

## Cape Verde

Exchange rate: US\$1.00 = 87.87 escudos.

### Old Age, Disability, and Survivors

#### Regulatory Framework

**First laws:** 1957 and 2006.

**Current laws:** 2003 (self-employed persons), 2004 (employed persons), 2006 (civil servants), 2006 (cooperatives), 2007 (municipal agents), 2007 (labor code), 2009 (self-employed persons), 2009 (household workers), 2010 (social pensions) and 2013 (social pensions).

**Type of program:** Social insurance and social assistance system.

#### Coverage

**Social insurance:** Private- and public-sector employees (including civil servants of the Central Administration first employed after December 31, 2005, and civil servants of the local administration after December 31, 2007), self-employed, household workers, and certain business owners and cooperative employees.

**Social assistance:** Residents of Cape Verde not covered by social insurance.

#### Source of Funds

##### Insured person

**Social insurance:** 3% of gross monthly earnings plus 1% of gross monthly earnings for administrative fees.

The insured person's administrative fees also finance administrative fees for sickness and maternity benefits.

**Social assistance:** None.

##### Self-employed person

**Social insurance:** 10% of gross monthly earnings plus 1.5% of gross monthly earnings for administrative fees.

The self-employed person's administrative fees also finance administrative fees for sickness and maternity benefits.

**Social assistance:** None.

##### Employer

**Social insurance:** 7% of gross monthly payroll plus 1% of gross monthly payroll for administrative fees; for micro and small enterprises, 2.8% of volume of sales (for all branches) plus 3% of gross monthly payroll.

The employer's administrative fees also finance administrative fees for sickness and maternity benefits.

**Social assistance:** None.

#### Government

**Social insurance:** None; contributes as an employer.

**Social assistance:** The total cost of social and disability pensions.

#### Qualifying Conditions

**Old-age pension (social insurance):** Age 65 (men) or age 60 (women) with at least seven years of contributions (gradually rising by one year each year until reaching 10 years of contributions in 2018; 15 years from 2019).

The pension is payable abroad.

**Disability pension (social insurance):** Must be assessed with a disability of at least 66.7% or a loss of earning capacity of at least 33.3% and have at least five years of contributions.

The pension is payable abroad.

**Spouse's pension (social insurance):** The deceased received or was entitled to receive an old-age or disability pension or had at least 36 months of contributions at the time of death.

Eligible spouses include a widow older than age 50 or disabled, and a widower older than age 55.

The pension ceases on remarriage.

**Orphan's pension (social insurance):** The deceased received or was entitled to receive an old-age or disability pension or had at least 36 months of contributions at the time of death.

The benefit is paid to the deceased's disabled child(ren).

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 is payable abroad.

**Social pension (social assistance):** Age 60.

**Disability pension (social assistance):** Aged 18 to 60 and assessed as permanently disabled.

**Survivor pension (social assistance):** The deceased received or was entitled to receive a social pension or social assistance disability pension.

Eligible survivors include a widow(er) who was living with the deceased or any legal heir; aged 18 to 60.

**Funeral grant (social assistance):** The deceased had received a social pension or social assistance disability pension for at least six months.

#### Old-Age Benefits

**Old-age pension (social insurance):** 16% (gradually decreasing by 1% each year until reaching 13% in 2018)

of the insured's covered average monthly earnings plus 1.5% of the insured's covered average monthly earnings for each year of contribution. (From 2019, 2% of the insured's covered average monthly earnings for each year of contribution.)

The average earnings used to calculate benefits are the six best years in the last 10 years of contributions. (From 2019, the 10 best years in the last 15 years of contributions; also, past earnings will be adjusted using the consumer price index.)

The minimum monthly pension is 6,000 escudos.

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

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

**Social pension (social assistance):** 5,000 escudos a month.

### **Permanent Disability Benefits**

**Disability pension:** 16% (decreasing gradually by 1% each year until reaching 13% in 2018) of the insured's covered average monthly earnings plus 1.5% of the insured's covered average monthly earnings for each year of contribution. (From 2019, 2% of the insured's covered average monthly earnings for each year of contribution.)

The average earnings used to calculate benefits are the six best years in the last 10 years of contributions. (From 2019, the 10 best years in the last 15 years of contributions; also, past earnings will be adjusted using the consumer price index.)

The minimum monthly pension is 6,000 escudos.

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

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

**Disability pension (social assistance):** 5,000 escudos a month.

### **Survivor Benefits**

**Spouse's pension (social insurance):** 50% of the old-age or disability pension the deceased received or was entitled to receive is paid.

**Orphan's pension (social insurance):** 25% of the old-age or disability pension the deceased received or was entitled to receive is paid for each orphan; 50% for each full orphan.

All survivor benefits combined must not exceed 100% of the old-age or disability pension the deceased received or was entitled to receive.

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

**Survivor pension (social assistance):** 5,000 escudos a month is paid for 12 months if the eligible survivor is aged 18 to 45; for life if the eligible survivor is older than 45.

**Funeral grant (social assistance):** 7,000 escudos is paid.

### **Administrative Organization**

Ministry of Youth, Employment and Human Resources development (<http://www.mjedrh.gov.cv>) provides general supervision.

