

## Andorra

Exchange rate: US\$1.00 equals 0.84 euros (€).

### Old Age, Disability, and Survivors

#### Regulatory Framework

**First and current law:** 1966 (social security), implemented in 1968.

**Type of program:** Social insurance system.

#### Coverage

Employed persons.

Voluntary coverage for self-employed persons.

#### Source of Funds

**Insured person:** A choice of 2%, 4%, or 6% of gross earnings.

The insured's contributions finance old-age and survivor benefits and work injury benefits. Disability benefits are financed under Sickness and Maternity, below.

There are no maximum earnings for contribution purposes.

**Self-employed person:** A choice of a flat-rate contribution of €96.58, €120.73, €144.88, €193.17, or €298.75 according to the chosen income band.

The self-employed person's contributions finance old-age and survivor benefits and work injury benefits. Disability benefits are financed under Sickness and Maternity, below.

**Employer:** 6% of gross payroll.

The employer's contributions finance old-age and survivor benefits and work injury benefits. Disability benefits are financed under Sickness and Maternity, below.

There are no maximum earnings for contribution purposes.

**Government:** None.

#### Qualifying Conditions

**Old-age pension:** Age 65. The insured must have accumulated at least 960 pension points and contributed for 180 months.

Each monthly contribution is converted into pension points by dividing total monthly employee and employer contributions by the purchase value (€12,073 in 2006) of the pension point in force in the relevant month.

Spouse's supplement: Payable if the insured's spouse is aged 65 or older and is not eligible for a pension in his or her own right.

Benefits are payable abroad.

**Disability pension:** A loss of at least 2/3 of earning capacity. For an insured person younger than age 21, entitlement is based on 12 months of contributions; if between ages 21 and 40, 36 months of contributions; if between ages 41 and 65, 96 months of contributions.

The assessed loss of earning capacity can be reviewed on the request of the insured or the National Social Security Fund.

Benefits are payable abroad.

**Survivor pension:** The deceased must have had at least 60 months of contributions.

Eligible survivors are a spouse aged 45 or older, disabled, or caring for a child younger than age 18; orphans younger than age 18 who are not in paid employment; and dependent parents.

Benefits are payable abroad.

**Funeral grant:** Payable to eligible survivors. Eligible survivors (in order of entitlement) are the surviving spouse and dependent children, adult children, parents, grandparents, or any other immediate relative. In some cases, the funeral grant is payable to the insurance fund that paid for the cost of the funeral.

#### Old-Age Benefits

**Old-age pension:** The value of the pension is linked to the number of contributions made. Each monthly contribution is converted into pension points by dividing total monthly employee and employer contributions by the value of the pension point used for pension contribution purposes (€12,073 in 2006). On retirement, an annual pension is calculated by multiplying the total lifetime acquired number of pension points by the value of the pension point used for pension calculation purposes (€1,886 in 2006). The monthly pension is equal to 1/12 of this calculation.

The pension point values are adjusted annually according to changes in the consumer price index.

The minimum monthly pension is based on 5,000 pension points and is paid under certain conditions.

Spouse's supplement: Equal to 10% of the monthly pension.

Benefit adjustment: Benefits are adjusted annually according to changes in the consumer price index.

#### Permanent Disability Benefits

**Disability pension:** If the insured is totally disabled, the monthly pension is equal to 50% of the insured's average monthly wage in the 12 months before the onset of disability.

The disability pension is replaced by the old-age pension at age 60.

Constant-attendance supplement: The monthly pension is increased to 75% of the insured's average monthly wage if the insured requires the constant attendance of another person.

Partial disability: If the insured is capable of some gainful activity, the monthly pension is equal to 30% of the insured's average monthly wage in the 12 months before the onset of disability.

Benefit adjustment: Benefits are adjusted annually according to changes in the consumer price index.

