**Brazil**

Exchange rate: US$1.00 equals 2.41 reais.

**Old Age, Disability, and Survivors**

**Regulatory Framework**

- **First laws:** 1923 (railroads), 1934 (commerce), and 1936 (industry).
- **Current laws:** 1991 (social security), with 1999 amendment; 1991 (social insurance); 1993 (social assistance); and 1999 (social insurance regulations).

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

**Coverage**

**Social insurance:** Employed persons in industry, commerce, and agriculture; domestic servants; some categories of casual worker; elected civil servants; and the self-employed.

Voluntary coverage for students, housewives, the unemployed, and other categories.

Special systems for public-sector employees and military personnel.

**Social assistance:** Needy elderly or disabled persons.

**Source of Funds**

**Social insurance**

- **Insured person:** 7.65% of gross earnings with earnings up to 800.45 reais; 8.65% with earnings from 800.46 reais up to 900 reais; 9% with earnings from 900.01 reais up to 1,334.07 reais; or 11% with earnings from 1,334.08 reais up to 2,668.15 reais. Voluntary contributors and members of cooperatives contribute 20% of declared earnings.

The minimum monthly earnings for contribution purposes are equal to the minimum monthly wage (300 reais).

The maximum monthly earnings for contribution purposes are 2,668.15 reais.

The above contributions also finance sickness and maternity benefits and family allowances.

- **Self-employed person:** 20% of declared earnings.

The minimum monthly earnings for contribution purposes are equal to the minimum monthly wage (300 reais).

The maximum monthly earnings for contribution purposes are 2,668.15 reais.

The above contributions also finance sickness and maternity benefits.

**Employer:** 20% of payroll (22.5% of payroll for employers in the financial sector); 15% of earnings for work cooperatives; 12% of payroll on behalf of domestic workers; and 2.7% of earnings for rural employers.

There are no maximum monthly earnings for contribution purposes.

Small-enterprise employers may contribute from 1.2% to 4.3% of monthly declared earnings, depending on annual earnings declared in the last year.

The above contributions also finance sickness and maternity benefits and family allowances.

**Government:** Earmarked taxes are used to finance administrative costs and any deficit.

**Social assistance**

- **Insured person:** None.

- **Self-employed:** None.

- **Employer:** None.

**Government:** Total cost.

**Qualifying Conditions**

**Old-age pension**

**Age pension (social insurance):** Age 65 (men) or age 60 (women) for employees and the urban self-employed; age 60 (men) or age 55 (women) for the rural self-employed.

Persons who were first insured before July 25, 1991, must have at least 144 months of contributions; persons first insured since July 25, 1991, must have at least 180 months of contributions.

**Contributory pension (social insurance):** The insured must have at least 35 years of contributions (men) or 30 years of contributions (women). For arduous employment, the coverage period is between 15 years and 25 years.

**Proportional pension (social insurance):** Age 53 with 30 years of contributions (men) or age 45 with 25 years of contributions (women); for persons first insured before December 16, 1998, the insured must also contribute 40% of the difference between the required contribution years at age 53 (men) or age 45 (women) and the number of years actually paid as of December 16, 1998.

All contributory pensions are payable abroad under bilateral or multilateral agreement.

**Old-age assistance (means-tested):** Age 65, without remunerated work, and with family monthly earnings less than 25% of the minimum monthly wage for each person (75 reais). Eligibility is reviewed every 2 years.

**Disability pension**

**Disability pension (social insurance):** Assessed as permanently incapacible for work with at least 12 months of
contributions. The contribution period is waived if the disability is the result of an accident.

The degree of disability is assessed by the Ministry of Social Insurance.

**Disability assistance (means-tested):** Assessed as disabled with family monthly earnings less than 25% of the minimum monthly wage for each person (75 reais). Eligibility is reviewed every 2 years.

**Survivor pension (social insurance):** The deceased was a pensioner or insured.

Eligible survivors include the widow(er) or partner and children younger than age 21 (no limit if disabled); in absence of the above (in order of priority), parents and brothers and sisters younger than age 21 (no limit if disabled).

Survivor pensions are payable abroad under bilateral or multilateral agreement.

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**Old-Age Benefits**

**Old-age pension**

**Age pension (social insurance):** The monthly benefit is equal to 70% of average earnings plus 1% of average earnings for each year of contributions, up to a maximum of 100%.

For persons first insured before November 29, 1999, average earnings for benefit calculation purposes are based on earnings in the best 4/5 of the total number of months of earnings. Monthly earnings since July 1994 are adjusted.

For persons first insured since November 29, 1999, average earnings for benefit calculation purposes are based on earnings in the best 4/5 of the total number of months of earnings.

