

Uruguay

Exchange rate: US\$1.00 equals
23.85 new pesos (NP).

Old Age, Disability, and Survivors

Regulatory Framework

First laws: Various laws for specified groups of workers from 1829 to 1954.

Current law: 1995 (social insurance and individual accounts), implemented in 1996.

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

Note: The mixed social insurance and individual account system is mandatory for employed and self-employed persons born after April 1, 1956, with monthly earnings greater than 15,187 NP; the individual account is voluntary for those with monthly income of 15,187 NP or less.

Coverage

Social insurance: Employed and self-employed persons, including rural and domestic workers.

Special systems for bank employees, notaries, university graduates, armed forces personnel, and police force personnel.

Social insurance and individual account: Employed and self-employed persons, with monthly earnings greater than 15,187 NP.

Voluntary coverage under the individual accounts system for employed and self-employed persons with monthly earnings of 15,187 NP or less.

Special systems for bank employees, notaries, university graduates, armed forces personnel, and police force personnel.

Social assistance: Needy elderly or disabled persons.

Source of Funds

Insured person

With gross monthly earnings of 15,187 NP or less, a mandatory contribution equal to 15% of earnings is paid to social insurance only. (Voluntary contributors to the individual account with gross monthly earnings of 15,187 NP or less, contribute 7.5% of earnings to social insurance and 7.5% of earnings to the individual account.)

With gross monthly earnings greater than 15,187 NP, 15% of 15,187 NP is paid to social insurance and 15% of the earnings above 15,187 NP (up to and including 45,562 NP) is paid to the individual account.

The insured's contribution includes an average 0.97% of covered earnings for disability and survivor insurance and an average 1.86% of covered earnings for administrative fees if contributing to an individual account.

The maximum monthly earnings for contribution purposes are 45,562 NP.

Earnings for contribution purposes are adjusted according to the civil servants' average wage index.

Self-employed person: 15% of declared covered earnings, including an average 0.97% of declared covered earnings for disability and survivor insurance and an average 1.86% of declared covered earnings for administrative fees if contributing to an individual account.

The maximum monthly earnings for contribution purposes are 45,562 NP.

Employer: 7.5% of covered payroll for social insurance only (contributions are waived for certain professional activities).

The maximum monthly earnings for contribution purposes are 45,562 NP.

Government: Earmarked proceeds of various taxes help finance pension deficits; pays the total cost of noncontributory benefits; contributes as an employer.

Qualifying Conditions

Old-age pension

Old-age pension (social insurance): Age 60 (men and women) with at least 35 years of coverage. Additional years of service are credited for hazardous occupations.

Deferred pension: With at least 35 years of coverage, the pension is increased for each year of deferral.

Old-age pension (individual account): Age 60 (men and women) with at least 35 years of coverage; age 65 with no coverage requirement.

Advanced-age pension (social insurance and individual account): Age 70 (men and women) with 15 years of service. Retirement from the current place of employment is necessary.

Noncontributory means-tested pension (social assistance): Age 70 (men and women), assessed as needy, and with at least 15 years of residency.

Disability pension

Permanent disability pension (social insurance and individual account): The insured must be incapable of any work and have an assessed degree of disability of at least 66%. If the disability is the result of an accident, there are no other qualifying conditions. Alternatively, must have at least 2 years of recognized service, including the 6 months before the disability began; at least 6 months of recognized service before the disability began if younger than age 26. Coverage

is extended for up to 2 years after employment ceases if the insured has at least 10 years of coverage.

Partial disability benefit (social insurance and individual account): The insured must be incapable of work in the usual job and have an assessed degree of disability of 50% to 66%. If the disability is the result of an accident, there are no other qualifying conditions. Alternatively, must have at least 2 years of recognized service, including the 6 months before the disability began; at least 6 months of recognized service before the disability began if younger than age 26. The benefit is paid on a temporary basis and is subject to a reassessment of the incapacity to work.

