

Chile

Exchange rate: US\$1.00 equals 582.60 pesos.

Old Age, Disability, and Survivors

Regulatory Framework

First law: 1924.

Current laws: 1952 (wage earners and salaried employees); 1980 and 1981 (new system).

Type of program: Mandatory individual account, social insurance, and social assistance system.

Note: A system of mandatory private individual accounts was introduced in May 1981. Workers entering the labor force after December 31, 1982, must join the new system. The social insurance system is being phased out.

Coverage

Mandatory individual account

All private-sector employees.

Voluntary coverage for the self-employed and workers who paid social insurance contributions before January 1, 1983.

Social insurance

Wage earners' program: Wage earners and the self-employed with earnings lower than three times the minimum monthly wage.

The minimum monthly wage is 127,500 pesos.

Salaried employees' program: Salaried employees in private-sector employment.

Special systems for railroad employees, seamen and port workers, public-sector employees, the armed forces, the police, and over 30 other occupations.

Source of Funds

Mandatory individual account

Insured person: 10% of gross earnings for the old-age pension, plus an average 0.75% of gross earnings for disability and survivor insurance and an average 1.55% of gross earnings for administrative fees. (Persons working under arduous conditions contribute an additional 1% or 2% of gross earnings.)

The minimum monthly earnings for contribution purposes are equal to the minimum monthly wage of 127,500 pesos; 95,927 pesos for insured persons younger than age 18 or older than age 65.

The maximum monthly earnings for contribution purposes are equal to 60 UFs (unidad de fomento). The UF is equal to

17,491 pesos and is adjusted monthly according to changes in the consumer price index.

Self-employed person: 10% of declared earnings for the old-age pension, plus an average 0.75% of declared earnings for disability and survivor insurance and an average 1.55% of declared earnings for administrative fees.

The minimum monthly declared earnings for contribution purposes are 82,889 pesos.

The maximum monthly declared earnings for contribution purposes are 60 UFs. The UF is equal to 17,491 pesos and is adjusted monthly according to changes in the consumer price index.

Employer: None, except 1% or 2% of gross earnings for employees working under arduous conditions.

The maximum monthly earnings for contribution purposes are 60 UFs. The UF is equal to 17,491 pesos and is adjusted monthly according to changes in the consumer price index.

Government: The cost of the guaranteed minimum pension.

Social insurance

Insured person: Wage earners contribute 18.84% of wages; salaried employees contribute from 20% to 30% of gross earnings depending on the nature of the job. (A reduction of 7.75% is granted to some workers with 40 years of contributions.)

The minimum monthly earnings for contribution purposes are equal to the minimum monthly wage of 127,500 pesos; 95,927 pesos for insured persons younger than age 18 or older than age 65.

The maximum monthly earnings for contribution purposes are 60 UFs. The UF is equal to 17,491 pesos and is adjusted monthly according to changes in the consumer price index.

Self-employed person: 18.84% of declared income.

The minimum monthly declared earnings for contribution purposes are 82,889 pesos.

The maximum monthly declared earnings for contribution purposes are 60 UFs. The UF is equal to 17,491 pesos and is adjusted monthly according to changes in the consumer price index.

Employer: None.

Government: Special subsidies as needed to finance the program and the cost of the guaranteed minimum pension.

Qualifying Conditions

Mandatory individual account

Old-age pension: Age 65 (men) or age 60 (women).

If aged 55 or older (men) or aged 50 or older (women) on August 19, 2004, retirement before the normal retirement age is possible for insured persons with a pension equal to at least 50% of the insured's average wage in the last 10 years and at least equal to 110% of the minimum old-age pension.

If younger than age 55 (men) or age 50 (women) on August 19, 2004, retirement before the normal retirement age is possible for insured persons with a pension equal to 55% of the insured's average wage in the last 10 years (rising to 70% by August 19, 2010) and at least equal to a 130% of the minimum old-age pension (rising to 150% by August 19, 2007).

The normal retirement age for insured persons with 20 years of contributions is reduced by 2 years or 1 year for each 5 years of work under arduous conditions, depending on the activity. The maximum reduction of the normal retirement age is 10 years.

Guaranteed minimum pension: Age 65 (men) or age 60 (women) with 20 years of contributions if the sum of the insured's pensions, income, and taxable earnings is less than the minimum pension.

Disability pension: Payable for at least a 66% loss in earning capacity. The loss of earning capacity must not be caused by a work-related accident. Coverage is extended for up to 12 months after employment ceases if the insured has 6 months of contributions in the last year of employment.

Partial disability: Payable for the loss of between 50% and 65% of earning capacity. The loss of earning capacity must not be caused by a work-related accident. Coverage is extended for up to 12 months after employment ceases if the insured has 6 months of contributions in the last year of employment.

District medical commissions assess the degree of disability.

