

Dominican Republic

Exchange rate: US\$1.00 = 50.45 pesos.

Old Age, Disability, and Survivors

Regulatory Framework

First law: 1947 (civil servants).

Current laws: 2001 (social security), implemented in 2004; 2005 (contribution exemptions); 2007 (settlement of arrears); 2009 (amnesty for nonpayment of employer contributions); 2016 (police personnel); and 2017 (commercial drivers).

Type of program: Mandatory individual account system.

Note: The pay-as-you-go social insurance program for private-sector workers was closed to new entrants in 2003 and is being phased out. It covers private-sector workers aged 45 or older in 2003 who chose to remain in the social insurance program and private-sector pensioners who began receiving their pensions before June 2003. Public-sector workers who opted not to join the individual account program remain in the separate social insurance program for public-sector workers.

Subsidized individual accounts for self-employed persons and other vulnerable groups have not yet been implemented.

The 2001 social security law introduced a social assistance old-age, disability, and survivor pension, which is in the process of being implemented.

Coverage

Public- and private-sector employees aged 45 or younger in 2003.

Voluntary coverage for citizens of the Dominican Republic living abroad, and for public- and private-sector employees older than age 45 in 2003. Once enrolled, an insured person may not opt out.

Exclusions: Self-employed persons.

Special systems for elected or appointed officials in the judiciary and legislative system, employees of the central bank of the Dominican Republic, teachers, and certain employees of the Ministry of Finance.

Source of Funds

Insured person: 2.87% of monthly covered earnings. Additional voluntary contributions are possible.

The minimum monthly earnings used to calculate contributions are the average monthly minimum wage for private-sector employees.

The maximum monthly earnings used to calculate contributions are 20 times the average monthly minimum wage for private-sector employees.

The average monthly minimum wage for private-sector employees is 11,826.40 pesos (13,482 pesos as of August 1, 2019).

Of the total insured person and employer contributions (9.97%), 8.0% is allocated to the individual account, 1% to disability and survivor insurance, 0.5% to administrative fees, 0.4% to the solidarity fund, and 0.07% to the Superintendent of Pensions' operating costs.

Self-employed person: Not applicable.

Employer: 7.1% of monthly covered payroll. Additional voluntary contributions are possible.

The minimum monthly earnings used to calculate contributions are the average monthly minimum wage for private-sector employees.

The maximum monthly earnings used to calculate contributions are 20 times the average monthly minimum wage for private-sector employees.

The average monthly minimum wage for private-sector employees is 11,826.40 pesos (13,482 pesos as of August 1, 2019).

Of the total insured person and employer contributions (9.97%), 8.0% is allocated to the individual account, 1% to disability and survivor insurance, 0.5% to administrative fees, 0.4% to the solidarity fund, and 0.07% to the Superintendent of Pensions' operating costs.

Government: Partially finances the guaranteed minimum pension; finances the value of accrued rights for those who made contributions under the old social insurance program; contributes as an employer.

Qualifying Conditions

Old-age pension (Pensión por vejez): Age 60 with at least 30 years of contributions.

All gainful activity must cease.

Early pension: Age 55 if the individual account balance is sufficient to finance a monthly pension of at least 150% of the minimum monthly old-age pension.

Unemployed worker's old-age pension (Pensión por cesantía por edad avanzada): Aged 57 to 59, unemployed, and have at least 25 years of contributions. (If the insured has less than 25 years of contributions, he or she can continue contributing to reach 25 years or claim a partial pension.)

Guaranteed minimum pension (Solidarity Fund): Age 65 (age 57 if receiving an unemployed worker's old-age pensioner) with at least 25 years of contributions and have an individual account balance that is insufficient to finance the minimum monthly old-age pension.

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The minimum monthly old-age pension is the lowest legal monthly minimum wage for private-sector employees or the legal monthly minimum wage for public-sector employees, depending on the insured's sector of employment.

The lowest legal monthly minimum wage for private-sector employees is 9,411.60 pesos (November 2017); the legal monthly minimum wage for public-sector employees is 10,000 pesos.

The old-age pension is payable abroad under certain conditions.

Old-age benefit (Pensión por ingreso tardío): Age 60, unemployed for at least 30 days, and does not qualify for the old-age pension. Must have made the first contribution to the individual account program at age 45 or older.

