Ecuador

Exchange rate: Currency is the US dollar ($).

Old Age, Disability, and Survivors

Regulatory Framework

First law: 1928.

Current laws: 2001 (social security), 2006 (social pensions), 2010 (disability attendance grant), 2012 (general law on disabilities), and 2013 (social pensions increment).

Type of program: Social insurance and social assistance system.

Note: The provision under the 2001 law to create a system of individual accounts to complement the social insurance old-age pension program was not implemented.

The social insurance system also includes special programs to provide old-age, disability, and survivor benefits for families of rural workers and fishermen and for unpaid home-based workers. The programs are financed by a nominal contribution from the head of the family and contributions from workers, employers (except for unpaid home-based workers), and the government.

Coverage

Social insurance: Persons receiving income for work.

Voluntary coverage for persons without mandatory coverage, including Ecuadorian citizens living abroad.

Special systems for agricultural workers and small-scale fishermen and for unpaid home-based workers.

Social assistance: Needy citizens of Ecuador.

Source of Funds

Insured person

Social insurance: 6.64% (public sector) and 8.64% (private sector) of gross earnings, plus 1% (special disability pension). The voluntarily insured pay 9.74% of gross earnings, plus 1% (special disability pension).

The minimum earnings used to calculate contributions are $354.

There are no maximum earnings used to calculate contributions.

Social assistance: None.

Self-employed person

Social insurance: 9.74% of gross declared earnings, plus 1% (special disability pension).

The minimum earnings used to calculate contributions are $354.

There are no maximum earnings used to calculate contributions.

Social assistance: None.

Employer

Social insurance: 3.10% (public sector) and 1.10% (private sector) of gross payroll.

The minimum earnings used to calculate contributions are $354.

There are no maximum earnings used to calculate contributions.

Social assistance: None.

Government

Social insurance: 40% of the cost of old-age, disability, and survivor pensions; contributes as an employer.

Social assistance: The total cost.

Qualifying Conditions

Old-age pension

Old-age pension (social insurance): At any age with at least 480 months of contributions; age 60 with at least 360 months of contributions; age 65 with at least 180 months of contributions; or age 70 with at least 120 months of contributions.

Old-age pension (social assistance): Age 65 and not insured under any social insurance system.

Income test: Families must have income in the bottom 40% of all household incomes according to the SIIRS.

The SIIRS is a national registry used to target needy families.

Disability pension

Disability pension (social insurance): Must have at least 60 months of contributions including the six months before the disability began and an assessed loss of more than 50% of earning capacity; at least 120 months of contributions and not receiving an old-age pension if the disability began within two years after the termination of employment.

Special disability pension (social insurance): Must be assessed with a disability of at least 40% (physical disability) or 20% (mental disability) and have at least 300 (physical disability) or 240 (mental disability) months of contributions; no contribution requirements for a total or absolute disability.

Disability pension (social assistance): Must be assessed with a disability of at least 40% and not be insured under any social insurance scheme.
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**Attendance grant Joaquin Gallegos Lara (social assistance):**
Paid to the primary caregiver of a person assessed with a severe physical (at least 75%) or mental (at least 65%) disability, suffering from a rare or catastrophic disease, or living with HIV/AIDS and younger than age 14.
Income test: Families must have no more than 50 points in the SIIRS; no income test if living with HIV/AIDS and younger than age 14.
The SIIRS is a national registry used to target needy families.

**Survivor pension**

**Survivor pension (social insurance):** The deceased received or was entitled to receive a social insurance old-age or disability pension or had at least 60 months of contributions at the time of death.
Eligible survivors include a widow or a dependent, disabled widower; a female or dependent, disabled male partner who cohabitated with the deceased for at least two years before the death or had children with the deceased; dependent children younger than age 18 (no limit if disabled); and, if there are no other survivors, a dependent mother and a dependent, disabled father.
The widow(er)’s pension ceases on remarriage or cohabitation.

**Funeral grant (social insurance):** The deceased received or was entitled to receive a social insurance old-age or disability pension or had at least six months of contributions in the last 12 months at the time of death.

**Old-Age Benefits**

**Old-age pension (social insurance):** A percentage of the insured’s average monthly earnings in the five best years of earnings is paid, according to the total number of years of contributions (50% for 10 years, 75% for 30 years, 81.25% for 35 years, and 100% for 40 years). The pension is increased by 1.25% for each year exceeding 40 years.
The minimum monthly pension is $177.
The maximum monthly pension is $1,947.
Schedule of payments: 12 monthly payments plus two bonus payments a year.
Benefit adjustment: Benefits are adjusted annually. Adjustments range from 4.31% to 16.16% and are inversely proportional to the amount of benefit.