Guaranteed minimum pension: Payable with at least 10 years of contributions; at least 2 years of contributions in the 5 years before the onset of disability; at least 16 months of contributions if the insured has less than 2 years of employment; or employed at the onset of disability. The guarantee is paid if the insured's pension is less than the minimum pension.

Survivor pension: The insured was in covered employment (coverage is extended for up to 12 months after employment ceases if the insured had 6 months of contributions in the last year of employment) or was a pensioner at the time of death.

Eligible survivors are a widow or disabled widower who was married to the insured person for at least 6 months (at least 3 years if the insured was a pensioner); the mother of the deceased's children; children younger than age 18 (age 24 if a student, no age limit if disabled); and parents in the absence of other eligible survivors.

Guaranteed minimum pension: Payable if the deceased had at least 10 years of contributions; at least 2 years of contributions in the 5 years before death; at least 16 months of contributions if the deceased had less than 2 years of employment; or employed or a pensioner at the time of death.

Social insurance

Old-age pension: Wage earners must be age 65 with 1,040 weeks of contributions (men); 800 weeks of contributions including 50% of the weeks since coverage began (men); or age 60 with 520 weeks of contributions (women).

Wage earners are not required to cease gainful activity, depending on the nature of the job.

Salaried employees must be age 65 with at least 10 years of contributions (men) or age 60 with at least 10 years of contributions (women).

Salaried employees must cease all gainful activity.

The normal retirement age for insured persons with 1,020 weeks of contributions is reduced by 1 year for each 5 years of work under arduous conditions. The maximum reduction of the normal retirement age is 10 years.

Deferred pension: The pension for a salaried employee is increased for each year of economic activity during which the claim for an old-age pension is deferred.

Disability pension: Wage earners must be assessed as totally or partially disabled and be younger than age 65 (men) or younger than age 60 (women) at the onset of disability. Must have a minimum of 50 weeks of contributions, including at least 40% of the weeks in the last 5 years and 50% of the weeks since coverage began (women are exempt from this last condition, as are men with a total of at least 400 weeks of coverage).

Wage earners are assessed as totally disabled with a loss in earning capacity of at least 70%; partial disability is assessed as a loss in earning capacity of between 30% and 69%.

Preventive and disability medical commissions assess the degree of disability for wage earners.

Salaried employees must be assessed as 2/3 disabled with 3 years of contributions.

Health services assess the degree of disability for salaried employees.

Survivor pension: The pensioner was previously a wage earner; had at least 400 weeks of paid coverage; or at least 50 weeks of paid coverage, including at least 40% of the weeks in the last 5 years and 50% of the weeks since coverage began (women are exempt from this last condition).

The pensioner was previously a salaried employee or had at least 3 years of contributions.

Eligible survivors are a widow(er) who was married for at least 6 months to an insured person who was an active contributor (at least 3 years if the insured was a pensioner); the mother of the deceased's children; and children younger than age 18 (age 24 if students, no limit if disabled).

Funeral grant: The grant is paid to the widow(er), children, or parents.

Social assistance

Old-age assistance pension: Age 65 with 300 weeks of contributions (men) or age 60 with 200 weeks of contributions (women). The insured must have been registered before 1937 and have no entitlement to a pension.

Old-age pension for a low-income person (income-tested): Age 65 (men and women) with 3 years of residence and no entitlement to a pension. Family income must be lower than 50% of the minimum monthly old-age pension (38,538 pesos).

Disability assistance pension: Age 65 (men) or age 60 (women) with 75 weeks of contributions and declared disabled. The insured must have been registered before 1937 and have no entitlement to a pension.

Disability pension for low-income persons (income-tested): Physically or mentally disabled with 3 years of residence and no entitlement to a pension. Individual income must be lower than 50% of the minimum disability pension.

Survivor assistance pension: The pension is paid to a widow older than age 45 and children younger than age 18 (age 24 if a student, no limit if disabled) if the deceased was registered before 1937 and had no entitlement to a pension.

Old-Age Benefits

Mandatory individual account

Old-age pension: The value of the pension is dependent on the insured's contributions plus accrued interest, minus administrative fees. At retirement, the accumulated capital can be used to provide an immediate life annuity, temporary income with a deferred life annuity, programmed withdrawals, or an immediate life annuity with programmed withdrawals. (The value of accrued rights under the social insurance system is combined with the individual account balance.)

Guaranteed minimum pension: The monthly pension is 77,076.54 pesos for a pensioner younger than age 70; 84,277.26 pesos from age 70 up to age 75; or 88,213.76 pesos if older than age 75.

Benefit adjustment: Automatic annual adjustment according to variations in the value of the UF. The UF is equal to 17,491 pesos and is adjusted monthly according to changes in the consumer price index.

Social insurance

Old-age pension: Wage earners receive a monthly pension equal to 50% of the base wage, plus 1% of wages for each 50-week period of contributions beyond 500 weeks.

The base wage is equal to the average monthly wage in the last 5 years, with the first 2 years adjusted for wage changes.

