

Cape Verde

Exchange rate: US\$1.00 equals 82.94 escudos.

Old Age, Disability, and Survivors

Regulatory Framework

First law: 1957.

Current laws: 2003 (self-employed persons), with amendments; and 2004 (employed persons), with amendments.

Type of program: Social insurance system.

Coverage

Employed persons in the private and public sectors (including government employees first employed after December 31, 2005); and certain business owners, employees of cooperatives, and self-employed persons.

Special systems for government employees (first employed before January 1, 2006) and central bank employees; and certain business owners, employees of cooperatives, and self-employed persons.

Source of Funds

Insured person: 3% of gross monthly earnings.

Self-employed person: 10% of gross monthly earnings.

Employer: 7% of gross monthly payroll.

Government: None; contributes as an employer.

Qualifying Conditions

Old-age pension: Age 65 (men) or age 60 (women) with at least 15 years of contributions.

The pension is payable abroad (the beneficiary pays administration costs).

Disability pension: The insured must be assessed as at least 2/3 disabled or disabled with a loss of 1/3 of earning capacity, with at least 5 years of contributions.

The pension is payable abroad (the beneficiary pays administration costs).

Survivor pension: The deceased was a pensioner or had at least 36 months of contributions.

The pension is payable abroad (the survivor pays administration costs).

Eligible survivors include a widow older than age 50 or disabled, a widower older than age 55 or disabled, and physically or mentally disabled children.

A temporary survivor pension is paid for up to 5 years to a widow younger than age 50, to a widower younger than

age 55, and to surviving children aged 15 to 25 who are students.

Old-Age Benefits

Old-age pension: The monthly pension is equal to 2% of annual average earnings, plus an annual coefficient adjusted for changes in the cost of living for each 12-month period of coverage.

The annual average earnings for benefit calculation purposes are based on the 120 best-paid months in the last 15 years of contributions.

The minimum monthly pension is 4,782 escudos. (The minimum monthly pension was last adjusted in 2006.)

The maximum monthly pension is 80% of the insured's average earnings.

Benefit adjustment: Benefits are adjusted periodically by decree. (Benefits were last adjusted in 2006.)

Permanent Disability Benefits

Disability pension: The monthly pension is equal to 2% of annual average earnings, plus an annual coefficient adjusted for changes in the cost of living for each 12-month period of coverage.

The annual average earnings for benefit calculation purposes are based on the 120 best-paid months in the last 15 years of contributions.

The minimum monthly pension is 4,782 escudos. (The minimum monthly pension was last adjusted in 2006.)

The maximum monthly pension is 80% of the insured's average earnings.

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Survivor Benefits

Survivor pension: The monthly pension is equal to 50% of the deceased's pension.

The pension ceases on remarriage.

Orphan's pension: Each orphan receives 25% of the deceased's pension a month; 50% for each full orphan.

All survivor benefits combined must not exceed 100% of the deceased's old-age pension.

Benefit adjustment: Benefits are adjusted periodically by decree. (Benefits were last adjusted in 2006.)

Administrative Organization

Ministry of Labor and Solidarity provides general supervision.

National Social Insurance Institute administers the program.

Sickness and Maternity

Regulatory Framework

First law: 1976.

Current laws: 2003 (self-employed persons), with amendments; and 2004 (employed persons), with amendments.

Type of program: Social insurance system.

Coverage

Employed persons in the private and public sectors.

Voluntary coverage for cash benefits for business owners, employees of cooperatives, and self-employed persons.

Business owners, employees of cooperatives, and self-employed persons, pensioners, and recipients of social insurance benefits are covered for medical benefits.

Special systems provide cash benefits for government employees and certain business owners, employees of cooperatives, and self-employed persons.

Source of Funds

Insured person: 4% of gross monthly earnings.

Self-employed person: None for medical benefits. Voluntary contributors pay 8% of gross monthly earnings for cash benefits.

Employer: 4% of gross monthly payroll.

Government: None; contributes as an employer.

Qualifying Conditions

Cash sickness and maternity benefits: The insured must have at least 4 months of contributions.

