

## Andorra

Exchange rate: U.S.\$1.00 equals 1.12 euros (€).

### Old Age, Disability, and Survivors

#### Regulatory Framework

**First and current law:** 1966.

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

#### Coverage

Employed persons. Voluntary coverage for nonemployed persons.

#### Source of Funds

**Insured person:** A choice of 2%, 4%, or 6% of earnings (no ceiling).

**Employer:** 6% of payroll (no ceiling).

**Government:** None.

The above contributions also finance work injury benefits.

#### Qualifying Conditions

**Old-age pension:** Age 65.

**Disability pension:** A loss of at least 2/3 of earning capacity. For insured persons under age 21 entitlement is based on 12 months of contributions; for insured aged between 21 and 40 years, 36 months of contributions; and for insured aged between 41 and 65 years, 96 months of contributions.

**Survivor pension:** Entitlement is based on 60 months of contributions by the deceased.

#### Old-Age Benefits

**Old-age pension:** The value of the pension received is linked to the amount of contributions made. Each monthly contribution is converted into age pension points by dividing the monthly employee and employer contributions by the government-set purchase value of an age pension point for the relevant month. To calculate the pension, the acquired age pension points are converted into an annual pension figure by applying a set value to each pension point. This set value is indexed and adjusted accordingly on a regular basis. The monthly pension is equivalent to 1/12 of the result of this calculation.

**Minimum pension:** Based on 5,000 age pension points, awarded to insured beneficiaries with at least 960 points and 180 months of contributions since 1968 and at least 60 months of paid employment before then.

**Spouse supplement:** Pensions are increased by 10% if the spouse of the insured is aged 65 or over and is not eligible for a pension in his or her own right.

#### Permanent Disability Benefits

**Disability pension:** The pension is calculated according to the basis salary (the mean monthly salary of the 12 months preceding the onset of the incapacity). Pension entitlements are awarded in relation to the degree of disability:

- Group I, an individual who is able to perform some types of work receives 30% of the basis salary;
- Group II, an individual who is unable to perform any type of work receives 50% of the basis salary;
- Group III, an individual who is unable to perform any type of work and who is in need of constant-attendance assistance receives 75% of the basis salary.

#### Survivor Benefits

**Survivor pension:** 50% of the old-age pension or disability pension of the deceased. The pension is payable to a spouse aged 45 or older, disabled, or caring for a child aged under 18 years.

**Orphan's pension:** 10% of the old-age pension or disability pension of the deceased. Payable to each dependent child who is not in paid employment.

**Maximum benefit:** 50% of the pension entitlement of the deceased.

**Funeral grant:** A lump sum equal to the earnings of the last 3 months or three times average monthly earnings, whichever sum is the greater.

**Eligible relatives:** In order of entitlement, the surviving spouse and dependent children, adult children, parents, grandparents, any other immediate relative.

In some cases, the funeral grant may be given to the insurance fund that pays the funeral costs.

#### Administrative Organization

Managed by its Administration Council and Director, the National Social Security Fund administers the scheme.

#### Sickness and Maternity

##### Regulatory Framework

**First and current law:** 1966.

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

##### Coverage

Employed persons. Voluntary coverage for nonemployed persons.

##### Source of Funds

**Insured person:** 3% of earnings (no ceiling).

**Employer:** 7% of payroll (no ceiling).

**Government:** None.

The above contributions also finance work injury benefits.

### **Qualifying Conditions**

**Sickness benefit:** For the first claim, 40 days of contributions are required. All subsequent claims require 15 days of employment in the last 40 days. To receive benefits for longer than 180 days requires 12 months of contributions prior to the onset of sickness.

**Maternity benefit:** Entitlement is based on 6 months of insurance prior to the expected date of childbirth or 3 months of employment in the previous 6 months.

**Medical benefits:** For the first claim, 40 days of contributions are required. Subsequent claims require 15 days of employment in the last 40 days.