Persons first insured since November 29, 1999, may opt for the pension to be calculated using the Fator Previdenciario method. The monthly pension is equal to the Fator Previdenciario times 70% of average earnings (based on earnings in the best 4/5 of the total number of months of earnings).

The Fator Previdenciario is based on the insured’s contribution rate, contribution period, age, and life expectancy.

The minimum monthly earnings for benefit calculation purposes are equal to the minimum monthly wage (300 reais).

The maximum monthly earnings for benefit calculation purposes are 2,668.15 reais.

The minimum monthly age pension is equal to the minimum monthly wage (300 reais).

The maximum age pension is equal to 100% of average earnings.

Pensioners are not required to cease gainful activity.

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**Proportional pension (social insurance):** For persons first insured before November 29, 1999, the monthly benefit is equal to 70% of average earnings plus 5% of average earnings for each additional year of contributions, up to a maximum of 100%.

Average earnings for benefit calculation purposes are based on earnings in the best 4/5 of the total number of months of earnings. Monthly earnings since July 1994 are adjusted.

For persons first insured since November 29, 1999, the monthly benefit is equal to the Fator Previdenciario times 70% of average earnings plus 5% of average earnings for each additional year of contributions. Average earnings are based on earnings in the best 4/5 of the total number of months of earnings.

The Fator Previdenciario is based on the insured’s contribution rate, contribution period, age, and life expectancy.

The minimum monthly earnings for benefit calculation purposes are equal to the minimum monthly wage (300 reais).

The maximum monthly earnings for benefit calculation purposes are 2,668.15 reais.

Pensioners are not required to cease gainful activity.

Schedule of payments: Thirteen payments a year.

Benefit adjustment: Benefits are adjusted annually according to changes in the consumer price index.

**Contributory pension (social insurance):** The monthly benefit is equal to 100% of average earnings for persons first insured before November 29, 1999.

Average earnings for benefit calculation purposes are based on earnings in the best 4/5 of the total number of months of earnings. Monthly earnings since July 1994 are adjusted.

For persons first insured since November 29, 1999, the monthly benefit is equal to the Fator Previdenciario times 100% of average earnings (based on earnings in the best 4/5 of the total number of months of earnings).

The Fator Previdenciario is based on the insured’s contribution rate, contribution period, age, and life expectancy.

The minimum monthly earnings for benefit calculation purposes are equal to the minimum monthly wage (300 reais).

The maximum monthly earnings for benefit calculation purposes are 2,668.15 reais.

Pensioners are not required to cease gainful activity.

Schedule of payments: Thirteen payments a year.

Benefit adjustment: Benefits are adjusted annually according to changes in the consumer price index.
Old-age assistance (means-tested): The monthly benefit is equal to the minimum monthly wage (300 reais).
Benefit adjustment: Benefits are adjusted annually according to changes in the minimum wage.

Permanent Disability Benefits

Disability pension

Disability pension (social insurance): The monthly benefit is equal to 100% of average earnings; 100% of the minimum wage for rural workers.
For persons first insured before November 29, 1999, average earnings for benefit calculation purposes are based on earnings in the best 4/5 of the total number of months of earnings. Monthly earnings since July 1994 are adjusted.
For persons first insured since November 29, 1999, average earnings for benefit calculation purposes are based on earnings in the best 4/5 of the total months of earnings.
The minimum monthly earnings for benefit calculation purposes are equal to the minimum monthly wage (300 reais).
The maximum monthly earnings for benefit calculation purposes are 2,668.15 reais.
Constant-attendance allowance: Equal to 25% of the disability pension.
Schedule of payments: Thirteen payments a year.
Benefit adjustment: Benefits are adjusted annually according to changes in the consumer price index.

Disability assistance (means-tested): The monthly benefit is equal to the minimum monthly wage (300 reais).
Benefit adjustment: Benefits are adjusted annually according to changes in the minimum wage.

Survivor Benefits

Survivor pension (social insurance): The monthly pension is equal to 100% of the pension paid or payable to the deceased; 100% of the minimum wage for rural workers. The pension is split equally among eligible survivors. If one survivor ceases to be eligible, the pensions for the remaining survivors are recalculated.
The minimum monthly pension is equal to the minimum monthly wage (300 reais).
The maximum monthly pension is 2,668.15 reais.
Schedule of payments: Thirteen payments a year.
Benefit adjustment: Benefits are adjusted annually according to changes in the consumer price index; the minimum wage for rural workers’ benefits.

Administrative Organization

Ministry of Social Insurance (http://www.previdencia.gov.br) provides general supervision.