The minimum monthly pension is 77,076.54 pesos for a pensioner younger than age 70; 84,277.26 pesos from age 70 up to age 75; or 88,213.76 pesos if older than age 75.

The maximum monthly pension is 70% of the base wage or 791,578 pesos, whichever is lower.

Salaried employees receive a monthly pension equal to 1/35 of the base salary times the number of years of contributions.

The base salary is equal to the average monthly salary in the last 5 years, with the first 2 years adjusted for salary changes.

Salaried woman's child supplement: A supplement of 1/35 of the base salary is paid for each dependent child to a woman with over 20 years of contributions; 2/35 of the base salary if a widow.

The minimum monthly pension is 77,076.54 pesos for a pensioner younger than age 70; 84,277.26 pesos from age 70 up to age 75; or 88,213.76 pesos if older than age 75.

The maximum monthly pension is 100% of the base salary or 791,578 pesos, whichever is lower.

Deferred pension: For each year of economic activity during which the claim is deferred, the pension is increased by 5% of the base salary, up to a maximum of 25%.

Winter voucher: A lump sum of 31,982 pesos is paid in May.

Benefit adjustment: Automatic annual adjustment of pensions for changes in the consumer price index; may be earlier if the variation of the consumer price index within the year is at least 15%.

Social assistance

Old-age assistance pension: The monthly pension is 43,252.91 pesos for a pensioner younger than age 70; 84,277.26 pesos from age 70 up to age 75; or 88,213.76 pesos if older than age 75.

Old-age pension for a low-income person (income-tested): The minimum monthly pension is 38,572.20 pesos for a pensioner younger than age 70; 40,238.14 pesos from age 70 up to age 75; or 42,195.84 pesos if older than age 75.

Benefit adjustment: Automatic annual adjustment of pensions for changes in the consumer price index; may be earlier if the variation of the consumer price index within the year is at least 15%.

Permanent Disability Benefits

Mandatory individual account

Disability pension: Following an assessment and certification by the medical commission, the AFP (individual pension fund management company) finances a benefit for up to 3 years. The monthly benefit is equal to 70% of the base salary for a total disability; 50% for a partial disability.

The base salary is equal to the average monthly wage in the last 10 years.

Long-term pension: Following a second level of assessment and certification, the pension is financed through the individual account. (Disability insurance tops up the accumulated capital in the individual account if the balance is less than the required minimum to finance the permanent disability pension.)

Guaranteed minimum pension: The monthly pension is 77,076.54 pesos for a pensioner younger than age 70; 84,277.26 pesos from age 70 up to age 75; or 88,213.76 pesos if older than age 75.

Benefit adjustment: Automatic annual adjustment according to variations in the value of the UF. The UF is equal to 17,491 pesos and is adjusted monthly according to changes in the consumer price index.

Social insurance

Disability pension: For a total disability, wage earners receive a monthly pension equal to 50% of the base wage, plus 1% of wages for every 50-week period of contributions beyond 500 weeks.

The base wage is equal to the average monthly wage in the last 5 years, with the first 2 years adjusted for wage changes.

The minimum monthly disability pension is 77,076.54 pesos for a pensioner younger than age 70; 84,277.26 pesos from age 70 up to age 75; or 88,213.76 pesos if older than age 75.

The maximum monthly disability pension is 70% of the base wage or 791,578 pesos, whichever is lower.

Partial disability: 50% of the total disability pension.

Salaried employees receive a monthly pension equal to 70% of the base salary, plus 2% of the salary for every year of contributions beyond 20 years.

The base salary is equal to the average monthly salary in the last 5 years, with the first 2 years adjusted for salary changes.

The minimum monthly disability pension is 77,076.54 pesos for a pensioner younger than age 70; 84,277.26 pesos from age 70 up to age 75; or 88,213.76 pesos if older than age 75.

The maximum monthly disability pension is 100% of the base salary or 791,578 pesos, whichever is lower.

Salaried woman's child supplement: A supplement of 1/35 of the base salary is paid for each dependent child to a woman with over 20 years of contributions; 2/35 of the base salary if a widow.

Benefit adjustment: Automatic annual adjustment of pensions for changes in the consumer price index; may be earlier if the variation of the consumer price index within the year is at least 15%.

Social assistance

Disability assistance pension: The monthly pension is 43,252.91 pesos for a pensioner younger than age 70; 84,277.26 pesos from age 70 up to age 75; or 88,213.76 pesos if older than age 75.

Disability pension for a low-income person (income-tested): The minimum monthly pension is 38,572.20 pesos for a pensioner younger than age 70; 40,238.14 pesos from age 70 up to age 75; or 42,195.84 pesos if older than age 75.

Benefit adjustment: Automatic annual adjustment of pensions for changes in the consumer price index; may be earlier if the variation of the consumer price index within the year is at least 15%.