**Old-age pension (social assistance):** $50 a month is paid.

**Permanent Disability Benefits**

**Disability pension (social insurance):** A percentage of the insured’s average monthly earnings in the five best years of earnings is paid, according to the total number of years of contributions (43.75% for five years, 50% for 10 years, 62.5% for 20 years, 68.75% for 25 years, and 75% for 30 years).
The minimum monthly pension is $177.
The maximum monthly pension is $1,947.
Schedule of payments: 12 monthly payments plus two bonus payments a year.

**Special disability pension (social insurance):** 68.75% of the insured’s average monthly earnings in the best five years of earnings is paid.
The minimum monthly pension is $177.
The maximum monthly pension is $1,947.
Schedule of payments: 12 monthly payments plus two bonus payments a year.
Benefit adjustment: Benefits are adjusted annually. Adjustments range from 4.31% to 16.16% and are inversely proportional to the amount of benefit.

**Disability pension (social assistance):** $50 a month is paid.
**Joaquin Gallegos Lara attendance grant (social assistance):** $240 a month is paid.

**Survivor Benefits**

**Spouse’s pension:** 40% of the old-age or disability pension the deceased received or was entitled to receive is paid to an eligible widow(er) or partner.

**Orphan’s pension:** 20% of the old-age or disability pension the deceased received or was entitled to receive is paid to each orphan younger than age 18 (no limit if disabled); 40% for a full orphan.

**Other eligible survivors:** 20% of the old-age or disability pension the deceased received or was entitled to receive is paid to a mother or father.
The minimum monthly pension is $177.
The maximum monthly pension is $1,947.
Benefit adjustment: Benefits are adjusted annually by 8.4%.

**Funeral grant:** Up to $1,416 is paid.

**Administrative Organization**

Social Security Institute (http://www.iess.gov.ec), through its Directive Council, regulates and administers the social insurance program.
Ministry of Social and Economic Inclusion (http://www.inclusion.gob.ec) administers the old-age and disability social assistance pensions as part of the Bono de Desarrollo...
Humano program (see Family Allowances) and pays the Joaquin Gallegos Lara attendance grant.

**Sickness and Maternity**

**Regulatory Framework**

- **First law:** 1935.
- **Current law:** 2001 (social security).
- **Type of program:** Social insurance system.

**Coverage**

Persons receiving income for work and beneficiaries of old-age, disability, work injury, or survivor benefits.

Voluntary coverage for persons not subject to mandatory coverage

Special systems for agricultural workers and small-scale fishermen.

**Source of Funds**

- **Insured person:** None; 4.15% of the pension (survivor beneficiaries); 5.71% of gross earnings (voluntarily insured persons).

Insured persons may insure their spouse with an additional contribution of 3.41%.

The minimum earnings used to calculate contributions are $354.

There are no maximum earnings used to calculate contributions.

- **Self-employed person:** 5.71% of gross declared earnings.

The minimum earnings used to calculate contributions are $354.

There are no maximum earnings used to calculate contributions.

- **Employer:** 5.71% of payroll.

The minimum earnings used to calculate contributions are $354.

There are no maximum earnings used to calculate contributions.

- **Government:** The total cost for old-age, disability, and work injury beneficiaries.

**Qualifying Conditions**

- **Cash maternity benefits:** Must have at least 12 months of contributions before giving birth. Prenatal care is provided with at least three months of contributions.

- **Medical benefits:** Must have at least three months of continuous contributions. Coverage continues for 60 days after the insured ceases to pay contributions.

**Sickness and Maternity Benefits**

- **Sickness benefit:** Paid from the fourth day of incapacity for the first 10 weeks, 75% of the insured’s earnings used to calculate contributions in the three months before the incapacity began is paid for up to 70 days; thereafter, 66% for up to 182 days.

- **Maternity benefit:** 75% of the insured’s last earnings used to calculate contributions is paid for two weeks before and 10 weeks after the expected date of childbirth; paid for an additional 10 days for multiple births. (The employer pays 25% of the insured’s last earnings for the same period of time.)

**Workers’ Medical Benefits**

Medical facilities of the Social Security Institute provide medical services directly to patients. Benefits include general and specialist care, surgery, hospitalization, medicine, laboratory services, and dental care. A refund for the cost of medical care provided through medical facilities not part of the Social Security Institute is possible in case of emergency.

**Dependents’ Medical Benefits**

Full medical care is provided for children of insured persons up to age 18 and beneficiaries of the orphan’s pension.

**Administrative Organization**

Social Security Institute (http://www.iess.gob.ec), through its Directive Council, regulates and administers the program and operates its own clinics, dispensaries, and hospitals.