### **Sickness and Maternity Benefits**

**Sickness benefit:** A daily amount equal to half of the reference earnings (1/180 of earnings for the previous 6 months). Benefit is payable after a 3-day waiting period. After the thirtieth day following the onset of sickness, the daily payment is increased to 2/3 of the reference earnings. The maximum duration of payments is 6 months. In some cases, benefit entitlement can be extended by additional increments of 6 months up to a total of 3 years.

**Benefit adjustment:** Annual adjustment of benefits paid for more than 12 months where the average salary is adjusted by at least 10%.

**Maternity benefit:** Daily amount equal to 90% of 1/180 of earnings for the 6 months prior to stopping work. The maximum duration of payment is 16 weeks.

### **Workers' Medical Benefits**

The benefits provided include primary and specialist treatment, pharmaceuticals, hospitalization, dental care, minor aids and appliances, maternity care, and transportation. The National Social Security Fund reimburses 75% of scheduled fees for these services. There is no limit on the duration.

### **Dependents' Medical Benefits**

The benefits provided include primary and specialist treatment, pharmaceuticals, hospitalization, dental care, minor aids and appliances, maternity care, and transportation. The National Social Security Fund reimburses 75% of scheduled fees for these services. There is no limit on the duration.

### **Administrative Organization**

Managed by its Administration Council and Director, the National Social Security Fund administers the scheme.

## **Work Injury**

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### **Regulatory Framework**

**First and current law:** 1966.

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

### **Coverage**

Employees. The option of voluntary coverage is available to nonemployed persons.

### **Source of Funds**

**Insured person:** See Old Age, Disability, and Survivors and Sickness and Maternity, above.

**Employer:** See Old Age, Disability, and Survivors and Sickness and Maternity, above.

**Government:** See Old Age, Disability, and Survivors and Sickness and Maternity, above.

### **Qualifying Conditions**

**Work injury benefits:** No minimum qualifying period.

### **Temporary Disability Benefits**

The benefit is the same as sickness benefit in Sickness and Maternity (above), but payable from the onset of disability.

### **Permanent Disability Benefits**

For total disability the entitlement is 100% of average monthly earnings in the preceding year.

For partial disability of less than 10% the entitlement is a lump-sum award equal to twice the average monthly earnings.

If the partial disability is between 10% and 55% and the insured is less than 45 years old, there is a choice of a pension proportional to 50% of the degree of disability or a lump sum equal to 6 months of average monthly earnings if the disability is between 10% and 24%; 12 months if the disability is between 25% and 39%; 18 months if the disability is between 40% and 55%.

If the partial disability is between 10% and 55% and the insured is more than 45 years old, the pension is proportional to 50% of the degree of disability.

If the disability is greater than 55% and the insured is less than 45 years old, there is a choice of a pension proportional to the degree of disability or a lump sum equal to 40 times the average monthly earnings.

If the disability is greater than 55% and the insured is more than 45 years old, the pension is proportional to the degree of disability.

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### **Workers' Medical Benefits**

Provided through medical insurance with 100% reimbursement.

### **Survivor Benefits**

**Survivor pension:** The entitlement is 50% of the average monthly earnings of the deceased. The pension is payable to a nonseparated spouse who is not undertaking any gainful activity and who is not eligible for a pension in his or her own right.

**Orphan's pension:** The entitlement is 10% of the average monthly earnings of the deceased for each child under age 18 who is not in paid employment.

Maximum orphan pension: 50% of deceased's earnings.

**Ascendant pension:** 20% of the average monthly earnings of the deceased. Paid to all ascendants (of the deceased and the spouse) who were totally dependent on the insured.

Maximum survivor pensions: 100% of average monthly earnings of the deceased.

### **Administrative Organization**

Managed by its Administration Council and Director, the National Social Security Fund administers the scheme.

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### **Unemployment**

#### **Regulatory Framework**

There is no separate unemployment scheme, but assistance is made available by the government for identified cases of need.

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### **Family Allowances**

#### **Regulatory Framework**

There is no separate family allowances scheme, but assistance is made available by the government for identified cases of need.