District medical commissions of the Social Security Bank assess the degree of incapacity to work.

Noncontributory means-tested pension (social assistance): Must be assessed as totally and permanently disabled, needy, and have at least 15 years of residency in Uruguay.

Survivor pension

Survivor pension (social insurance and individual account): The deceased was working; a pensioner; a beneficiary of partial disability benefits, sickness benefits, maternity benefits, or work injury benefits; unemployed and receiving unemployment benefits; or death occurred in the 12-month period after the unemployment benefit ceased. Coverage is extended for up to 12 months after employment ceases; no limit with at least 10 years of coverage.

Eligible survivors include a widow(er), a divorced spouse, orphans up to age 21 (no limit if disabled), and dependent disabled parents. A widow(er) or a divorced spouse younger than age 30 receives benefits for 2 years; from age 30 to age 39, for 5 years; or without limit if older than age 39. A widow(er) must have average monthly earnings in the 12 months before the insured's death of no more than 45,562 NP; 26,198 NP for a divorced spouse.

Funeral grant: The grant is paid to eligible survivors or to the person who paid for the funeral. (If the funeral costs are paid by a pension scheme, only necessary additional funeral costs are paid.)

Old-Age Benefits

Old-age pension

Old-age pension (social insurance): The monthly benefit is equal to 50% of the insured's average indexed earnings in the last 20 years, with at least 35 years of coverage. The pension is increased by 0.5% for each year of work exceeding 35 years, up to a maximum of 2.5%, and by 2% for each year of work after age 60 if the contribution condition was not met.

Deferred pension: The pension is increased by 3% for each year after age 60, up to a maximum of 30%.

The minimum monthly pension is 2,930 NP.

The maximum monthly pension is 26,198 NP.

The pension is payable abroad under bilateral or multilateral agreement only.

Benefit adjustment: Benefits are adjusted according to the civil servants' average wage index.

Advanced-age pension (social insurance): The monthly benefit is equal to 50% of average indexed earnings in the last 10 or 20 years, whichever is greater, plus 1% for each year of work exceeding 15 years, up to a maximum of 14%.

The pension is payable abroad under bilateral or multilateral agreement only.

Benefit adjustment: Benefits are adjusted according to the civil servants' average wage index.

Old-age pension (individual account): The value of the pension depends on the insured's contributions plus accrued interest, minus administrative fees. At retirement, the insured uses the accumulated capital to purchase an annuity from an insurance company.

The pension is payable abroad under bilateral or multilateral agreement only.

Advanced-age pension (individual account): The value of the pension depends on the insured's contributions plus accrued interest, minus administrative fees. At retirement, the insured uses the accumulated capital to purchase an annuity from an insurance company.

The pension is payable abroad under bilateral or multilateral agreement only.

Noncontributory means-tested pension (social assistance): 2,930 NP a month is paid.

Benefit adjustment: Benefits are adjusted according to the civil servants' average wage index.

Permanent Disability Benefits

Disability pension

Permanent disability pension (social insurance): The monthly pension is equal to 65% of the insured's average indexed earnings in the 20 years before the disability began, or the total number of years worked if less than 20 years.

Special allowances: A lump sum of 1,125.59 NP is paid for transportation costs and a lump sum of 2,131.27 NP is paid for rehabilitation costs.

Partial disability benefit (social insurance): The monthly benefit is equal to 65% of the insured's average indexed earnings in the 20 years before the disability began, or the total number of years worked if less than 10 years. The benefit is paid for up to 3 years.

The minimum monthly benefit is 2,930 NP.

The maximum monthly benefit is 26,198 NP.

Benefits are payable abroad under bilateral or multilateral agreement only.

Benefit adjustment: Benefits are adjusted according to the civil servants' average wage index.

Permanent disability pension (individual account): The monthly pension is equal to 45% of the insured's average indexed earnings in the 20 years before the disability began. (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.)