Survivor Benefits

Mandatory individual account

Survivor pension: A widow or a disabled widower without eligible children receives a monthly pension equal to 60% of the deceased's pension (43% for a partially disabled widower); 50% if a pension is also paid to children (36% for a partially disabled widower). The mother of the insured's extramarital children receives 36% of the deceased's pension; 30% if the children are younger than age 18 (age 24 if a student, no limit if disabled). Each orphan younger than age 18 (age 24 if a student, no limit if disabled) receives 15% of the deceased's pension; 11% for each partially disabled orphan older than age 24.

Other eligible survivors (in the absence of the above): A parent receives 50% of the deceased's monthly pension.

If the deceased was actively contributing to an individual account, survivor pensions are calculated according to a reference pension equal to 70% of the average monthly wage in the last 10 years.

The pension paid as the result of the death of an insured person or a temporary disability beneficiary is financed with the deceased's individual account balance; if the deceased was a pensioner, the type of benefit depends on the type of pension that the deceased chose. (Life insurance tops up the accumulated capital in the deceased's individual account if the balance is less than the required minimum to finance the survivor pension.)

The minimum monthly widow(er) pension varies from 39,309.05 pesos to 88,213.76 pesos, depending on the survivor's age and the number of children.

The minimum monthly orphan's pension varies from 8,855.59 pesos to 13,232.66 pesos.

There is no maximum survivor pension.

Benefit adjustment: Automatic annual adjustment according to variations in the value of the UF. The UF is equal to 17,491 pesos and is adjusted monthly according to changes in the consumer price index.

Funeral grant: A withdrawal of 15 UFs (262,365 pesos) from the deceased's individual account is granted to the relative who paid for the funeral expenses. The UF is equal to 17,491 pesos and is adjusted monthly according to changes in the consumer price index.

Social insurance

Survivor pension (wage earner): The monthly pension paid to a wage earner's widow of any age or a disabled widower is equal to 50% of the base wage (50% of the disability pension payable to the deceased) or 100% of the deceased's pension. Each orphan receives 20% of the base wage or average monthly pension in the preceding year. The mother of the deceased's extramarital children receives 60% of the widow pension.

The pension is suspended if the widow(er) remarries.

A widow younger than age 55 receives a lump sum equal to 2 years' pension.

The minimum monthly widow(er) pension is 50,017.65 pesos for a survivor younger than age 70 without children; 62,409.54 pesos from age 70. The minimum monthly widow(er) pension is 41,838.53 pesos for a survivor younger than age 70 with children; 53,892.19 pesos from age 70.

The minimum monthly orphan's pension is 11,561.48 pesos.

The minimum monthly survivor pension is 30,010.58 pesos for the deceased's extramarital partner younger than age 70 without children; 41,590.72 pesos from age 70. The minimum monthly survivor pension is 25,103.12 pesos for the deceased's extramarital partner younger than age 70 with children; 36,480.38 pesos from age 70.

The maximum monthly survivor pension is 791,578 pesos.

Benefit adjustment: Automatic annual adjustment of pensions for changes in the consumer price index; may be earlier if the variation of the consumer price index within the year is at least 15%.

Funeral grant: For the funeral of a wage earner or pensioner, the grant is equal to three times the monthly minimum income used for funeral grant calculation purposes (234,150 pesos).

Survivor pension (salaried employee): For a salaried employee's widow or dependent widower, the monthly pension is equal to 50% of the deceased's base salary (the average monthly wage in the last 5 years) or the deceased's pension. Each orphan and dependent parent receives 15% of the base salary or deceased's pension. The mother of the deceased's extramarital children receives 60% of the widow pension.

The pension ceases if the widow(er) remarries, and the pension is paid to eligible children.

The minimum monthly widow(er) pension is 50,017.65 pesos for a survivor younger than age 70 without children; 62,409.54 pesos from age 70. The minimum monthly

widow(er) pension is 41,838.53 pesos for a survivor younger than age 70 with children; 53,892.19 pesos from age 70.

The minimum monthly orphan's pension is 11,561.48 pesos.

The minimum monthly survivor pension is 30,010.58 pesos for the deceased's extramarital partner younger than age 70 without children; 41,590.72 pesos from age 70. The minimum monthly survivor pension is 25,103.12 pesos for the deceased's extramarital partner younger than age 70 with children; 36,480.38 pesos from age 70.

The maximum survivor pension is 100% of the deceased's base salary or pension, or 791,578 pesos, whichever is lower.

Benefit adjustment: Automatic annual adjustment of pensions for changes in the consumer price index; may be earlier if the variation of the consumer price index within the year is at least 15%.

Funeral grant: For the funeral of a salaried employee or pensioner, the grant is equal to three times the monthly minimum income used for funeral grant calculation purposes (234,150 pesos).

Social assistance

Survivor assistance pension: For a widow(er) without children, the monthly pension is 25,008.83 pesos; 20,919.26 pesos with children.

The monthly orphan's pension is 5,780.74 pesos.