**Work Injury**

**Regulatory Framework**

- **First law:** 1964.
- **Current law:** 2001 (social security).
- **Type of program:** Social insurance system.

**Coverage**

Persons receiving income for work.

Voluntary coverage for persons without mandatory coverage.

Exclusions: Ecuadorians citizens residing abroad.
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**Source of Funds**

**Insured person:** None; 0.55% of gross earnings for the voluntarily insured.

The minimum earnings used to calculate contributions are $354.

There are no maximum earnings used to calculate contributions.

**Self-employed person:** 0.55% of gross declared earnings.

The minimum earnings used to calculate contributions are $354.

There are no maximum earnings used to calculate contributions.

**Employer:** 0.55% of payroll.

The minimum earnings used to calculate contributions are $354.

There are no maximum earnings used to calculate contributions.

**Government:** 40% of the cost of work injury pensions.

**Qualifying Conditions**

**Work injury benefits:** There is no minimum qualifying period.

**Occupational disease benefits:** Must have at least six months of contributions.

**Temporary Disability Benefits**

For the first 10 weeks, 75% of the insured’s average earnings in the three months before the disability began is paid after a two-day waiting period for up to 70 days; after 70 days, 66% until the end of the 12th month. If the disability lasts more than one year, 80% is paid for up to two additional years.

**Permanent Disability Benefits**

**Permanent disability pension:** 80% of the insured’s average earnings (100% if constant attendance is required) in the last year or in the previous five years (whichever is greater) is paid.

Partial disability: A percentage of the full pension is paid according to the assessed degree of disability.

Schedule of payments: 12 monthly payments plus two bonus payments a year.

Benefit adjustment: Benefits are adjusted annually. Adjustments range from 4.31% to 16.16% and are inversely proportional to the amount of benefit.

**Workers’ Medical Benefits**

Benefits include medical and surgical care, hospitalization, appliances, and rehabilitation.

**Survivor Benefits**

**Spouse’s pension:** 40% of the permanent disability pension the deceased received or was entitled to receive is paid to a widow or a dependent, disabled widower, or to a female or dependent, disabled male partner who cohabitated with the deceased.

**Orphan’s pension:** 20% of the permanent disability pension the deceased received or was entitled to receive is paid to each dependent orphan younger than age 18 (no limit if disabled); 40% for a full orphan.

**Other eligible survivors:** If there is no eligible spouse, partner, or child, 20% of the permanent disability pension the deceased received or was entitled to receive is paid to a dependent mother or a dependent, disabled father.

The minimum monthly pension is $177.

The maximum monthly pension is $1,947.

**Funeral grant:** Up to $1,416 is paid.

**Administrative Organization**


**Unemployment**

**Regulatory Framework**

**First law:** 1951.

**Current laws:** 2001 (social security).

**Type of program:** Mandatory individual account system.

**Coverage**

Employed persons.

Exclusions: Self-employed persons.

**Source of Funds**

**Insured person:** 2% of gross earnings.

The minimum earnings used to calculate contributions are $354.

There are no maximum earnings used to calculate contributions.

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

**Employer:** 1% of gross payroll.

The minimum earnings used to calculate contributions are $354.

There are no maximum earnings used to calculate contributions.

**Government:** Provides subsidies in special cases; contributes as an employer.
**Qualifying Conditions**
Must have at least 24 months of contributions. The benefit is paid after two months of unemployment.

**Unemployment Benefits**
A lump sum of the individual account balance is paid to the insured person if unemployed or when the insured person begins to receive an old-age, permanent disability, or permanent work injury pension; if the insured person dies, the benefit is paid to a widow, a disabled widower, children younger than age 18, or, if there is no surviving spouse or child, certain other surviving relatives.

**Administrative Organization**
Social Security Institute (http://www.iess.gov.ec) administers the program.

**Family Allowances**

**Regulatory Framework**
- **First law:** 1998 (Bono Solidario).
- **Current laws:** 2003 (conditional cash transfer) and 2013 (conditional cash transfer increment).
- **Type of program:** Social assistance system.

**Coverage**
Needy citizens of Ecuador.

**Source of Funds**
- **Insured person:** None.
- **Self-employed person:** None.
- **Employer:** None.
- **Government:** The total cost.

**Qualifying Conditions**
**Bono de Desarrollo Humano cash transfer (social assistance):** Children younger than age 5 and pregnant women must attend regular medical visits; children aged 5 to 18 must be enrolled in and regularly attend school. Parents must receive training in early childhood development.

**Family Allowance Benefits**
**Bono de Desarrollo Humano cash transfer (social assistance):** $50 a month is paid to the mother.

**Administrative Organization**
Ministry of Social and Economic Inclusion (http://www.inclusion.gob.ec) administers the program.