### **Survivor Benefits**

**Survivor pension:** The pension is equal to 50% of the deceased's old-age pension; if death occurs before retirement, the old-age pension is calculated on the basis of half the deceased's total acquired pension points.

**Orphan's pension:** Each eligible child receives 10% of the deceased's old-age pension; if death occurs before retirement, the old-age pension is calculated on the basis of 10% of the deceased's total acquired pension points.

The maximum orphan pension must not exceed 50% of the deceased's old-age pension.

**Dependent parent's pension:** Each parent receives 10% of the deceased's average monthly wage.

Benefit adjustment: Benefits are adjusted annually according to changes in the consumer price index.

**Funeral grant:** A lump sum equal to the last 3 months' earnings or €3,959.28 (€3,959.28 for a voluntarily covered person), whichever is greater.

### **Administrative Organization**

Managed by an Administrative Council and Director, the National Social Security Fund (<http://www.cass.ad>) administers the program.

### **Sickness and Maternity**

#### **Regulatory Framework**

**First and current law:** 1966 (social security), implemented in 1968.

**Type of program:** Social insurance system.

#### **Coverage**

Employed persons; pensioners are covered under certain conditions.

Voluntary coverage for self-employed persons.

#### **Source of Funds**

**Insured person:** 3% of gross earnings.

There are no maximum earnings for contribution purposes.

The insured's contributions also finance disability pensions (see Old Age, Disability, and Survivors, above) and work injury benefits.

**Self-employed person:** A flat-rate contribution of €131.98 regardless of income level.

The self-employed person's contributions also finance disability pensions (see Old Age, Disability, and Survivors, above) and work injury benefits.

**Employer:** 7% of gross payroll.

There are no maximum earnings for contribution purposes.

The employer's contributions also finance disability pensions (see Old Age, Disability, and Survivors, above) and work injury benefits.

**Government:** None.

### **Qualifying Conditions**

**Cash sickness benefits:** For the first claim, the insured must have 40 days of contributions; for all subsequent claims, the insured must have 15 days of employment in the last 40 days. To receive benefits for longer than 180 days, the insured must have 12 months of contributions before the onset of incapacity.

**Cash maternity benefits:** The insured must have 6 months of insurance before the expected date of childbirth or 3 months of employment in the previous 6 months. Benefits are also paid for the adoption of a child.

**Medical benefits:** For the first claim, the insured must have 40 days of contributions; for all subsequent claims, the insured must have 15 days of employment in the last 40 days.

### **Sickness and Maternity Benefits**

**Sickness benefit:** The daily benefit is equal to half of the reference earnings. The benefit is payable after a 3-day waiting period. After the 30th day following the onset of incapacity, the daily payment is increased to 2/3 of the reference earnings. The benefit is paid for up to 6 months; may be extended by additional 6-month periods, up to a total of 3 years.

Reference earnings are equal to 1/180 of the insured's earnings in the previous 6 months.

Benefit adjustment: Benefits are adjusted annually according to changes in the consumer price index.

**Maternity benefit:** The daily benefit is equal to 90% of the reference earnings and is paid for 16 weeks; may be extended by 2 additional weeks for each child in the case of multiple births. The benefit is paid for 12 weeks for the adoption of a child.

Reference earnings are equal to 1/180 of the insured's earnings in the 6 months before stopping work.

### **Workers' Medical Benefits**

Benefits include primary and specialist treatment, pharmaceuticals, hospitalization, dental care, minor aids and appliances, maternity care, and transportation.

Cost sharing: The National Social Security Fund reimburses 100% of scheduled fees for maternity care, 90% for hospitalization, and 75% for the other services and benefits provided.

There is no limit to duration.

### **Dependents' Medical Benefits**

Benefits include primary and specialist treatment, pharmaceuticals, hospitalization, dental care, minor aids and appliances, maternity care, and transportation.

Cost sharing: The National Social Security Fund reimburses 100% of scheduled fees for maternity care, 90% for hospitalization, and 75% for the other services and benefits provided.