Benefit adjustment: Automatic annual adjustment of pensions for changes in the consumer price index; may be earlier if the variation of the consumer price index within the year is at least 15%.

Administrative Organization

Mandatory individual account

Superintendent of Pension Fund Management Companies (<http://www.safjp.cl>) provides general supervision.

Individual pension fund management companies (AFPs) administer individual capitalization accounts.

Social insurance

Ministry of Labor and Social Welfare, through the Superintendent of Social Security (<http://www.suseso.cl>), provides general supervision.

Institute of Social Security Normalization (<http://www.inp.cl>) administers the program and pays social security and social assistance benefits.

Sickness and Maternity

Regulatory Framework

First law: 1924.

Current laws: 1979 (national health system), with 2004 amendment; 1985 (public health system), implemented in 1986; 1990 (private health system); and 2004 (health guarantees), implemented in 2005.

Type of program: Social insurance and private insurance system.

Note: Insured persons choose to be covered by the public national health system or by private social security health institutes.

Coverage

Public and private systems: All public- and private-sector workers; the self-employed; contract workers; pensioners; persons receiving work injury, unemployment, or social assistance benefits; persons entitled to family allowances; and pregnant women. (Persons without earnings, beneficiaries of social assistance pensions, and pregnant women and mothers up to 6 months after child-birth are covered by the public system.)

Those who opt out of the public system must sign a contract with a private health institution.

Voluntary coverage for all other persons.

Source of Funds

Public system

Insured person: 7% of gross earnings; pensioners, 7% of the pension; voluntary contributors, 7% of declared earnings.

The minimum monthly earnings for contribution purposes are equal to the minimum monthly wage (127,500 pesos); 95,927 pesos for insured persons younger than age 18 or older than age 65; 82,889 pesos for voluntary contributors.

The maximum monthly earnings for contribution purposes are equal to 60 UFs (unidad de fomento). The UF is equal to 17,491 pesos and is adjusted monthly according to changes in the consumer price index.

Self-employed person: 7% of declared earnings.

The minimum monthly declared earnings for contribution purposes are 82,889 pesos.

The maximum monthly earnings for contribution purposes are equal to 60 UFs. The UF is equal to 17,491 pesos and is adjusted monthly according to changes in the consumer price index.

Employer: None.

Government: Subsidizes maternity benefits and meets any deficit.

Private system

Insured person: 7% of gross earnings; pensioners, 7% of the pension.

Voluntary contributors must pay the total cost of the plan.

The minimum monthly earnings for contribution purposes are equal to the minimum monthly salary (127,500 pesos); 95,927 pesos for insured persons younger than age 18 or older than age 65.

The maximum monthly earnings for contribution purposes are equal to 60 UFs. The UF is equal to 17,491 pesos and is adjusted monthly according to changes in the consumer price index.

Self-employed person: 7% of declared earnings.

The minimum monthly declared earnings for contribution purposes are 82,889 pesos.

The maximum monthly earnings for contribution purposes are equal to 60 UFs. The UF is equal to 17,491 pesos and is adjusted monthly according to changes in the consumer price index.

Employer: None.

Government: Subsidizes maternity benefits.

Qualifying Conditions

Cash sickness and maternity benefits: Workers with a total of 6 months of contributions including 3 months of contributions in the last 6 months; contract workers with a total of 6 months of contributions including 30 days of contributions in the last 12 months; and self-employed persons with 12 months of enrollment and 6 months of contributions in the last 12 months.

Medical benefits: Currently covered.

The qualifying conditions for the public and private systems are the same.

Sickness and Maternity Benefits

Public system

Sickness benefit: For public-sector employees, the benefit is equal to 100% of net earnings before the onset of incapacity. For private-sector employees, the benefit is equal to average monthly net earnings in the last 3 months. For self-employed persons, the benefit is equal to average monthly declared earnings in the last 6 months.

Sickness benefits are paid from the first day if sick leave is longer than 9 days; from the fourth day if sick leave is shorter than 10 days. The employer is not required to pay benefits for the first 3 days, unless established under a collective agreement.

The duration of benefit is the same as the period of sick leave.

The minimum daily sickness benefit is 1,381.48 pesos.

Maternity benefit: For employees, the monthly benefit is equal to average monthly net earnings in the 3 months before the expected date of childbirth. For self-employed

persons, the monthly benefit is equal to average monthly declared earnings in the last 6 months. Benefit is payable for 6 weeks before and 12 weeks after the expected date of childbirth.

The minimum daily maternity benefit is 1,381.48 pesos.

Maternity benefit is paid for 12 months for the adoption of a child younger than 6 months.

Private system

Sickness benefit: No benefits are provided.

Maternity benefit: No benefits are provided.

Workers' Medical Benefits

Public system

Medical benefits: Benefits are provided to patients through public or private health institutions and professionals registered with the Ministry of Health. Benefits include general and specialist care, periodic medical examinations, hospitalization, medicines, dental care, and maternity care.