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

### **Sickness and Maternity**

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#### **Regulatory Framework**

**First law:** 1976.

**Current laws:** 2003 (self-employed persons), 2004 (employed persons), 2006 (civil servants), 2006 (cooperatives), 2006 (mutual fund for social pensioners), 2007 (municipal agents), 2007 (labor code), 2009 (self-employed persons), and 2009 (household workers).

**Type of program:** Social insurance and social assistance system.

#### **Coverage**

**Social insurance:** Private- and public-sector employees, self-employed, and household workers.

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

**Social assistance:** Residents of Cape Verde not covered by social insurance.

#### **Source of Funds**

##### **Insured person**

**Social insurance:** 4% of gross monthly earnings plus administrative fees (see Old Age, Disability, and Survivors).

**Social assistance:** 2% of the monthly social pension or social assistance disability pension (for funeral grant and medical benefits).

##### **Self-employed person**

**Social insurance:** 8% of gross monthly earnings plus administrative fees (see Old Age, Disability, and Survivors).

**Social assistance:** None.

**Employer**

**Social insurance:** 4% of gross monthly payroll plus administrative fees (see Old Age, Disability, and Survivors).

**Social assistance:** None.

**Government**

**Social insurance:** None; contributes as an employer.

**Social assistance:** The total cost.

**Qualifying Conditions**

**Cash sickness and maternity benefits (social insurance):** The insured must have at least four months of contributions.

**Funeral grant (social assistance):** The beneficiary received a social pension or social assistance disability pension for at least six months.

**Medical benefits (social assistance):** The beneficiary received a social pension or social assistance disability pension for at least six months.

**Sickness and Maternity Benefits**

**Sickness benefit (social insurance):** 70% of the insured's average earnings in the last four months is paid from the fourth day of the illness for up to 1,095 days. The employer pays 100% of earnings for the first three days. If the sickness lasts longer than 30 days, a medical board must evaluate the insured's health status.

**Maternity benefit (social insurance):** 90% of the insured's average earnings in the last four months is paid for up to 60 days. The benefit is paid as a lump sum. (A nursing allowance is paid under Family Allowances.)

**Funeral grant (social assistance):** 7,000 escudos.

**Workers' Medical Benefits**

**Medical benefits (social insurance):** Benefits include general and specialist care, surgery, hospitalization, laboratory services, doctor's home visits, medicine, prostheses, and dental care.

The Ministry of Health provides medical care directly through public clinics and hospitals. The National Social Insurance Institute reimburses certain treatments not available in public clinics and hospitals.

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 authorised person.

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

Low-income pensioners are persons earning less than 2.5 times the monthly minimum wage for public-sector workers.

The monthly minimum wage for public-sector workers is 15,000 escudos.

**Medical benefits (social assistance):** Up to 2,500 escudos is reimbursed for medicines.

**Dependents' Medical Benefits**

**Medical benefits for dependents (social insurance):** Medical benefits for dependents are the same as those for the insured.

Eligible dependents include children up to age 18 or receiving family allowances, a spouse or legal partner, dependent parents, and dependent grandparents.

**Administrative Organization**

Ministry of Youth, Employment and Human Resources development (<http://www.mjedrh.gov.cv>) provides general supervision.

National Health Service administers the program.

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

**Work Injury****Regulatory Framework**

**First law:** 1960.

**Current laws:** 1978 (compulsory insurance) and 1991 (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 minimum 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, 40% of the insured's earnings on the day the injury occurred (40% of average earnings in the last six months if those earnings differ from the insured's normal earnings) is paid 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: 25% of the insured's earnings on the day the injury occurred is paid (40% of average earnings in the last six months if those earnings differ from the insured's normal earnings).

### **Permanent Disability Benefits**

**Permanent disability pension:** If the insured is assessed with a total (100%) disability, 70% of the insured's earnings on the day the injury occurred is paid from the day after the disability began (70% of average earnings in the last six months if those earnings differ from the insured's normal earnings). The employer pays the insured's earnings for the day of the work injury.

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.

Partial disability: For an assessed degree of disability of 10% to 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.

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**

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

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 one year of the pension is paid.

**Orphan's pension:** 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:** 10% of the deceased's earnings is paid to dependent parents, dependent grandparents, and 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, is paid.

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

### **Administrative Organization**

Ministry of Youth, Employment and Human Resources development (<http://www.mjedrh.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

Private- and public-sector employees (including civil servants of the Central Administration first employed after December 31, 2005, and civil servants of the local administration after December 31, 2007).

Exclusions: Self-employed persons.

### Source of Funds

**Insured person:** None.

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

**Employer:** 3% of gross monthly payroll.

**Government:** None; contributes as an employer.

### 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 monthly minimum wage for public-sector workers.

The monthly minimum wage for public-sector workers is 15,000 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 insured is deceased and the mother is an unemployed widow.

**Nursing allowance:** A lump sum of 1,500 escudos a month is paid for six months.

**Funeral grant:** The cost of the funeral, up to 30,000 escudos, is paid when the insured, the insured's spouse, or children older than age 14 dies; 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 took place in January 2011).

### Administrative Organization

Ministry of Youth, Employment and Human Resources development (<http://www.mjedrh.gov.cv>) provides general supervision.

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