There is no limit to duration.

### **Administrative Organization**

Managed by an Administrative Council and Director, the National Social Security Fund (<http://www.cass.ad>) administers the program.

### **Work Injury**

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#### **Regulatory Framework**

**First and current law:** 1966 (social security), implemented in 1968.

**Type of program:** Social insurance system for work accidents only (occupational diseases are not covered).

#### **Coverage**

Employees.

Voluntary coverage for self-employed persons (coverage does not include temporary disability benefit).

#### **Source of Funds**

**Insured person:** See source of funds under Old Age, Disability, and Survivors and Sickness and Maternity, above.

**Self-employed person:** See source of funds under Old Age, Disability, and Survivors and Sickness and Maternity, above.

**Employer:** See source of funds under Old Age, Disability, and Survivors and Sickness and Maternity, above.

**Government:** None.

### **Qualifying Conditions**

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

### **Temporary Disability Benefits**

The daily benefit is equal to half of the reference earnings. After the 30th day of incapacity, the daily benefit is increased to 2/3 of the reference earnings. The benefit is payable from the onset of disability.

Reference earnings are equal to 1/180 of the insured's earnings in the previous 6 months.

### **Permanent Disability Benefits**

**Permanent disability pension:** If the insured is totally disabled, the monthly pension is equal to 100% of the reference earnings.

Reference earnings are equal to the insured's average monthly earnings in the previous year.

The permanent disability pension is replaced by the old-age pension at age 60.

**Partial disability:** For a disability of more than 55%, the monthly pension is equal to the reference earnings multiplied by the assessed degree of disability; for a disability of between 10% and 55%, the pension is equal to the reference earnings multiplied by half the assessed degree of disability; for an assessed degree of disability of less than 10%, the benefit is a lump sum equal to twice the reference earnings.

If the beneficiary is younger than age 46, he or she can opt for a lump-sum payment instead of the monthly pension. The lump sum is equal to 6 months' reference earnings if the assessed degree of disability is between 10% and 24%; 12 months' reference earnings, if between 25% and 39%; 18 months' reference earnings, if between 40% and 55%; and 40 months' reference earnings, if greater than 55%.

The assessed degree of disability can be reviewed on the request of the insured or the National Social Security Fund.

Benefits are payable abroad.

**Benefit adjustment:** Benefits are adjusted annually according to changes in the consumer price index.

### **Workers' Medical Benefits**

Total reimbursement of scheduled fees. Benefits include primary and specialist treatment, pharmaceuticals, hospitalization, appliances, and transportation.

There is no limit to duration.

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## **Survivor Benefits**

**Survivor pension:** The monthly pension is equal to 50% of the deceased's reference earnings. The pension is payable to a nondivorced spouse who is not in gainful activity and not eligible for a pension in his or her own right.

Reference earnings are equal to the deceased's average monthly earnings in the year before that of the accident.

**Orphan's pension:** Each child younger than age 18 receives 10% of the deceased's reference earnings a month.

The maximum orphan pension must not exceed 50% of the deceased's reference earnings.

**Dependent parent's pension:** Each parent (including the spouse's parents) who was totally dependent on the deceased receives 10% of the deceased's reference earnings a month, up to a maximum of 20%.

The total monthly survivor pension must not exceed 100% of the deceased's reference earnings.

Benefits are payable abroad.

**Benefit adjustment:** Benefits are adjusted annually according to changes in the consumer price index.

## **Administrative Organization**

Managed by an Administrative Council and Director, the National Social Security Fund (<http://www.cass.ad>) administers the program.

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## **Unemployment**

### **Regulatory Framework**

There is no separate unemployment program, but assistance is made available by the government for identified cases of need.

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## **Family Allowances**

### **Regulatory Framework**

There is no separate family allowances program, but assistance is made available by the government for identified cases of need.