

## San Marino

Exchange rate: US\$1.00 equals 0.70 euros (€).

### Old Age, Disability, and Survivors

#### Regulatory Framework

**First and current laws:** 1955 (social security system), 1983 (pensions), 2005 (pensions), and 2008 (pensions).

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

#### Coverage

Employed and self-employed persons.

#### Source of Funds

**Insured person:** 3.60% of gross earnings.

The insured's contributions also finance work injury benefits.

**Self-employed person:** Contribution rates vary between €1,650 and €5,060 a year, according to the category of self-employment.

The self-employed person's contributions also finance work injury benefits.

**Employer:** 16.10% of payroll.

The employer's contributions also finance work injury benefits.

**Government:** 10% of total contributions (higher contributions are made for agricultural workers) or up to 25% to cover any deficit.

Government contributions also finance work injury benefits.

#### Qualifying Conditions

**Old-age pension:** Age 65 (men and women) with at least 20 years of contributions (4,320 days of contributions); age 60 (men and women) with at least 40 years of contributions. For insured persons who entered the labor force before January 1, 2006, transitional provisions apply.

Partial pension: A reduced pension is paid at age 60 if the insured has from 35 to 39 years of contributions.

Deferred pension: A pension may be deferred.

**Disability pension:** Paid for a loss of working capacity of at least 65% with at least 7 years of contributions, including at least 2 years in the last 3 years before the disability began.

A means-tested minimum pension may be paid.

**Survivor pension:** The deceased had at least 7 years of contributions, including at least 1 year of coverage in the 5 years before death; or a total of 15 years of contributions.

Eligible survivors are a widow, a disabled or unemployed widower, and children younger than age 18 (age 26 if a student or disabled). The widow(er) must have been married to and living with the deceased at the time of death.

The widow(er)'s pension ceases on remarriage.

#### Old-Age Benefits

**Old-age pension:** The pension is 2% of half of the legally fixed amount for each year of coverage plus 1.5% of the portion of reference earnings that exceeds the legally fixed amount.

The legally fixed amount for 2010 is €42,000.

Reference earnings used to calculate benefits are the average daily earnings of the last 10 years before retirement, multiplied by 16.615. Earnings used for benefit calculations are adjusted according to changes in the cost-of-living index.

The pension must not exceed 100% of the insured's last monthly earnings before retirement.

A means-tested minimum pension is paid.

Transitional provisions apply to persons with at least 216 days of contributions before January 1, 2006.

Partial pension: The pension is reduced by 15% with 35 years of contributions; 10% with 36 years; 6% with 37 years; 4% with 38 years; and 2% with 39 years.

Deferred pension: The pension is increased by 3% for each year deferred after the normal retirement age.

Benefit adjustment: Benefits are adjusted according to changes in the cost-of-living index.

#### Permanent Disability Benefits

**Disability pension:** The pension 2% of half of the legally fixed amount for each year of coverage plus 1.5% of the portion of reference earnings that exceeds the legally fixed amount.

The legally fixed amount is €42,000 for 2010.

Reference earnings used to calculate benefits are the average daily earnings of up to the last 10 years before the disability began, multiplied by 16.615. Earnings used for benefit calculations are adjusted according to changes in the cost-of-living index.

The pension must not exceed 100% of the insured's last monthly earnings before retirement.

A means-tested minimum pension is paid.

Transitional provisions apply to persons with at least 216 days of contributions before January 1, 2006.

Benefit adjustment: Benefits are adjusted according to changes in the cost-of-living index.

### **Survivor Benefits**

**Survivor pension:** 65% to 100% of the pension the deceased received or would have been entitled to receive is paid to the surviving spouse and children, depending on the number of survivors.

### **Administrative Organization**

National Social Security Institute (<http://www.iss.sm>) administers the program.

### **Sickness and Maternity**

#### **Regulatory Framework**

**First law:** 1955 (medical benefits).

**Current laws:** 1974 (temporary incapacity), 1977 (cash benefits), 1980, 1988, 1990 (social security), 1993, 2003, and 2008.