There is no limit to duration.

General Scheme of Health Guarantees establishes the minimum benefits to be provided by the public system.

Cost sharing: 0%, 20%, or 30% depending on the insured's income and dependents; from 30% to 80% for dental treatment.

There is no cost-sharing for primary assistance and for low-income persons, beneficiaries of assistance pensions or family allowances, and persons older than age 65.

Private system

Medical benefits: The insured signs a minimum 12-month contract with a private health institute. The insured may choose among open or closed plans or preferred doctor plans. Benefits, as well as cost sharing, vary by contract but must not be less than those provided by the public system.

Dependents' Medical Benefits

Public system

Medical benefits: Benefits include general and specialist care, periodic medical examinations, hospitalization, medicines, dental care, and maternity care.

There is no limit to duration.

General Scheme of Health Guarantees establishes the minimum benefits to be provided by the public system.

Cost sharing: 0%, 20%, or 30% depending on the insured's income and dependents; from 30% to 80% for dental treatment.

There is no cost sharing for primary assistance and for low-income persons, beneficiaries of assistance pensions or family allowances, and persons older than age 65.

Private system

Medical benefits: Benefits, as well as cost sharing, vary by contract but must not be less than those provided by the public system.

The widow(er) and children are covered for a year after the insured's death.

Administrative Organization

Ministry of Health (<http://www.minsal.cl>) provides general supervision of the system.

Superintendent of Health (<http://www.superintendenciadesalud.cl>) oversees the public and private schemes and public and private health providers.

National Health Fund (<http://www.fonasa.gov.cl>) administers cash benefits and the public system.

Health Institutions (<http://www.isapre.cl>) administer the private system.

Work Injury

Regulatory Framework

First law: 1916.

Current law: 1968 (work injury and professional diseases).

Type of program: Social insurance system.

Coverage

All public- and private-sector workers, domestic workers, contract and temporary workers, students, some self-employed persons, apprentices, and trade union representatives.

Exclusions: Some self-employed persons.

Source of Funds

Insured person: None.

Self-employed person: 0.95% of declared income, plus up to 3.4% of declared earnings, depending on the activity.

The minimum monthly declared earnings for contribution purposes are 82,889 pesos.

The maximum monthly earnings for contribution purposes are equal to 60 UFs (unidad de fomento). The UF is equal to 17,491 pesos and is adjusted monthly according to changes in the consumer price index.

Employer: 0.95% of payroll, plus up to 3.4% of payroll according to the industry and the assessed degree of risk.

The minimum monthly earnings for contribution purposes are equal to the minimum monthly wage (127,500 pesos); 95,927 pesos for insured persons younger than age 18 or older than age 65; and 95,625 pesos for domestic workers.

The maximum monthly earnings for contribution purposes are equal to 60 UFs. The UF is equal to 17,491 pesos and is adjusted monthly according to changes in the consumer price index.

Government: None; contributes as an employer.

Qualifying Conditions

Work injury benefits: There is no minimum qualifying period. Accidents that occur while commuting to and from work are covered.

Self-employed persons must have paid all due contributions.

Temporary Disability Benefits

For public-sector employees, the monthly benefit is equal to 100% of net earnings. For private-sector employees, the monthly benefit is equal to average monthly net earnings in the 3 months before the onset of disability. The benefit is payable from the day of injury for up to 12 months (may be extended up to 24 months).

The maximum monthly pension is 791,578 pesos.

Benefit adjustment: Benefits are adjusted according to wage increases.

Permanent Disability Benefits

Permanent disability pension: With an assessed degree of disability of at least 70% (total disability), the monthly pension is equal to 70% of the base salary; 22.3% of the minimum monthly wage for students with earnings lower than 44.5% of the minimum monthly wage (127,500 pesos).

The base salary is equal to average monthly net earnings in the 6 months before the onset of disability.

The maximum monthly pension is 791,578 pesos.

In most cases, Preventive and Disability Medical Commissions assess the degree of disability. The degree of disability is reassessed once every 2 years in the 8 years after the pension is awarded.

Constant-attendance allowance: The pension is increased by 30% of the base salary.

Child supplement: The pension is increased by 5% for the third and each subsequent child entitled to family allowances.

Partial disability: With an assessed degree of disability of between 40% and 70%, the monthly pension is equal to 35% of the base salary. A lump sum of up to 15 months' base

salary is paid for an assessed degree of disability of 15% to 40%.

Students with an assessed degree of disability of between 15% and 70% and with earnings lower than the minimum monthly wage (127,500 pesos) receive a monthly benefit equal to 22.3% of the monthly minimum wage.

Benefit adjustment: Automatic annual adjustment of pensions for changes in the consumer price index; may be earlier if the variation of the consumer price index within the year is at least 15%.

Workers' Medical Benefits

Benefits include necessary medical, surgical, dental, and pharmaceutical services; hospitalization; prosthesis; rehabilitation; transfer costs, and occupational retraining. Benefits are provided from the first day after the onset of disability or diagnosis of the occupational disease. Occupational diseases are defined according to a schedule in law.