Disability pension (Pensión por discapacidad): Must have at least a 66.7% assessed loss of earning capacity and have exhausted sickness benefits. The disability must be the result of a chronic illness or nonwork-related accident.

Partial disability: Must have an assessed loss of earning capacity of at least 50% but less than 66.7%.

A regional medical committee assesses the loss of earning capacity. The national medical committee may revise, validate, or reject the decision of a regional medical committee.

The disability pension is payable abroad.

Disability settlement: Must have been diagnosed with a terminal illness and not qualify for any other social insurance benefit.

Employment must cease.

A regional medical committee assesses the degree of disability. The national medical committee may revise, validate, or reject the decision of a regional medical committee.

Survivor pension (Pensión por sobrevivencia): The deceased received or was entitled to receive an old-age or disability pension at the time of death.

Eligible survivors include a widow(er) or partner and unmarried orphans younger than age 18 (age 21 if a full-time student, no limit if disabled).

The survivor pension is payable abroad.

Survivor settlement: Paid to legal heirs if there is no eligible survivor for the survivor pension.

Old-Age Benefits

Old-age pension (Pensión por vejez): The insured has two payment options: purchase a price-indexed annuity or make programmed withdrawals. (The value of accrued rights under the social insurance program is combined with the account balance at retirement.)

Early pension: Calculated in the same way as the old-age pension.

Unemployed worker's old-age pension (Pensión por cesantía por edad avanzada): Calculated in the same way as the old-age pension.

Guaranteed minimum pension (Solidarity Fund): The difference between the insured's account balance and the account balance needed to finance the minimum monthly old-age pension is paid.

The minimum monthly old-age pension is the lowest legal monthly minimum wage for private-sector employees or the legal monthly minimum wage for public-sector employees, depending on the insured's sector of employment.

The lowest legal monthly minimum wage for private-sector employees is 9,411.60 pesos (November 2017); the legal monthly minimum wage for public-sector employees is 10,000 pesos.

Benefit adjustment: Benefits are adjusted based on changes in the legal monthly minimum wage for public- and private-sector employees.

Old-age benefit (Pensión por ingreso tardío): If the account balance is sufficient to finance the minimum monthly old-age pension, the insured has two payment options: purchase a price-indexed annuity or make programmed withdrawal. If the account balance is insufficient, a lump sum of the account balance is paid.

The minimum monthly old-age pension is the lowest legal monthly minimum wage (private-sector employees) or the legal monthly minimum wage (public-sector employees).

The lowest legal monthly minimum wage for private-sector employees is 9,411.60 pesos (November 2017); the legal monthly minimum wage for public-sector employees is 10,000 pesos.

Permanent Disability Benefits

Disability pension (Pensión por discapacidad): 60% of the insured's average indexed covered earnings in the three years immediately before the disability began is paid. The disability pension is financed by the disability insurance provided by an insurance company until retirement or death. The insurance company also pays a monthly contribution to the insured's individual account until retirement or death.

The disability pension ceases at the normal retirement age when the insured may access his or her account balance to purchase a price-indexed annuity or make programmed withdrawals.

Partial disability: 30% of the insured's average indexed covered earnings in the three years immediately before the disability began is paid.

There is no minimum or maximum disability pension.

Benefit adjustment: Benefits are adjusted periodically based on changes in the consumer price index.

Disability settlement: The account balance is paid as a lump sum.

Survivor Benefits

Survivor pension (Pensión por sobrevivientes): 60% of the deceased's average indexed covered earnings in the last three years is paid. (Life insurance tops up the deceased's individual account if the balance is less than the required minimum to finance the survivor pension.)

The survivor pension is paid for life to a spouse or partner older than age 55; for six years to a spouse or partner aged 50 to 55; or for five years to a spouse or partner younger than age 50.

If there are orphans, 50% of the survivor pension is paid to the spouse or partner and 50% is split among eligible orphans.

There is no minimum or maximum survivor pension.

Benefit adjustment: Benefits are adjusted periodically based on changes in the consumer price index.

Survivor settlement: The account balance is paid as a lump sum.

Administrative Organization

National Social Security Board (CNSS) (<http://www.cnss.gob.do/>) is responsible for policy development and provides overall governance of the social security system.

Superintendent of Pensions (SIPEN) (<http://www.sipen.gob.do/>) supervises implementation of legislation.