Sickness and Maternity Benefits

Sickness benefit: The benefit is equal to 70% of the insured's last monthly earnings or average earnings in the last 4 months, whichever is higher. The benefit is paid for up to 1,095 days. The employer pays 100% of earnings for the first 3 days; thereafter, 40% up to the 90th day.

Maternity benefit: The benefit is equal to 90% of the insured's last monthly earnings or average earnings in the last 4 months, whichever is higher. The benefit is paid for 45 days. (A nursing allowance is paid under Family Allowances, below.)

Workers' Medical Benefits

Benefits include general and specialist care, surgery, hospitalization, laboratory services, doctor's consultations at home, medicines, prostheses, and dental care.

Cost sharing: The insured pays 15%, 25%, 45%, or 50% of the cost of medicines, according to the schedule in law;

pensioners pay 5%, 15%, 40%, or 45%. Medicines are free for low-income pensioners. The insured pays 30% to 50% of the cost of dental care; 15% for low-income pensioners. The insured pays 20%, 25%, 30%, or 40% of the cost of prostheses and appliances; low-income pensioners pay 15%.

A daily lump sum of 1,000 escudos (1,500 escudos for low-income pensioners) is paid for transportation costs and living expenses; 1,500 escudos (3,000 escudos for low-income pensioners) when receiving care abroad. A daily lump sum is also paid for an authorized accompanying person.

Low-income pensioners are pensioners with earnings less than 2.5 times the legal monthly minimum wage. (The legal monthly minimum wage is 12,296 escudos.)

Dependents' Medical Benefits

Benefits include general and specialist care, surgery, hospitalization, laboratory services, doctor's consultations at home, medicines, prostheses, and dental care.

Eligible dependents are children up to age 18 or receiving family allowances, dependent parents, and dependent grandparents.

Cost sharing: The insured's dependents pay 15%, 25%, 45%, or 50% of the cost of medicines, according to the schedule in law; the dependents of a pensioner pay 5%, 15%, 40%, or 45%. Medicines are free for low-income pensioners' dependents. The insured's dependents pay 30% to 50% of the cost of dental care; 15% for low-income pensioners' dependents. The insured's dependents pay 20%, 25%, 30%, or 40% of the cost of prostheses and appliances; low-income pensioners' dependents pay 15%.

A daily lump sum of 1,000 escudos (1,500 escudos for low-income pensioners' dependents) is paid for transportation costs and living expenses; 1,500 escudos (3,000 escudos for low-income pensioners' dependents) when receiving care abroad. A daily lump sum is also paid for an authorized accompanying person.

Low-income pensioners are pensioners with earnings less than 2.5 times the legal monthly minimum wage. (The legal monthly minimum wage is 12,296 escudos.)

Administrative Organization

Ministry of Health provides general supervision.

National Health Service administers the program.

Work Injury

Regulatory Framework

First law: 1960.

Current laws: 1978 (compulsory insurance) and 1991 (private administration).

Type of program: Social insurance system.

Coverage

Employed persons; tenant farmers and sharecroppers; members of cooperative enterprises; apprentices and trainees; certain categories of volunteer workers; and certain categories of self-employed persons, including family members employed by them.

Exclusions: Company managers, owners, and shareholders.

Special system for government employees.

Source of Funds

Insured person: None.

Self-employed person: 6% of covered monthly earnings.

The maximum daily earnings for contribution purposes are 300 escudos.

Employer: 2% of covered monthly payroll for salaried employees or 6% of covered monthly payroll for all other workers; for domestic servants, 50 escudos a month (full time) or 30 escudos a month (part time).

The maximum daily earnings for contribution purposes are 300 escudos.

Government: None.

Qualifying Conditions

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

Temporary Disability Benefits

If the insured is totally disabled, the benefit is equal to 40% of the insured's earnings on the day the injury occurred (if those earnings differ from the insured's normal earnings, 40% of average earnings in the last 6 months) for the first 14 days; thereafter, 70%. For hospitalization, the benefit is equal to 40% of the insured's earnings; 70% with dependents. The benefit is paid for up to 1,095 days.

The maximum daily earnings for benefit calculation purposes are 300 escudos.