There is no limit to duration.

There is no cost sharing.

Survivor Benefits

Survivor pension: A monthly benefit equal to 50% of the deceased's pension is payable to a widow older than age 44 (at any age if disabled or caring for a child) or a disabled widower.

A widow younger than age 45 receives a limited pension for a year. If a widow caring for a child reaches age 45 during the eligible period, the benefit becomes payable for life.

The minimum monthly pension is 50,017.65 pesos for a widow(er) younger than age 70 without children; 62,409.54 pesos from age 70. The minimum monthly pension is 41,838.53 pesos for a widow(er) younger than age 70 with children; 53,892.19 pesos from age 70.

The pension ceases if the widow(er) remarries, and a lump sum equal to 2 years' pension is paid.

Orphan's pension: A monthly pension equal to 20% of the deceased's pension is paid for each orphan younger than age 18 (age 24 if a student, no limit if disabled); 50% for each full orphan.

The minimum monthly orphan's pension is 11,561.48 pesos.

The maximum survivor pension is 100% of the deceased's pension.

Benefit adjustment: Automatic annual adjustment of pensions for changes in the consumer price index; may be earlier if the variation of the consumer price index within the year is at least 15%.

Funeral grant: For the funeral of a wage earner, a salaried employee, or a pensioner, the grant is equal to three times the monthly minimum income used for funeral grant

calculation purposes (234,150 pesos); 44.5% of the minimum monthly wage (127,500 pesos) for a student.

Administrative Organization

Ministry of Labor and Social Welfare, through the Superintendent of Social Security (<http://www.suseso.cl>), provides general supervision.

Institute of Social Security Normalization (<http://www.inp.cl>) and three employers' mutual societies administer the program.

Unemployment

Regulatory Framework

First law: 1937.

Current laws: 1981 (unemployment), implemented in 1982; and 2001 (severance account system), implemented in 2002.

Type of program: Employment-related and mandatory individual severance account system.

Coverage

Employment-related system: Employed persons.

Individual severance account: Employed persons; new entrants aged 18 or older and workers who sign a new work agreement after October 1, 2002.

Voluntary coverage for other persons.

Exclusions: Persons younger than age 18, domestic workers, apprentices, pensioners (unless partially disabled), the self-employed, and armed forces personnel.

Source of Funds

Employment-related system

Insured person: None.

Self-employed person: None.

Employer: None.

Government: Total cost met through the Unified Family Allowances and Unemployment Fund.

Individual severance account

Insured person: 0.6% of gross monthly earnings (plus an administrative fee) for up to 11 years for each job; voluntary contributors, 0.6% of gross monthly earnings (plus an administrative fee). Workers employed under a fixed-term contract do not contribute.

The maximum monthly earnings for contribution purposes are equal to 90 UFs (unidad de fomento). The UF is equal to 17,491 pesos and is adjusted monthly according to changes in the consumer price index.

Self-employed person: Not applicable.

Employer: 2.4% of payroll a month for up to 11 years (1.6% to the insured's individual account and 0.8% to the Solidarity Severance Fund). If an employee has more than one employment contract, each employer must contribute (3% of earnings for workers employed under a fixed-term contract).

The maximum monthly earnings for contribution purposes are equal to 90 UFs. The UF is equal to 17,491 pesos and is adjusted monthly according to changes in the consumer price index.

Government: Annual contribution to the Solidarity Severance Fund.

Qualifying Conditions

Unemployment benefits

Employment-related system: Must be involuntarily unemployed with 12 months of contributions in the previous 2 years, registered for employment, and able and willing to work. The receipt of benefit with an individual severance account benefit is not possible.

Individual severance account: Must be voluntarily or involuntarily unemployed with at least 12 months of contributions; insured persons with fixed-term contracts must have 6 months of contributions since they first joined the system or since the individual account was last fully drawn down. The benefit is suspended if the insured starts a new job.

If the balance in the individual account is insufficient to pay a benefit, the insured is eligible for a benefit under the Solidarity Severance Fund provided that unemployment was involuntary and the insured had contributed 12 months before unemployment began, was not employed on a fixed-term contract, and had not refused a suitable job offer. Benefit under the Solidarity Severance Fund is available only twice in any 5-year period.

Unemployment Benefits

Unemployment benefit

Employment-related system: For the first 90 days, the benefit is equal to 17,338 pesos a month; between 91 days and 180 days, 11,560 pesos a month; between 181 days and 360 days, 8,669 pesos a month.

Persons who are eligible for benefits may also continue to receive family allowances, maternity benefits, and medical benefits.

If benefit ceases because the insured has started a new job before 360 days of benefits have been paid, but the insured subsequently becomes unemployed again, the insured may continue receiving the benefit for the remaining period, up to the maximum of 360 days.