Sickness and Maternity

Regulatory Framework

First laws: 1923 (railroads), 1934 (commerce), and 1936 (industry).
Current laws: 1990 (health); 1991 (social security), with 1999 amendment; and 1991 (social insurance).
Type of program: Social insurance system.

Coverage

Employed persons in industry, commerce, and agriculture; domestic servants; some categories of casual worker; elected civil servants; and the self-employed.
Voluntary coverage for students, housewives, the unemployed, and other categories.
Special systems for public-sector employees and military personnel.

Source of Funds

Insured person: See source of funds under Old Age, Disability, and Survivors, above.
Self-employed person: See source of funds under Old Age, Disability, and Survivors, above.
Employer: See source of funds under Old Age, Disability, and Survivors, above.

Qualifying Conditions

Cash sickness and medical benefits: Must have contributed in the last 12 months. There is no qualifying period in case of an accident or serious illness.
Cash maternity benefits: There is no minimum qualifying period; 10 months of contributions for self-employed persons and rural workers.

Sickness and Maternity Benefits

Sickness benefit: The monthly benefit is equal to 91% of average earnings; 100% of the minimum wage for rural workers. The benefit is payable after a 15-day waiting period (during which the employer is required to pay 100% of the wage); there is no waiting period for self-employed persons and voluntarily covered persons.
Brazil

There is no limit to duration.
Average earnings are based on earnings in the best 4/5 of the total number of months of earnings. Monthly earnings since July 1994 are adjusted.

The minimum monthly earnings for benefit calculation purposes are equal to the minimum monthly wage (300 reais).

The maximum monthly earnings for benefit calculation purposes are 2,668.15 reais.

Schedule of payments: Thirteen payments a year.

Benefit adjustment: Benefits are adjusted annually according to changes in the consumer price index; the minimum wage for rural workers’ benefits.

Maternity benefit: The monthly benefit is equal to 100% of the last wage; 100% of average earnings in the last 12 months for self-employed and voluntarily covered women; 100% of the minimum wage for rural workers. The benefit is payable for a total of 120 days, from 28 days before until 91 days after the expected date of childbirth.

The benefit is payable for 2 weeks in the case of a miscarriage.

The benefit is also payable for 120 days to the adopting mother of a child younger than age 1; 60 days if the child is aged 1 to 4; or 30 days if the child is aged 5 to 8.

The minimum monthly earnings for benefit calculation purposes are equal to the minimum monthly wage (300 reais).

The maximum monthly earnings for benefit calculation purposes are 2,668.15 reais.

Workers’ Medical Benefits

Medical services are provided directly to patients in rural and urban areas through the Unified Health System.
Benefits include general, specialist, maternity, and dental care; hospitalization; medicines (some cost sharing is required); and necessary transportation.

There is no limit to duration.

Dependents’ Medical Benefits

Medical services are provided directly to patients in rural and urban areas through the Unified Health System.
Benefits include general, specialist, maternity, and dental care; hospitalization; medicines (some cost sharing is required); and necessary transportation.

There is no limit to duration.

Administrative Organization

Ministry of Health (http://www.saude.gov.br) provides general supervision of the Unified Health System.


Federal, state, and municipal institutions are part of the Unified Health System and administer medical benefits.

Work Injury

Regulatory Framework


Type of program: Social insurance system.

Coverage

Employed persons.

Exclusions: The self-employed.

Special systems for rural workers, public-sector employees, and military personnel.

Source of Funds

Insured person: None.

Self-employed person: Not applicable.

Employer: 1% to 3% of payroll according to the assessed degree of risk; 1% of payroll for employers of rural workers.

There are no minimum or maximum earnings for contribution purposes.

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

The monthly benefit is equal to 91% of average earnings. The benefit is payable after a 15-day waiting period (during which the employer is required to pay 100% of the wage).

There is no limit to duration.

Average earnings are based on earnings in the best 4/5 of the total number of months of earnings. Monthly earnings since July 1994 are adjusted.

The minimum monthly earnings for benefit calculation purposes are equal to the minimum monthly wage (300 reais).

The maximum monthly earnings for benefit calculation purposes are 2,668.15 reais.

Schedule of payments: Thirteen payments a year.
Benefit adjustment: Benefits are adjusted annually according to changes in the consumer price index.

**Permanent Disability Benefits**

**Permanent disability pension:** The monthly pension is equal to 100% of average earnings and is payable if incapable of any work.

Average earnings for benefit calculation purposes are based on earnings in the best 4/5 of the total number of months of earnings. Monthly earnings since July 1994 are adjusted. The minimum monthly earnings for benefit calculation purposes are equal to the minimum monthly wage (300 reais).