Partial disability benefit (individual account): The monthly pension is equal to 45% of the insured's average indexed earnings in the 20 years before the disability began. The benefit is paid for up to 3 years.

Noncontributory means-tested pension (social assistance): 2,930 NP a month is paid.

Benefit adjustment: Benefits are adjusted according to the civil servants' average wage index.

Survivor Benefits

Survivor pension

Survivor pension (social insurance and individual account): A monthly pension equal to between 66% and 75% of the pension paid or payable to the deceased is paid, depending on the number of survivors. (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.)

Widow(er)s and divorced spouses share 100% of the pension if there are no other eligible survivors. Widow(er)s and divorced spouses share 70% of the total pension if they have children; 60% if there are no children but other eligible survivors. The remainder is split equally among other eligible survivors. In the absence of a widow(er) or a divorced spouse, 100% of the pension is split equally among other eligible survivors.

The pension ceases if the widow(er) or divorced spouse remarries.

For members of an individual account scheme, the accumulated capital in the individual account, equal to the insured's contributions plus accrued interest, minus administrative fees, is transferred to an insurance company, which pays the pension.

Survivor pensions are payable abroad under bilateral or multilateral agreement only.

Benefit adjustment: Benefits are adjusted according to the civil servants' average wage index.

Funeral grant: The cost of the funeral is paid, up to 7,054 NP.

Administrative Organization

Ministry of Labor and Social Security (<http://www.mtss.gub.uy>) provides general supervision.

Social Insurance Bank (<http://www.bps.gub.uy>) supervises and administers the social insurance program.

Central Bank of Uruguay (<http://www.bcu.gub.uy>) oversees pension fund management companies (AFAPs) and insurance companies.

AFAPs manage the individual accounts.

Sickness and Maternity

Regulatory Framework

First laws: 1958 (maternity benefits) and 1960 (sickness benefits for construction workers).

Current laws: 1975 (sickness), 1980 (maternity), 1981 (maternity), 1995 (pensioners), 1999 (maternity), 2001 (adoption), and 2007 (national health fund).

Type of program: Social insurance system.

Coverage

Sickness benefits: Employed persons in the private sector, self-employed persons, persons receiving unemployment benefits, employers with one employee, and pensioners.

Maternity benefits: Benefits are provided under the Family Allowances program, below.

Source of Funds

Insured person: From 3% to 6% of gross earnings.

Self-employed person: 8% of declared earnings.

Employer: 5% of payroll, plus additional insurance contributions. Employers with one employee contribute 8% of declared earnings.

Government: Earmarked proceeds of various taxes help finance maternity benefits and any deficits for sickness benefits.

Qualifying Conditions

Cash sickness benefits: The insured must have 3 months of contributions or 75 days of contributions in the last 12 months.

Cash maternity benefits: See Family Allowances, below.

Sickness and Maternity Benefits

Sickness benefit: The benefit is equal to 70% of the insured's earnings and is paid after a 3-day waiting period (no waiting period in case of hospitalization) for up to a year; may be extended for an additional year.

The maximum monthly benefit is 4,908 NP; 1,145 NP for self-employed persons.

Maternity benefit: See Family Allowances, below.

Workers' Medical Benefits

Medical services are available through mutual health institutions. Medical services include medical assistance, surgery, and pharmaceutical products.

Grants for eyeglasses, contact lenses, prostheses, orthopedic appliances, wheelchairs, and psychiatric hospitalization are provided by health institutions.

Prenatal and postnatal medical care is provided for insured women under Family Allowances, below.

Dependents' Medical Benefits

Medical services are available through mutual health institutions. Medical services include medical assistance, surgery, and pharmaceutical products.

Grants for eyeglasses, contact lenses, prostheses, orthopedic appliances, wheelchairs, and psychiatric hospitalization are provided by health institutions.

Prenatal and postnatal medical care are provided for insured women under Family Allowances, below.

Maternity care for the wife of an insured man and pediatric care for the insured's children up to age 6 (may be extended to age 14) are provided under Family Allowances, below.

