

Andorra

Exchange rate: US\$1.00 equals 0.80 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.

Self-employed person: A choice of a flat-rate contribution of €0.64, €13.30, €35.96, €81.28, or €271.92 according to the chosen income band.

Employer: 6% of payroll.

Government: None.

All of the above contributions also finance work injury benefits.

There are no maximum earnings for contribution purposes.

Qualifying Conditions

Old-age pension: Age 65.

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

Survivor pension: The insured must have made 60 months of contributions. The pension is payable to a spouse aged 45 or older, disabled, or caring for a child aged under age 18.

Orphan's pension: Payable to each dependent child who is not in paid employment.

Funeral grant: Payable to eligible survivors. Eligible survivors (in order of entitlement) are the surviving spouse and dependent children, adult children, parents, grandparents, or any other immediate relative. In some cases, the funeral grant may be paid to the insurance fund that met the funeral costs.

Old-Age Benefits

Old-age pension: The value of the pension 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. The monthly pension is equivalent to 1/12 of the result of this calculation.

The pension point's set value is regularly adjusted according to the retail price index.

The minimum pension is based on 5,000 age pension points. The pension is paid to insured persons with at least 960 points, including 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 insured's spouse is aged 65 or older 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 disability) and the assessed degree of disability:

- Group I—an individual who is able to perform some type 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 receives 75% of the basis salary.

Survivor Benefits

Survivor pension: 50% of the insured's old-age pension; if death occurs before retirement, the equivalent of the old-age pension calculated on the basis of half the total pension points acquired by the deceased.

Orphan's pension: 10% of the insured's old-age pension is payable to each eligible child; if death occurs before retirement, the equivalent of the old-age pension calculated on the basis of 10% of the total pension points acquired by the deceased.

The maximum orphan pension is 50% of the insured's actual or prospective pension.

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

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.

Self-employed person: A flat-rate contribution of €123.86 regardless of income level.

Employer: 7% of payroll.

Government: None.

All of the above contributions also finance work injury benefits.

There are no maximum earnings for contribution purposes.

Qualifying Conditions

Sickness benefits: 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, the insured must have 12 months of contributions before the onset of sickness.

Maternity benefits: Entitlement is based on 6 months of insurance before the expected date of childbirth or 3 months of employment in the previous 6 months. Benefits are also paid for the adoption of a child.

Medical benefits: For the first claim, 40 days of contributions are required; all 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). The 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 6-month periods up to a total of 3 years.

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

Maternity (or adoption) benefit: A daily amount equal to 90% of 1/180 of earnings in the 6 months before stopping work. The maximum duration of payment is 16 weeks, plus 2 additional weeks for each child in case of multiple births. An

uninterrupted period of 12 weeks is paid for the adoption of a child.

Workers' Medical Benefits

The benefits include primary and specialist treatment, pharmaceuticals, hospitalization, dental care, minor aids and appliances, maternity care, and transportation.

Cost sharing: The National Social Security Fund reimburses 100% of scheduled fees for maternity care, 90% for hospitalization, and 75% for the other services and benefits provided.

There is no limit to duration.

Dependents' Medical Benefits

The benefits include primary and specialist treatment, pharmaceuticals, hospitalization, dental care, minor aids and appliances, maternity care, and transportation.

Cost sharing: The National Social Security Fund reimburses 100% of scheduled fees for maternity care, 90% for hospitalization, and 75% for the other services and benefits provided.

There is no limit to duration.

Administrative Organization

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

Work Injury

Regulatory Framework

First and current law: 1966.

Type of program: Social insurance system for work accidents only (professional diseases are not covered).

Coverage

Employees.

Voluntary coverage for nonemployed persons.

Source of Funds

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

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

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

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

Qualifying Conditions

Work injury benefits: There is no minimum qualifying period.

Temporary Disability Benefits

A daily amount equal to half of the reference earnings (1/180 of earnings in the previous 6 months). After the thirtieth day, the daily payment is increased to 2/3 of the reference earnings. The benefit is payable from the onset of disability.

Permanent Disability Benefits

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

Partial disability: For an assessed degree of disability of less than 10%, the benefit is a lump sum equal to twice the average monthly earnings.

If the assessed degree of disability is between 10% and 55% and the insured is younger than age 45, there is a choice of a pension in proportion to 50% of the assessed degree of disability or a lump-sum payment. The lump sum is equal to 6 months of average monthly earnings if the assessed degree of disability is between 10% and 24%, 12 months if the disability is between 25% and 39%, or 18 months if the disability is between 40% and 55%.

If the assessed degree of disability is between 10% and 55% and the insured is older than age 45, the pension is in proportion to 50% of the assessed degree of disability.

If the assessed degree of disability is greater than 55% and the insured is younger than age 45, there is a choice of a pension in proportion to the assessed 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 older than age 45, the pension is in proportion to the assessed degree of disability.

Workers' Medical Benefits

Total reimbursement of scheduled fees. The benefits include primary and specialist treatment, pharmaceuticals, hospitalization, appliances, and transportation.

There is no limit to duration.

Survivor Benefits

Survivor pension: 50% of the insured's average monthly earnings. The pension is payable to a nondivorced 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: 10% of the insured's average monthly earnings for each child under age 18 who is not in paid employment.

The maximum orphan's pension is 50% of the insured's earnings.

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

The maximum total survivor pension is 100% of the insured's average monthly earnings.

Administrative Organization

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

Unemployment

Regulatory Framework

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

Family Allowances

Regulatory Framework

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