Individual severance account: The benefit paid depends on the individual account balance, plus accrued interest. The benefit decreases each month and lasts from 1 to

5 months depending on the length of the contribution period: with at least 12 months and up to 17 months of contributions, 1 month of benefit is paid; with 18 to 29 months, 2 months; with 30 to 41 months, 3 months; with 42 to 53 months, 4 months; and with 54 months, 5 months.

The first monthly benefit is calculated as a percentage of total contributions, and the amounts of the second and following payments are 90%, 80%, and 70% of the first monthly amount, respectively. The fifth payment is equal to the remaining balance in the individual account.

If the insured is eligible to a benefit from the Solidarity Severance Fund, the fund may top up the individual account benefit. The first monthly benefit is equal to 50% of average earnings in the last 12 months; 45% for the second; 40% for the third; 35% for the fourth; and 30% for the fifth month.

Insured persons leaving employment under a fixed-term contract or who retire (not under temporary disability benefit) are entitled to a single lump-sum payment equal to the total accumulated capital in the individual account, plus interest. If the insured dies before retirement, the accumulated capital is transferred to a named survivor.

The insured can opt to stop receiving benefits in order to safeguard the accumulated capital for a future period of unemployment. Persons who are eligible for benefits may also continue to receive family allowances, maternity benefits, and medical benefits.

The minimum monthly benefit is equal to the minimum wage (127,500 pesos).

The minimum monthly benefit for insured workers entitled to a Solidarity Severance Fund benefit is 67,292 pesos for the first payment, decreasing gradually to 31,058 pesos for the fifth payment.

The maximum monthly benefit for insured workers entitled to a Solidarity Severance Fund benefit is 129,408 pesos for the first payment, decreasing gradually to 77,645 pesos for the fifth payment.

Benefits are paid 10 days after the claim is accepted.

Benefit adjustment: The minimum and maximum benefits provided under the Solidarity Severance Fund are adjusted annually in February according to the consumer price index.

Administrative Organization

Employment-related system: Ministry of Labor and Social Welfare, through the Superintendent of Social Security (<http://www.suseso.cl>), provides general supervision.

Institute of Social Security Normalization (<http://www.inp.cl>) and Family Allowance Compensation Funds administers the program.

Individual severance account: Superintendent of Pension Fund Management Companies (<http://www.safjp.cl>) provides general supervision.

Society of Severance Fund Managers (<http://afccchile.cl>), instituted by the six pension fund management companies, administers the program.

Family Allowances

Regulatory Framework

First laws: 1937 (salaried employees) and 1953 (wage earners).

Current laws: 1981 (low-income persons), with 1996 amendment; and 1981 (wage earners and salaried employees), implemented in 1982, with 1999 amendment.

Type of program: Employment-related (unified program for wage and salaried workers) system.

Note: A social assistance program provides cash benefits to persons assessed as needy.

Coverage

All public- and private-sector workers; some self-employed persons; persons receiving work injury, temporary disability, or unemployment benefits; and pensioners.

Exclusions: Some self-employed persons.

Source of Funds

Insured person: None.

Self-employed: None.

Employer: None.

Government: Total cost met through the Unified Family Allowances and Severance-pay Fund.

Qualifying Conditions

Family allowances (income-tested): The child must be younger than age 18 (age 24 if a student; no limit if disabled); benefit is also payable from the fifth month of pregnancy.

Allowances are also paid for a wife, a disabled husband, a widowed mother, stepchildren, orphaned or abandoned grandchildren and great-grandchildren, orphans, and disabled or aged parents older than age 65 (no limit if disabled). All beneficiaries must be the insured's dependent and have monthly earnings lower than 63,750 pesos.

Maternity allowance (income-tested): Paid from childbirth for up to 9 months.

Family Allowance Benefits

Family allowances (income-tested): A monthly allowance is paid for each dependent, depending on the insured's income: 3,930 pesos with monthly earnings up to 122,329 pesos; 3,823 pesos with earnings between 122,329 and 239,606 pesos; and 1,245 pesos with earnings between 239,605 and 373,703 pesos.

All monthly allowances are doubled for disabled dependents.

Income test: No allowance is paid with monthly earnings of 373,702 pesos or more.

Maternity allowance (income-tested): An allowance is paid for 9 months, depending on the insured's income: 3,930 pesos with monthly earnings up to 122,329 pesos; 3,823 pesos with earnings between 122,329 and 239,606 pesos; and 1,245 pesos with earnings between 239,605 and 373,703 pesos.

All monthly allowances are doubled for disabled dependents.

Income test: No allowance is paid with monthly earnings of 373,702 pesos or more.

Benefit adjustment: Benefits are adjusted periodically.

Administrative Organization

Ministry of Labor and Social Welfare, through the Superintendent of Social Security (<http://www.suseso.cl>), provides general supervision.

Institute of Social Security Normalization (<http://www.inp.cl>) and Family Allowance Compensation Funds administer the program.