Individual pension fund management companies administer the individual accounts and contract with insurance companies for disability and survivors insurance.

Treasury of Social Security (<http://www.tss.gov.do/>) collects contributions.

Sickness and Maternity

Regulatory Framework

First law: 1948 (social insurance), implemented in 1949.

Current law: 2001 (social security), implemented in 2007.

Type of program: Social insurance (cash and medical benefits) and social assistance (medical benefits only) system.

Coverage

Social insurance: Employed persons, including public-sector employees not covered by a special system; and pensioners (medical benefits only).

Exclusions: Self-employed persons.

Special systems for elected or appointed officials in the judiciary and legislative system, employees of the central bank of the Dominican Republic, certain employees of the

Ministry of Finance, and certain former police and military personnel.

Social assistance: Needy residents of the Dominican Republic.

Source of Funds

Insured person

Social insurance: 3.04% of monthly covered earnings; 6.3% of their monthly covered earnings for persons receiving public-sector pensions.

The minimum monthly earnings used to calculate contributions are the average monthly minimum wage for private-sector employees.

The maximum monthly earnings used to calculate contributions are 10 times the average monthly minimum wage for private-sector employees.

The average monthly minimum wage for private-sector employees is 11,826.40 pesos (13,482 pesos as of August 1, 2019).

Social assistance: None.

Self-employed person

Social insurance: Not applicable.

Social assistance: None.

Employer

Social insurance: 7.09% of monthly covered payroll.

The minimum monthly earnings used to calculate contributions are the average monthly minimum wage for private-sector employees.

The maximum monthly earnings used to calculate contributions are 10 times the average monthly minimum wage for private-sector employees.

The average monthly minimum wage for private-sector employees is 11,826.40 pesos (13,482 pesos as of August 1, 2019).

Social assistance: None.

Government

Social insurance: None; contributes as an employer.

Social assistance: The total cost.

Qualifying Conditions

Cash sickness benefit (social insurance): Must have at least 12 months of contributions before the incapacity began.

Cash maternity benefit (social insurance): Must have at least eight months of contributions in the 12 months before childbirth and not work during the period in which the benefit is paid.

Nursing allowance (social insurance, income tested):

Paid for a child younger than 12 months.

Income test: The insured's monthly covered earnings must be less than three times the legal monthly minimum wage.

The legal monthly minimum wage for private-sector employees ranges from 9,411.60 pesos to 15,447.60 pesos, depending on the type and size of business (November 2017); the legal monthly minimum wage for public-sector employees is 10,000 pesos.

Medical benefits (Basic health plan, social insurance):

Must have at least one month of contributions (except in case of an emergency and for child delivery).

Eligible dependents include a spouse or cohabiting partner and children up to age 18 (age 21 if a full-time student, no limit if disabled). Children older than age 21 and the insured's dependent parents may be covered under certain conditions.

Medical benefits (Basic health plan, social assistance, means tested):

Provided to unemployed persons and their families, persons with disabilities, indigent persons and their families, single mothers; and self-employed persons and persons older than age 60 with monthly income below the average monthly minimum wage for private-sector employees.

The average monthly minimum wage for private-sector employees is 11,826.40 pesos (13,482 pesos as of August 1, 2019).

Means test: The household must be classified as poor and vulnerable based on the Quality of Life Index (Indice de Calidad de Vida, ICV) administered by the SIUBEN.

The ICV is a targeting system used to identify poor and vulnerable families based on their income, consumption patterns, housing conditions, and access to public services.

Sickness and Maternity Benefits

Sickness benefit (social insurance): 60% of the insured's average monthly earnings in the last six months (40% if hospitalized) is paid after a three-day waiting period, for up to 26 weeks.

Maternity benefit (social insurance): Three months of the insured's earnings is paid for 14 weeks, including seven weeks before and seven weeks after the expected date of childbirth.

Nursing allowance (social insurance, income tested):

A percentage of the insured's monthly covered earnings is paid for up to 12 months after the child's birth: 33% with monthly earnings up to the legal monthly minimum wage; 12% with monthly earnings greater than one and up to two times the legal monthly minimum wage; and 6% for monthly earnings greater than two and up to three times the legal monthly minimum wage. In the case of multiple births, the allowance is paid for each child.