Administrative Organization

Social Insurance Bank (<http://www.bps.gub.uy>) supervises and administers these benefits.

Collective medical assistance or mutual health institutions contracted by the Social Insurance Bank provide medical benefits.

Work Injury

Regulatory Framework

First law: 1914.

Current law: 1989 (work injury), with 1990 amendment.

Type of program: Compulsory insurance with a public carrier.

Coverage

Private-sector employees, including agricultural workers; certain public-sector workers; apprentices; and persons working with horses.

Exclusions: Self-employed persons, sportsmen, and actors.

Source of Funds

Insured person: None.

Self-employed person: Not applicable.

Employer: The total cost is met through contributions varying with the assessed degree of risk. For agricultural

workers, assessments are made according to the land area the employer has under cultivation.

Government: None.

Qualifying Conditions

Work injury benefits: There is no minimum qualifying period. Accidents that occur while commuting to and from work are not covered.

Temporary Disability Benefits

For regular employees, the work injury benefit is equal to 66% of earnings before the disability began; for workers in irregular employment, 66% of total adjusted earnings in the last 6 months divided by 150. The daily benefit is paid retroactively after a 4-day waiting period for the duration of the disability.

For an occupational disease, the benefit is equal to 100% of earnings before the disease was diagnosed. There is no waiting period.

An additional benefit equal to 3.607% of earnings is paid under sickness benefits.

The Social Insurance Bank assesses the degree of loss of earnings.

Benefit adjustment: Benefits are adjusted according to the civil servants' average wage index.

Permanent Disability Benefits

Permanent disability pension: For an assessed degree of disability of 20% or more, the monthly pension is equal to the monthly loss of earnings; 115% of earnings before the disability began is paid if the insured needs the constant attendance of another person.

For an assessed degree of disability of 10% to 19%, a lump sum is paid equal to 36 times the monthly loss of earnings; for an assessed degree of disability less than 10%, a benefit is paid only if the assessed disability is the result of repeated accidents.

The Social Insurance Bank assesses the degree of loss of earnings.

Benefit adjustment: Benefits are adjusted according to the civil servants' average wage index.

Workers' Medical Benefits

Medical services are available through the Social Insurance Bank. Benefits include medical, surgical, and dental care; hospitalization; medicines; and appliances.

There is no limit to duration.

Survivor Benefits

Survivor pension: A monthly benefit equal to 75% of the deceased's earnings is paid to a widow(er) or divorcee with dependents; 66% without dependents. The widow(er) must

have been married to the deceased for a year; a partner must have cohabited with the deceased for at least a year. If the only eligible survivors are the divorcee or dependent parents of the deceased, the benefit is equal to 50% of the deceased earnings.

Orphan's pension: In the absence of other eligible survivors, the pension is equal to 66% of the deceased earnings.

Benefit adjustment: Benefits are adjusted according to the civil servants' average wage index.

Administrative Organization

Social Insurance Bank (<http://www.bps.gub.uy>) supervises and administers benefits.

Unemployment

Regulatory Framework

First law: 1934.

Current laws: 1981 (industry and commerce) and 2001 (rural workers).

Type of program: Social assistance system.

Coverage

Private-sector employees and rural workers.

Exclusions: Domestic workers, bank employees, pensioners, and self-employed persons.

Source of Funds

Insured person: None.

Self-employed person: Not applicable.

Employer: None.

Government: Earmarked proceeds of various taxes help finance benefits.

Qualifying Conditions

Unemployment benefits: Workers who are paid monthly must have at least 6 months (150 days if paid daily) of work in the 12-month period before unemployment; workers who are paid at irregular intervals must have earned 8,892 NP in the last 12-month period.

Rural workers who are paid monthly must have at least 12 months (250 days if paid daily) of work in the 24-month period before unemployment; rural workers who are paid at irregular intervals must have earned at least 19,632 NP in the last 12-month period.

Unemployment must not be the result of dismissal for disciplinary reasons.

