

## Andorra

Exchange rate: US\$1.00 = 0.77 euros (€).

### Old Age, Disability, and Survivors

#### Regulatory Framework

**First law:** 1966 (social security).

**Current law:** 2008 (social security), implemented in 2009.

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

#### Coverage

Employed persons, their dependents, and self-employed persons.

#### Source of Funds

**Insured person:** A choice of 2.5%, 5%, or 7.5% of gross earnings (old age) plus 3% of gross earnings (disability, survivors, sickness, maternity, and work injury).

There are no maximum earnings used to calculate contributions.

**Self-employed person:** A choice of 10%, 12.5%, or 15% of average monthly earnings of all insured persons covered by the National Social Security Fund in the previous year (€2,003.64 in 2011) plus 10% of gross earnings (disability, survivors, sickness, maternity and work injury).

There are no maximum earnings used to calculate contributions.

**Employer:** 7.5% of gross earnings (old age) plus 7% of gross earnings (disability, survivors, sickness, and work injury).

There are no maximum earnings used to calculate contributions.

**Government:** None.

#### Qualifying Conditions

**Old-age pension:** Age 65, with at least 145 months of contributions (85 to 144 months of contributions if at least 60% of the contributions were made before age 50).

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

**Disability pension:** Paid for the loss of at least 60% of earning capacity. Insured persons younger than age 21 must have at least 12 months of contributions; 36 months if aged 21 to 40; 96 months if aged 41 to 65.

The pension is paid for a total disability (at least 60% loss of earning capacity and incapable of any gainful employment) or partial disability (at least 60% loss of earning capacity and capable of some gainful employment).

Constant-attendance supplement: Paid if the insured requires the constant attendance of others to perform daily functions.

**Survivor pension:** The deceased must have had a certain number of months of contributions according to his or her age. If the death occurred as the result of an accident or occupational disease, the contribution period requirement is waived.

Eligible survivors are a spouse, divorced spouse, or cohabitating partner older than age 55.

A surviving spouse younger than age 55 receives a pension for a limited amount of time.

Noncontributory supplement: Paid if the survivor pension is less than 50% of the legal minimum wage.

**Funeral grant:** The grant is paid to the insurance fund that paid for the cost of the funeral.

#### Old-Age Benefits

**Old-age pension:** The value of the insured's pension is linked to the number of contributions made and the contribution rate chosen by the insured. Each monthly contribution is converted into pension points by dividing total monthly contributions (insured person and employer) by the value of the pension point used to calculate the pension contribution. At retirement, an annual pension is calculated by multiplying the insured's total lifetime pension points by the value of the pension point used to calculate the pension benefit. The benefit is paid monthly.

The value of the pension point used to calculate the pension contribution is €17,179. The value of the pension point used to calculate the pension benefit is €2,147.37.

Spouse's supplement: 10% of the insured's monthly pension is paid.

Benefits are payable abroad.

Benefit adjustment: Benefits are adjusted annually according to the value of the pension point. The pension point is adjusted annually according to changes in the consumer price index.

#### Permanent Disability Benefits

**Disability pension:** If the insured is assessed as incapable of any gainful activity (total disability), the pension is 75% of the insured's average monthly earnings in the 12 months before the disability began.

Constant-attendance supplement: 15% of the insured's average monthly earnings is paid.

Partial disability: If the insured is assessed as incapable of performing his or her normal work (partial disability), the

pension is 50% of the insured's average monthly earnings in the 12 months before the disability began; 30% if the insured is assessed as capable of performing his or her normal work.

The disability pension is replaced by the old-age pension at age 65 if the old-age pension amount is greater than the disability pension.

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

Benefits are payable abroad.

### **Survivor Benefits**

**Survivor pension:** 50% of the deceased's old-age pension is paid.

**Noncontributory supplement:** Up to €50 is paid.

**Orphan's pension:** Each eligible child receives 30% of the legal minimum wage.

Benefits are payable abroad.

**Funeral grant:** A lump sum of €1,979.51 is paid.

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

### **Administrative Organization**

National Social Security Fund (<http://online.cass.ad/web/lacass/home>), managed by an Administrative Council and Director, administers the program.

### **Sickness and Maternity**

#### **Regulatory Framework**

**First law:** 1966 (social security).

**Current laws:** 2008 (social security), implemented in 2009, and 2011 (social security), implemented in 2012.

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

#### **Coverage**

Employed and self-employed persons.

#### **Source of Funds**

**Insured person:** See Old Age, Disability, and Survivors.

**Self-employed person:** See Old Age, Disability, and Survivors.

**Employer:** See Old Age, Disability, and Survivors.

**Government:** None.

#### **Qualifying Conditions**

**Cash sickness benefits:** Must have at least 25 days of contributions for the first claim. For subsequent claims,

with less than one year of contributions, the insured must have at least 15 days of employment in the last 25 days; with one to three years of contributions, at least 10 days in the last 60 days; with three to five years, at least five days in the last 90 days; and with more than five years of contributions, benefits are provided from the first day.