The legal monthly minimum wage for private-sector employees ranges from 9,411.60 pesos to 15,447.60 pesos, depending on the type and size of the business (November 2017); the legal monthly minimum wage for public-sector employees is 10,000 pesos.

Workers' Medical Benefits

Medical benefits (Basic health plan, social insurance and social assistance): Benefits include preventive, inpatient, outpatient, maternity, pediatric, emergency, surgery, and specialist care; medicine; and prostheses for persons with disabilities, according to a schedule in law.

Cost sharing: The insured pays 30% of the cost of prescription drugs.

Medical benefits (Basic health plan, social assistance, means tested):

Benefits include preventive, inpatient, outpatient, maternity, pediatric, emergency, surgery, and specialist care; medicine; and prostheses for persons with disabilities, according to a schedule in law.

Cost sharing: There is no cost sharing for prescription drugs.

Dependents' Medical Benefits

Medical benefits (Basic health plan, social insurance):

Benefits for dependents are the same as those for the insured. In-patient services for children are provided from the 45th day after birth until age 5. Benefits include nutrition, general care, and child development programs.

Medical benefits (Basic health plan, social assistance, means tested):

Benefits for dependents are the same as those for the primary beneficiary. In-patient services for children are provided from the 45th day after birth until age 5. Benefits include nutrition, general care, and child development programs.

Administrative Organization

National Social Security Board (CNSS) (<http://www.cnss.gob.do/>) is responsible for policy development and provides overall governance of the social security system.

Treasury of Social Security (<http://www.tss.gov.do/>) collects contributions.

Directorate of Information and Protection of the Affiliates (DIDA) (<http://dida.gob.do/>) is protecting customer information.

Superintendent of Health and Labor Risks (<http://www.sisalril.gov.do/>) supervises implementation of legislation.

Health Risk Management Companies (ARS) administer the basic health plan and may be private, public, or mixed entities.

National Health Insurance (SENASA) administers the social assistance program.

Work Injury

Regulatory Framework

First law: 1932 (work injury).

Current law: 2001 (social security), implemented in 2004.

Type of program: Social insurance system.

Coverage

Public- and private-sector employees, and military and police personnel.

Exclusions: Self-employed persons.

Source of Funds

Insured person: None.

Self-employed person: Not applicable.

Employer: The total cost is financed through contributions that vary depending on the assessed degree of risk. The average contribution is 1.2% of monthly covered payroll.

There are no minimum earnings used to calculate contributions.

The maximum earnings used to calculate contributions are four times the average monthly minimum wage.

The average monthly minimum wage is 11,826.40 pesos (13,482 pesos as of August 2019).

Government: None; contributes as an employer.

Qualifying Conditions

Must be assessed with a work injury or occupational disease. Accidents that occur while commuting to and from work are covered.

A medical board assesses the degree of disability.

Temporary Disability Benefits

75% of the insured's base salary is paid after a three-day period for up to 52 weeks (the employer pays 75% of the insured's base salary the first three days). The disability is reassessed 30 days before the benefit expires to determine if the disability is permanent.

The base salary is the insured's average daily covered earnings in the six months before the disability began (or over the total contribution period if less than six months).

Permanent Disability Benefits

For a severe total disability (a 100% assessed degree of disability, totally disabled, and in need of constant attendance), 100% of the insured's base salary is paid; for a permanent total disability for any work (at least a 67% assessed degree of disability), 70% of base salary is paid; and for a permanent total disability for usual work (an assessed degree of

disability of at least 50% but less than 66%), 50% of base salary is paid.

Partial disability: For an assessed degree of disability of at least 15% but less than 50%, a lump sum of five to 10 times the insured's base salary is paid.

The base salary is the insured's average monthly covered earnings in the six months before the disability began (or over the total contribution period if less than six months).

Benefit adjustment: Benefits are adjusted every two years.

Workers' Medical Benefits

Benefits include preventive, inpatient, outpatient, pediatric, emergency, surgery, and specialist care; medicine; rehabilitation; and prostheses for persons with disabilities, according to a schedule in law.

Survivor Benefits

Survivor pension

Spouse's pension: 50% of the permanent disability pension the deceased received or was entitled to receive is paid to a widow(er) or partner aged 45 or older or disabled. A lump sum of two years of the spouse's pension is paid to a widow(er) or partner younger than age 45.

