

Cape Verde

Exchange rate: US\$1.00 = 81.67 escudos.

Old Age, Disability, and Survivors

Regulatory Framework

First law: 1957.

Current laws: 2003 (self-employed persons); 2004 (employed persons); and 2007 (labor code).

Type of program: Social insurance system.

Coverage

Private- and public-sector employees (including civil servants first employed after December 31, 2005); and certain business owners, cooperative employees, and self-employed persons.

Special systems for civil servants (first employed before January 1, 2006), central bank employees, and municipal agents (first employed before January 1, 2008); and certain business owners, cooperative employees, and self-employed persons.

Source of Funds

Insured person: 3% of gross monthly earnings.

Self-employed person: 10% of gross monthly earnings.

Employer: 7% of gross monthly payroll.

Government: None; contributes as an employer.

Qualifying Conditions

Old-age pension: Age 65 (men) or age 60 (women) with at least 15 years of contributions.

The pension is payable abroad.

Disability pension: The insured must have at least five years of contributions and be assessed with a disability of at least 66.7% or a loss of earning capacity of at least 33.3%.

The pension is payable abroad.

Survivor pension: The deceased was a pensioner or had at least 36 months of contributions.

Eligible survivors include a widow older than age 50 or disabled, a widower older than age 55, and children younger than age 18 (age 25 if a student, no limit if disabled).

A temporary survivor pension is paid for up to five years to a widow younger than age 50, a widower younger than age 55, and children aged 18 to 25 who are students.

The pension ceases on remarriage.

The pension is payable abroad.

Old-Age Benefits

Old-age pension: The monthly pension is 2% of the insured's annual average earnings plus an annual coefficient adjusted for changes in the cost of living for each 12-month period of coverage.

The annual average earnings used to calculate benefits are the 120 best-paid months in the last 15 years of contributions.

The minimum monthly pension is 6,000 escudos.

The maximum monthly pension is 80% of the insured's average monthly earnings.

Benefit adjustment: The minimum monthly pension is adjusted periodically by decree. Pensions are adjusted annually according to changes in the average salary of public servants.

Permanent Disability Benefits

Disability pension: The monthly pension is 2% of the insured's annual average earnings plus an annual coefficient adjusted for changes in the cost of living for each 12-month period of coverage.

The annual average earnings used to calculate benefits are the 120 best-paid months in the last 15 years of contributions.

The minimum monthly pension is 6,000 escudos.

The maximum monthly pension is 80% of the insured's average monthly earnings.

Benefit adjustment: The minimum monthly pension is adjusted periodically by decree. Pensions are adjusted annually according to changes in the average salary of public servants.

Survivor Benefits

Survivor pension: The monthly pension is 50% of the deceased's pension.

Orphan's pension: 25% of the deceased's monthly pension is paid to each orphan; 50% to each full orphan.

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

Benefit adjustment: Pensions are adjusted annually according to changes in the average salary of public servants.

Administrative Organization

Ministry of Labor and Solidarity (<http://www.mtfs.gov.cv>) provides general supervision.

National Social Insurance Institute (<http://www.inps.cv>) administers the program.

Sickness and Maternity

Regulatory Framework

First law: 1976.

Current laws: 2003 (self-employed persons), 2004 (employed persons), and 2007 (labor code).

Type of program: Social insurance system.

Coverage

Public- and private-sector employees.

Voluntary coverage for cash benefits for business owners, cooperative employees, and self-employed persons.

Business owners, cooperative employees, self-employed persons, pensioners, and recipients of social insurance benefits are covered for medical benefits.

Special systems provide cash benefits for civil servants and certain business owners, cooperative employees, and self-employed persons.

Source of Funds

Insured person: 4% of gross monthly earnings.

Self-employed person: None for medical benefits. Voluntary contributors pay 8% of gross monthly earnings for cash benefits.

Employer: 4% of gross monthly payroll.