Partial unemployment benefit: A benefit is paid to workers who are paid daily or at irregular intervals if working time is reduced by 25% or more.

Dependent's supplement: Paid if the unemployed person is married, has children younger than age 21 (any age if disabled), or has disabled dependents.

There is a 12-month waiting period before a new claim for unemployment benefits can be made.

Unemployment Benefits

Workers who are paid monthly or at irregular intervals receive a benefit equal to 50% of average earnings in the 6 months before unemployment.

Workers who are paid daily receive a monthly benefit equal to 12 days of earnings before unemployment.

Partial unemployment benefit: The monthly benefit is equal to 12 days of earnings before partial unemployment, minus the value of current monthly earnings.

Dependent's supplement: Equal to 20% of the benefit.

The minimum unemployment benefit is 818 NP.

The maximum unemployment benefit is 4,908 NP.

Administrative Organization

Ministry of Labor and Social Insurance (<http://www.mtss.gub.uy>) provides general supervision.

Social Insurance Bank (<http://www.bps.gub.uy>) supervises and administers the unemployment insurance program.

Family Allowances

Regulatory Framework

First law: 1943.

Current laws: 1980 (family allowances), implemented in 1981, with 1999 amendment; 1995 (social security); 2002 (multiple pregnancy); and 2004 (low-income families).

Type of program: Social assistance system.

Coverage

Private-sector employees, domestic workers, unemployment benefit recipients, newspaper vendors, small rural products vendors, and pensioners.

Exclusions: Self-employed persons.

Special system for civil servants.

Source of Funds

Insured person: None.

Self-employed person: Not applicable.

Employer: None.

Government: Earmarked proceeds of various taxes help finance benefits.

Qualifying Conditions

Family allowances: The child must be younger than age 14 (age 18 if a student, no limit if disabled). The benefit is paid from the day the pregnancy is confirmed.

Pensioners with benefits of 4,908 NP or more and employees with earnings of 16,360 NP or more do not receive family allowances. (For employees with earnings of 16,360 NP or more and with three or more dependents, the earnings limit is increased to 1,568 NP for each additional dependent.)

Cash maternity benefit: Paid for the birth of a child.

Multiple birth allowance: Paid to a pregnant woman expecting more than one child. The benefit is paid from the day the pregnancy is confirmed.

Special paid leave: Paid to a salaried worker who adopts a child.

Low-income family allowance: Paid to eligible children in households with monthly earnings of 4,908 NP or less.

Family Allowance Benefits

Family allowances: The allowance is 261.76 NP (523.52 NP for a disabled child) for covered persons with income up to 9,816 NP; 130.88 NP (261.76 NP for a disabled child) with income between 9,817 NP and 16,360 NP.

For a family with children resulting from a multiple pregnancy, the allowance is paid at three times the standard rate until the children reach age 5, at twice the standard rate until

the children reach age 12, and at the standard rate until the children reach age 18. The benefit is paid every 2 months.

Cash maternity benefit: The benefit is equal to 100% of average earnings in the last 6 months and is paid for the period 6 weeks before until 6 weeks after the expected date of childbirth. The benefit is paid on the expected date of childbirth.

Multiple birth allowance: The allowance is paid at three times the family allowance standard rate until the children reach age 5, at twice the standard rate until the children reach age 12, and at the standard rate until the children reach age 18. The benefit is paid every 2 months.

Special paid leave: Private-sector workers receive benefits equal to 6 months' cash maternity benefit.

Low-income family allowance: 261.76 NP (523.52 NP for a disabled child) is paid.

In-kind benefits include pediatric care for children up to age 6, dental care for children up to age 9, and specialist medical care and transportation for children up to age 14. Medical examinations and medicines for children are free.

Administrative Organization

Social Insurance Bank (<http://www.bps.gub.uy>) supervises and administers benefits.

Collective medical assistance or mutual health institutions contracted by the Social Insurance Bank provide medical benefits.