The spouse's pension ceases upon (re)marriage.

Remarriage settlement: A lump sum of two years of the spouse's pension is paid to a widow(er) or partner receiving a monthly pension upon (re)marriage.

Orphan's pension: 20% of the permanent disability pension the deceased received or was entitled to receive is paid to each orphan younger than age 18 (age 21 if a full-time student, no limit if disabled), up to five.

The maximum combined orphan's pension is 100% of the permanent disability pension the deceased received or was entitled to receive.

Administrative Organization

National Social Security Board (CNSS) (<http://www.cnss.gob.do/>) is responsible for policy development and provides overall governance of the social security system.

Superintendent of Health and Labor Risks (SISALRIL) (<http://www.sisalril.gov.do/>) supervises implementation of legislation.

Labor Risk Management Fund (<http://www.arlss.gov.do/>) administers the work injury program.

Unemployment

Regulatory Framework

The 1993 labor code regulates severance pay for employees with at least three months of continuous employment. A lump sum of six days of the employee's salary is paid with at least three but less than six months of continuous

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employment; 13 days of salary with at least six but less than 12 months; 21 days of salary for each year of service with at least one but less than five years; and 23 days of salary for each year of service with at least five years of service.

Family Allowances

Regulatory Framework

First and current laws: 2001 (social security), 2005 (conditional cash transfer), 2012 (conditional cash transfer consolidation), and 2013 (social assistance pensions regulations).

Type of program: Social assistance system.

Note: A 2001 law introduced a social assistance benefit for single mother without family support, which is in the process of being implemented. Provisions of the law are included below.

Coverage

Needy residents of the Dominican Republic.

Source of Funds

Insured person: None.

Self-employed persons: None.

Employer: None.

Government: The total cost.

Qualifying Conditions

Single mother's pension (income tested): Paid for a single mother with children younger than age 18 and attending school. The mother must be unemployed or have irregular income, and not be economically dependent on a person insured for social insurance benefits.

Income test: Household income must not exceed a certain limit.

Solidarity cash transfer (Progresando con Solidaridad, means tested): Paid to families that meet a series of requirements related to health, education, nutrition, civic responsibility, information and communication technology (ICT) literacy, and housing. For example, children must have a birth certificate and adults must have a national identity card; women aged 35 or older and men aged 40 or older must undergo annual medical examinations and be given information about reproductive and preventive health; illiterate adults and youths must learn to read; children must be enrolled in and pass each grade in primary and secondary school and not work; families must attend training activities on inclusion, violence prevention, ICT use, among others; and housing conditions must meet certain basic standards.

Means test: The household must be classified as moderately or extremely poor based on the Quality of Life Index (Indice de Calidad de Vida, ICV) administered by the SIUBEN.

The ICV is a targeting system used to identify poor and vulnerable families based on their income, consumption patterns, housing conditions, and access to public services.

Family Allowance Benefits

Single mother's pension (income tested): 60% of the legal monthly minimum wage for public-sector employees is paid.

The legal monthly minimum wage for public-sector employees is 10,000 pesos.

Schedule of payments: Twelve monthly payments a year plus a 13th payment for Christmas.

Benefit adjustment: Benefits are adjusted based on changes in the consumer price index.

Solidarity cash transfer (Progresando con Solidaridad, means tested): 825 pesos a month is paid to the head of household for nutritional support; 150 pesos a month for each child aged 6 to 16 enrolled in the first to eighth years of basic education; 500 pesos a month for each child up to age 21 enrolled in the first or second year of secondary education; 750 pesos a month for each child up to age 21 enrolled in the third or fourth year of secondary education; 1,000 pesos a month for each child up to age 21 enrolled in technical education; and 500 pesos a month to university students.

Administrative Organization

National Social Security Board (CNSS) (<http://www.cnss.gob.do/>) is responsible for policy development and provides overall governance of the social security system.

Provinces and municipalities administer the single mother's pensions under the supervision of CNSS and SIPEN.

Cabinet for the Coordination of Social Policy, under the Vice Presidency, provides general oversight of the solidarity cash transfer.

Progresando con Solidaridad (<http://progresandoconsolidaridad.gob.do/>) program office administers the solidarity cash transfer program.

Administrator of Social Subsidies (ADESS) (<http://www.adess.gov.do/>) pays benefits.