Government: None; contributes as an employer.

Qualifying Conditions

Cash sickness and maternity benefits: The insured must have at least four months of contributions.

Sickness and Maternity Benefits

Sickness benefit: 70% of the insured's last monthly earnings or average earnings in the last four months (whichever is greater) is paid. The benefit is paid for up to 1,095 days. The employer pays 100% of earnings for the first three days; the National Social Insurance Institute pays 70% of earnings for the remaining days. If the sickness lasts longer than 30 days, a medical board must evaluate the insured's health status.

Maternity benefit: 90% of the insured's last monthly earnings or average earnings in the last four months (whichever is greater) is paid for up to 60 days. (A nursing allowance is paid under Family Allowances.)

Workers' Medical Benefits

Benefits include general and specialist care, surgery, hospitalization, laboratory services, doctor's home visits, medicine, prostheses, and dental care.

Cost sharing: Insured persons pay 15%, 25%, 45%, or 50% of the cost of medicine, according to a schedule in law; pensioners pay 5%, 15%, 40%, or 45%. Medicine is free for low-income pensioners. Insured persons and pensioners pay 30% to 50% of the cost of dental care and 20%, 25%, 30%, or 40% of the cost of prostheses and appliances. Low-income pensioners pay 15% less than insured persons and pensioners for dental care, prostheses, and appliances.

1,300 escudos (1,700 escudos for low-income pensioners) a day is paid if domestic travel is required; 2,300 escudos (3,200 for low-income pensioners) when the pensioner is accompanied by an authorized person.

2,000 escudos (3,200 escudos for low-income pensioners) a day is paid for care abroad; 3,200 escudos (5,000 escudos for low-income pensioners) when the pensioner is accompanied by an authorized person.

Low-income pensioners earn less than 2.5 times the legal monthly minimum wage.

The legal monthly minimum wage is 13,745 escudos.

Dependents' Medical Benefits

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

Eligible dependents are children up to age 18 or receiving family allowances, dependent parents, and dependent grandparents.

Administrative Organization

Ministry of Health (<http://www.minsaude.gov.cv>) provides general supervision.

National Health Service administers the program.

National Social Insurance Institute (<http://www.inps.cv>) pays the benefits.

Work Injury

Regulatory Framework

First law: 1960.

Current laws: 1978 (compulsory insurance) and 1991 (private administration).

Type of program: Social insurance system.

Coverage

Employed persons; tenant farmers and sharecroppers; members of cooperative enterprises; apprentices and trainees; certain categories of volunteer workers; and certain categories of self-employed persons, including family members employed by them.

Exclusions: Company managers, owners, and shareholders.

Special system for civil servants.

Source of Funds

Insured person: None.

Self-employed person: 6% of covered monthly earnings. The maximum daily earnings used to calculate contributions are 300 escudos.

Employer: 2% of covered monthly payroll for salaried employees or 6% of covered monthly payroll for all other workers; for household workers, 50 escudos a month (full time) or 30 escudos a month (part time).

The maximum daily earnings used to calculate contributions are 300 escudos.

Government: None.

Qualifying Conditions

Work injury benefits: There is no qualifying period. Accidents that occur while commuting to and from work are covered.

Temporary Disability Benefits

If the insured is assessed with a total disability, the benefit is 40% of the insured's earnings on the day the injury occurred (if those earnings differ from the insured's normal earnings, 40% of average earnings in the last six months) for the first 14 days; thereafter, 70%. For hospitalization, the benefit is 40% of the insured's earnings; 70% with dependents. The benefit is paid for up to 1,095 days.

The maximum daily earnings used to calculate benefits are 300 escudos.

Partial disability: The benefit is 25% of the insured's earnings on the day the injury occurred (if those earnings differ from the insured's normal earnings, 40% of average earnings in the last six months).