The maximum monthly earnings for benefit calculation purposes are 2,668.15 reais.

Constant-attendance supplement: Equal to 25% of the pension.

Schedule of payments: Thirteen payments a year.

The degree of disability is assessed by National Social Security Institute doctors. The degree of disability is reassessed every 2 years.

**Accident benefit (partial disability):** The monthly benefit is equal to 50% of average earnings and is payable to disabled workers who are capable of some kind of work.

Average earnings for benefit calculation purposes are based on earnings in the best 4/5 of the total number of months of earnings. Monthly earnings since July 1994 are adjusted.

Schedule of payments: Thirteen payments a year.

Benefit adjustment: Benefits are adjusted annually according to changes in the consumer price index.

**Workers' Medical Benefits**

Medical and dental treatment, hospital treatment, medicines, rehabilitation, and transportation.

**Survivor Benefits**

**Survivor pension:** The monthly benefit is equal to 100% of the pension paid or payable to the deceased; 100% of the minimum wage for rural workers. The pension is split equally among eligible survivors. If one survivor ceases to be eligible, the pensions for the remaining survivors are recalculated.

Eligible survivors include the widow(er) or partner and children younger than age 21 (no limit if disabled); in absence of the above (in order of priority), parents and brothers and sisters younger than age 21 (no limit if disabled).

The minimum monthly pension is equal to the minimum monthly wage (300 reais).

The maximum monthly pension is 2,668.15 reais.

Schedule of payments: Thirteen payments a year.

Benefit adjustment: Benefits are adjusted annually according to changes in the consumer price index; the minimum wage for rural workers’ benefits.

**Administrative Organization**

Ministry of Health (http://www.saude.gov.br) provides general supervision of the Unified Health System.


Federal, state, and municipal institutions are part of the Unified Health System and administer medical benefits.

**Unemployment**

**Regulatory Framework**

**First laws:** 1965 (severance pay fund) and 1986 (unemployment insurance).

**Current law:** 1990 (unemployment insurance), with 1994 and 2002 amendments.

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

Note: Employers contribute 8% of earnings to the Guarantee Fund for Severance Pay (FGTS), which has individual savings accounts to which the insured has access in the event of unemployment, marriage, retirement, and other contingencies.

**Coverage**

Employed persons.

Exclusions: The self-employed.

Special system for craft fishermen, domestic workers, and workers formerly engaged in forced or bonded labor.

**Source of Funds**

**Insured person:** None.

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

**Employer:** None.

**Government:** Total cost is financed by earmarked taxes.

**Qualifying Conditions**

**Unemployment benefit:** The benefit varies according to whether the insured had 6 months to 11 months of coverage, 12 months to 23 months of coverage, or 24 or more months of coverage in the last 36 months. Unemployment must not be due to misconduct. The insured must lack other resources to support self or family and must not receive other social insurance benefits.
**Unemployment Benefits**

**Unemployment benefit (means-tested):** The monthly benefit varies according to average earnings in the last 3 months of employment: 80% of average earnings is paid with average earnings up to 495.23 reais; 396.18 reais, plus 50% of earnings exceeding 495.23 reais, is paid with average earnings between 495.23 reais and 825.47 reais; and 561.30 reais is paid with average earnings of 825.47 reais or more.

The benefit is payable for 3 to 5 months, depending on the insured’s duration of coverage in any 16-month period.

The minimum monthly benefit is equal to the minimum monthly wage (300 reais).

Benefit adjustment: Benefits are adjusted annually according to changes in the minimum wage.

**Administrative Organization**

Ministry of Labor and Employment (http://www.mte.gob.br) provides general supervision.

Worker Assistance Fund Advisory Council administers the program.

**Family Allowances**

**Regulatory Framework**

First law: 1941 (large families).

Current laws: 1991 (social insurance) and 1998 (family allowances).

Type of program: Employment-related system.

**Coverage**

Low-income employees with one or more children.

Exclusions: Domestic workers, casual workers, elected civil servants, and the self-employed.

Special system for public-sector employees.

**Source of Funds**

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

Self-employed person: Not applicable.

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

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

**Qualifying Conditions**

Family allowances (income-tested): Employees with monthly income up to 623.44 reais. The child must be younger than age 14 (no limit if disabled) and attending school. The parent must be currently in insured employment or receiving a sickness benefit. The allowance is payable to both parents if both are insured.

**Benefit adjustment:** Benefits are adjusted annually according to changes in the consumer price index.

**Administrative Organization**

Ministry of Social Insurance (http://www.previdencia.gov.br) provides general supervision.


Employers pay benefits to employees.