**Cash maternity benefits:** The insured must have at least six months of coverage before the expected date of childbirth (or adoption) or three months of employment in the previous six months. A self-employed person must have at least one year of coverage.

### **Sickness and Maternity Benefits**

**Sickness benefit:** The daily benefit is 53% of 3.3% of the insured's salary in the last 12 months; from the 30th day, 70% of 3.3% of the insured's salary in the last 12 months.

Benefits are paid after a three-day waiting period.

**Maternity and paternity benefit:** For mothers, the daily benefit is 100% of the previous average daily wage and is paid for 16 weeks. For multiple births, two additional weeks are paid for each child. For fathers, the daily benefit is paid for 14 days after childbirth or 14 days after the mother returns to work.

### **Workers' Medical Benefits**

Benefits include primary, specialist and maternity care; hospitalization; and transportation under certain conditions.

**Cost sharing:** The National Social Security Fund reimburses medical expenses, up to 75% of the scheduled fees (100% for maternity care; 90% for hospitalization).

There is no limit to duration.

### **Dependents' Medical Benefits**

Medical benefits for dependents are the same as those for the insured.

### **Administrative Organization**

National Social Security Fund (<http://online.cass.ad/web/lacass/home>), managed by an Administrative Council and Director, administers the program.

### **Work Injury**

#### **Regulatory Framework**

**First law:** 1966 (social security).

**Current laws:** 2008 (social security), implemented in 2009, and 2011 (social security), implemented in 2012.

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

#### **Coverage**

Employed and self-employed persons.

### **Source of Funds**

**Insured person:** See Old Age, Disability, Survivors, Sickness and Maternity.

**Self-employed person:** See Old Age, Disability, Survivors, Sickness and Maternity.

**Employer:** See Old Age, Disability, Survivors, Sickness and Maternity.

**Government:** None.

### **Qualifying Conditions**

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

### **Temporary Disability Benefits**

For the first month, the daily benefit is 66% of 3.3% of the insured's salary in the last 12 months; from the second month, 80%. The benefit is paid from the first day of incapacity until the degree of disability has been assessed.

### **Permanent Disability Benefits**

**Permanent disability pension:** If the insured has a disability of a least 60%, the pension is 100% of the average monthly earnings in the last 12 months multiplied by the assessed degree of disability.

Partial disability: If the assessed disability is from 41% to 60%, the pension is the average monthly earnings in the last 12 months multiplied by 75% of the assessed degree of disability. If the assessed disability is from 10% to 40%, the pension is the average monthly earnings in the last 12 months multiplied by 50% of the assessed degree of disability.

For an assessed degree of disability of less than 10%, a lump sum of three times the insured's average monthly salary in the last 12 month is paid.

The permanent disability pension is replaced by the old-age pension at the age of 65 if the old-age pension amount is greater than the disability pension.

The assessed degree of disability may 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**

Benefits include primary and specialist treatment, transportation, and hospitalization.

Scheduled fees are reimbursed in full within the limits of conventional rates.

### **Survivor Benefits**

**Survivor pension:** 50% of the deceased's reference earnings is paid to a surviving spouse older than age 55 who is not gainfully employed and ineligible for a pension in his or her own right.

If the insured's death is the result of an accident or occupational disease, a surviving spouse younger than age 55 receives a temporary pension.

**Orphan's pension:** Each child younger than age 18 receives 30% of the legal minimum wage.

Benefits are payable abroad.

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

### **Administrative Organization**

National Social Security Fund (<http://online.cass.ad/web/lacass/home>), managed by an Administrative Council and Director, administers the program.

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### **Unemployment**

#### **Regulatory Framework**

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

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### **Family Allowances**

#### **Regulatory Framework**

**First law:** 2008 (social security).

**Current law:** 2008 (social security), implemented in 2009.

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

#### **Coverage**

Employed persons, their dependents, and self-employed persons.

#### **Source of Funds**

**Insured person:** None.

**Self-employed person:** None.

**Employer:** None.

**Government:** The total cost.

#### **Qualifying Conditions**

**Family allowance:** The insured must have been a resident of Andorra for at least seven years and covered by the National Social Security Fund for the last three years, with at least 24 months of contributions.

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Means tested: Monthly income must be less than one and a half times the average monthly earnings of all insured persons in the previous year.

The average monthly earnings of all insured persons in 2011 were €2,003.64.

### ***Family Allowance Benefits***

**Family allowance:** At the birth of the second or subsequent child, 10% of the legal minimum monthly salary is paid monthly for each child.

The legal monthly minimum salary is €951.60.

**Birth grant and adoption allowance:** A lump sum of 50% of the legal minimum monthly salary is paid for each child.

The legal monthly minimum salary is €951.60.

### ***Administrative Organization***

National Social Security Fund (<http://online.cass.ad/web/lacass/home>), managed by an Administrative Council and Director, administers the program.