Permanent Disability Benefits

If the insured is assessed with a total disability, the monthly pension is 70% of the insured's earnings on the day the injury occurred (if those earnings differ from the insured's normal earnings, 70% of average earnings in the last six months).

The maximum daily earnings used to calculate benefits are 300 escudos.

Constant-attendance supplement: If the insured requires the constant attendance of others to perform daily functions, 30% of the insured's earnings is paid each month.

Partial disability: If the assessed degree of disability is between 10% and 99%, a percentage of the full disability pension is paid according to the assessed degree of disability.

The degree of disability is assessed according to a schedule in law.

The insured may be required to undergo medical examinations every six months during the first two years; thereafter, every year.

The pension is paid from the day after the disability began. The employer pays the insured's earnings for the day of the work injury.

Benefit adjustment: Benefits are adjusted for changes in the cost of living, depending on the financial resources of the system.

Workers' Medical Benefits

Benefits include medical treatment, surgery, hospitalization, prostheses, appliances, and transportation.

Survivor Benefits

Survivor pension: The monthly pension is 30% of the deceased's earnings on the day the injury occurred (if those earnings differ from normal earnings, 30% of the deceased's average earnings in the last six months).

Eligible survivors include a dependent widow, a dependent widower older than age 64 or disabled, and a divorced spouse receiving alimony. If there is more than one eligible divorced spouse, the pension is split equally.

The maximum daily earnings used to calculate benefits are 300 escudos.

The pension ceases if the widow(er) remarries or cohabits.

Remarriage allowance: A lump sum of a year of pension is paid.

Orphan's pension: A monthly pension of 15% of the deceased's earnings is paid for each dependent child up to age 18 (age 24 if a student, no limit if disabled); 45% for each full orphan.

Other eligible survivors: A monthly pension of 10% of the deceased's earnings is paid to dependent parents and grandparents and to dependent brothers and sisters up to age 16.

The total monthly survivor pension for other eligible survivors is 30% of the deceased's earnings.

All survivor benefits combined must not exceed 70% of the deceased's monthly earnings.

Funeral grant: The cost of the funeral, up to 7,500 escudos.

Benefit adjustment: Benefits are adjusted for changes in the cost of living, depending on the financial resources of the system.

Administrative Organization

Ministry of Labor and Solidarity (<http://www.mtfs.gov.cv>) provides general supervision.

Private insurance companies administer the program.

Family Allowances

Regulatory Framework

First law: 1957.

Current law: 2004 (employed persons).

Type of program: Social insurance system.

Coverage

Persons in insured employment or receiving social insurance benefits.

Exclusions: Self-employed persons.

Special system for civil servants.

Source of Funds

Insured person: None.

Self-employed person: Not applicable.

Employer: 3% of gross monthly payroll.

Government: None.

Qualifying Conditions

Family allowances: Children must be younger than age 15 (age 25 if a student, no limit if disabled). The allowance is also paid for the insured's parents if each parent's income is less than the legal monthly minimum wage.

The legal monthly minimum wage is 13,745 escudos.

Family Allowance Benefits

Family allowances: 500 escudos a month is paid for each eligible dependent; 2,000 escudos a month for each disabled child younger than age 14; 3,000 escudos a month for each disabled child aged 14 or older. The allowance is paid for up to four children; the limit on the number of children is waived if the parent is a pensioner or if the insured is deceased and the mother is an unemployed widow.

Nursing allowance: 1,500 escudos a month is paid for six months.

Funeral grant: The cost of the funeral, up to 30,000 escudos for the insured, the insured's spouse, or children older than age 14; 20,000 escudos for children aged 5 to 14; 12,000 escudos for children younger than age 5.

Benefit adjustment: Benefits are adjusted periodically. (The last adjustment was made in January 2011.)

Administrative Organization

Ministry of Labor and Solidarity (<http://www.mtfs.gov.cv>) provides general supervision.

National Social Insurance Institute (<http://www.inps.cv>) administers the program.