid for 3 weeks before and 6 weeks after the expected date of childbirth.

Benefits in-kind: Milk vouchers are provided for up to 8 months if the mother is unable to nurse the child.

### **Workers' Medical Benefits**

Medical services are provided directly to patients through the facilities of the Social Insurance Institute. Benefits include general and specialist care, hospitalization, laboratory services, medicine, prostheses, dental care (with at least 8 weeks of recent contributions), and maternity care.

The duration of benefits is 26 weeks for any one illness; may be extended to up to 52 weeks in special cases.

### **Dependents' Medical Benefits**

Medical services are provided directly to patients through the facilities of the Social Insurance Institute. Benefits include general and specialist care, hospitalization, laboratory services, medicine, prostheses, dental care (with at least 8 weeks of recent contributions), and maternity care.

The duration of benefits is 26 weeks for any one illness; may be extended to up to 52 weeks in special cases.

Eligible dependents include the spouse of the insured or pensioner (or a partner who has lived with the insured or pensioner for at least 2 years); unmarried children younger than age 18 (no limit if disabled); and the insured's dependent parents older than age 60.

### **Administrative Organization**

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

Social Insurance Institute operates its own clinics and hospitals.

### **Work Injury**

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#### **Regulatory Framework**

**First laws:** 1927 and 1943.

**Current law:** 1992 (unified pension scheme), with amendments.

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

#### **Coverage**

Employed persons, including employees of decentralized state entities and enterprises partially owned by the state, and apprentices.

Exclusions: Public-sector employees (including civil servants, police and military personnel, and justice employees), railroad employees, bank employees, elected parliamentary representatives, municipal workers, employees of Itaipu (a binational electricity generating company), and self-employed persons.

Special systems for household workers, teachers, and war veterans.

### **Source of Funds**

**Insured person:** See source of funds under Old Age, Disability, and Survivors.

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

**Employer:** See source of funds under Old Age, Disability, and Survivors.

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

### **Qualifying Conditions**

**Work injury benefits:** There is no minimum qualifying period.

### **Temporary Disability Benefits**

The benefit is 75% of the insured's average earnings in the last 4 months or the total contribution period if shorter. The benefit is paid from the day after the disability began, for up to 52 weeks.

A medical commission and three doctors assess the degree of disability. The degree of disability is reviewed at least once every 5 years.

### **Permanent Disability Benefits**

**Permanent disability pension:** The pension varies between 30% and 100% of the insured's average earnings in the last 36 months before the disability began, according to the length of the insured's contribution period and the assessed degree of disability.

**Total disability supplement:** The supplement is 20% of the insured's average earnings in the last 3 years plus 0.5% for each year of coverage exceeding 3 years.

**Partial disability:** If the assessed degree of disability is greater than 30%, the pension is 60% of lost earnings, according to a schedule in law. If the value of the partial disability pension is less than 30% of the total disability pension, a lump sum of 5 years of pension is paid.

**Partial disability supplement:** A percentage of the total disability supplement is paid according to the assessed degree of disability.

A medical commission and three doctors assess the degree of disability. The degree of disability is reviewed at least once every 5 years.

### **Workers' Medical Benefits**

Benefits include general and specialist care, hospitalization, medicine, and prostheses.

### **Survivor Benefits**

**Survivor pension:** A widow(er) or partner aged 40 or older receives a monthly pension of 40% of the pension the deceased received or would have been entitled to receive.

If the widow(er) or partner remarries or cohabits, the benefit ceases and a lump sum of twice the annual pension the deceased received or would have been entitled to receive is paid.

A widow(er) or partner younger than age 40 receives a lump sum of three times the annual pension the deceased received or would have been entitled to receive.

**Orphan's pension:** Each child younger than age 16 (no limit if disabled) receives 20% of the pension the deceased received or would have been entitled to receive.

Survivor supplement: 75% of the deceased's total disability supplement is paid to eligible survivors.

**Other eligible survivors (in the absence of the above):** The pension is paid to the deceased's parents.

Survivor supplement: 75% of the deceased's total disability supplement is paid to eligible survivors.

All survivor benefits combined must not exceed 100% of the pension the deceased received or would have been entitled to receive.

Survivor benefits are payable abroad under bilateral or multilateral agreement.

**Survivor grant:** If the insured had less than 750 weeks of contributions at the time of death, a lump sum of 1 month of minimum wage is paid for each year of contributions.

The legal monthly minimum wage is 1,408,863 guaraníes.

Survivor benefits are payable abroad under bilateral or multilateral agreement.

Benefit adjustment: Benefits are adjusted annually according to changes in the cost-of-living.

**Funeral grant:** A lump sum of 75 times the minimum daily wage is paid. (The legal monthly minimum wage is 1,408,863 guaraníes.)

### **Administrative Organization**

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

Social Insurance Institute operates its own clinics and hospitals.

### **Family Allowances**

#### **Regulatory Framework**

No statutory benefits are provided.

The 1993 labor code requires employers to provide specified maternity benefits and family allowance benefits based on the number of children.