Partial disability: The benefit is equal to 25% of the insured's earnings on the day the injury occurred (if those earnings differ from the insured's normal earnings, 40% of average earnings in the last 6 months).

Permanent Disability Benefits

Permanent disability pension: If the insured is totally disabled, the monthly pension is equal to 70% of the insured's earnings on the day the injury occurred (if those earnings differ from the insured's normal earnings, 70% of average earnings in the last 6 months).

The maximum daily earnings for benefit calculation purposes are 300 escudos.

Constant-attendance supplement: Up to 30% of the insured's earnings is paid a month.

Partial disability: If the assessed degree of disability is between 10% and 99%, a percentage of the full disability pension is paid according to the assessed degree of disability.

The degree of disability is assessed according to the schedule in law.

The insured may be required to undergo medical examinations every 6 months during the first 2 years; thereafter, every year.

The pension is paid from the day after the disability began (the employer pays the insured's earnings for the day of the work injury).

Benefit adjustment: Benefits are adjusted for changes in the cost of living, depending on the financial resources of the system.

Workers' Medical Benefits

Benefits include medical treatment, surgery, hospitalization, prostheses, appliances, and transportation.

Survivor Benefits

Survivor pension: The monthly pension is equal to 30% of the deceased's earnings on the day the injury occurred (if those earnings differ from normal earnings, 30% of the deceased's average earnings in the last 6 months).

Eligible survivors include a dependent widow, a dependent widower older than age 64 or disabled, and a divorced spouse receiving alimony. (The pension is split equally if there is more than one eligible divorced spouse.)

The maximum daily earnings for benefit calculation purposes are 300 escudos.

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

Remarriage allowance: A lump sum is paid equal to a year's pension.

Orphan's pension: The monthly pension is equal to 15% of the deceased's earnings for each child (including unborn, adopted, natural, and any other dependent children) up to age 18 (age 24 if a student, no limit if disabled); 45% for each full orphan.

Other eligible survivors: A monthly pension equal to 10% of the deceased's earnings is paid to dependent parents and grandparents and to dependent brothers and sisters up to age 16.

The total monthly survivor pension for other eligible survivors is 30% of the deceased's earnings.

All survivor benefits combined must not exceed 70% of the deceased's monthly earnings.

Funeral grant: The cost of the funeral, up to a maximum of 7,500 escudos.

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Benefit adjustment: Benefits are adjusted for changes in the cost of living, depending on the financial resources of the system.

Administrative Organization

Ministry of Labor and Solidarity provides general supervision.

Private insurance companies administer the program.

Family Allowances

Regulatory Framework

First law: 1957.

Current law: 2004 (employed persons).

Type of program: Social insurance system.

Coverage

Persons in insured employment or receiving social insurance benefits.

Special system for government employees.

Source of Funds

Insured person: None.

Self-employed person: Not applicable.

Employer: 3% of gross monthly payroll.

Government: None.

Qualifying Conditions

Family allowances: Children must be younger than age 15 (age 24 if a student, no limit if disabled). The allowance is also paid for the insured's parents if each parent's income is less than the legal monthly minimum wage. (The legal monthly minimum wage is 12,296 escudos.)

Family Allowance Benefits

Family allowances: 400 escudos a month is paid for each eligible dependent; 1,200 escudos a month for each disabled child younger than age 8; 1,600 escudos a month for each disabled child aged 8 to 13; and 2,050 escudos a month for each disabled child older than age 13. The allowance is paid for a maximum of four children; the limit on the number of children is waived if the parent is a pensioner or the insured is deceased and the mother is an unemployed widow.

Nursing allowance: 1,200 escudos a month is paid for 6 months.

Funeral grant: The cost of the funeral, up to a maximum of 20,000 escudos for the insured or his or her spouse or children older than age 14; 15,000 escudos for children aged 6 to 14; and 7,500 escudos for children younger than age 6.

Benefit adjustment: Benefits are adjusted periodically. (Benefits were last adjusted in 2005.)

Administrative Organization

Ministry of Labor and Solidarity provides general supervision.

National Social Insurance Institute administers the program.