**Type of program:** Social insurance (cash benefits) and universal (medical benefits) system.

#### **Coverage**

**Cash sickness and maternity benefits:** Employed and self-employed persons.

**Medical benefits:** All persons residing in San Marino.

#### **Source of Funds**

**Insured person:** None.

**Self-employed person:** Up to 4% of gross earnings, according to the self-employment category.

**Employer:** 5% of payroll.

**Government:** None (cash benefits); 50% of direct taxes (medical benefits).

#### **Qualifying Conditions**

**Cash sickness and maternity benefits:** There is no qualifying period.

**Medical benefits:** There is no qualifying period.

#### **Sickness and Maternity Benefits**

**Sickness benefit:** The benefit is 86% of the insured's monthly earnings for the first 15 days, 100% until the end of the 6th month, and 86% until the end of the 12th month. The benefit is paid for up to 365 days for workers with permanent employment contracts; to the end of the employment contract for workers with short-term employment contracts.

**Maternity benefit:** The benefit is 100% of the insured's earnings and is paid for 5 months (2 months before and 3 months after the expected date of childbirth); thereafter, mothers can remain on leave and receive a benefit of 20% to 30% of earnings for 6 months or they can return to work and take up to 2 hours of leave a day with full pay until the child is age 1.

#### **Workers' Medical Benefits**

Medical services are provided by doctors of the National Social Security Institute and state hospitals. Benefits include all medical services, hospitalization, maternity care, and pharmaceuticals.

The patient pays €12.91 for tooth extractions, €30.99 for other dental care, and a fee for subsequent treatment. Dental services are free for children up to age 14 and for pensioners.

There is no cost sharing.

There is no limit to duration.

#### **Dependents' Medical Benefits**

Medical services are provided by doctors of the National Social Security Institute and state hospitals. Benefits include all medical services, hospitalization, maternity care, and pharmaceuticals.

The patient pays €12.91 for tooth extractions, €30.99 for other dental care, and a fee for subsequent treatment. Dental services are free for children up to age 14 and for pensioners.

There is no cost sharing.

There is no limit to duration.

#### **Administrative Organization**

National Social Security Institute (<http://www.iss.sm>) administers the program.

### **Work Injury**

#### **Regulatory Framework**

**First and current laws:** 1983 (pensions) and 2008 (pensions).

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

#### **Coverage**

Employed and self-employed persons.

#### **Source of Funds**

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

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

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

**Government:** See source of funds under Old Age, Disability, and Survivors.

### **Qualifying Conditions**

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

### **Temporary Disability Benefits**

The benefit is 100% of the insured's earnings.

### **Permanent Disability Benefits**

**Permanent disability benefit:** If assessed with a total disability, the annual pension is based on the insured's annual earnings in the last year before the disability began.

Partial disability: A percentage of the disability pension is paid according to the assessed degree of disability. There is no entitlement if the assessed degree of disability is less than 15%.

Benefit adjustment: Benefits are adjusted according to changes in the cost-of-living index.

### **Workers' Medical Benefits**

All necessary medical services and benefits are provided free of charge.

### **Survivor Benefits**

**Survivor pension:** 65% to 100% of the pension the deceased received or would have been entitled to receive is paid to the surviving spouse and children, depending on the number of survivors.

The survivor pension ceases on remarriage.

### **Administrative Organization**

National Social Security Institute (<http://www.iss.sm>) administers the program.

State hospitals, or government-approved establishments, deliver medical services.

## **Unemployment**

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### **Regulatory Framework**

**First law:** 1967 (unemployment).

**Current law:** 2010 (unemployment).

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

## **Coverage**

**Unemployment benefit:** Salaried employees.

Exclusions: Self-employed persons.

**Temporary unemployment benefit:** Employees of all sectors of work, except those of private enterprises in the sports sector and freelancers.

## **Source of Funds**

### **Insured person**

*Unemployment benefits:* 0.5% of gross earnings.

*Temporary unemployment benefits:* None.

### **Self-employed person**

Not applicable

### **Employer**

*Unemployment benefits:* 1.9% of payroll.

*Temporary unemployment benefits:* 7% of payroll.

### **Government**

*Unemployment benefits:* None.

*Temporary unemployment benefits:* None.

## **Qualifying Conditions**

**Unemployment benefit:** Paid to unemployed insured employees.

**Special economic benefit:** Paid in the event of mass unemployment or the closure of the place of employment.

**Temporary unemployment benefit:** Paid for temporary unemployment that results from unforeseen circumstances, restructuring, or a short-term market downturn.

## **Unemployment Benefits**

**Unemployment benefit:** With 121 to 242 days of contributions, 30% of the insured's average earnings in the 4 months before unemployment is paid for up to 90 days. If the insured person has at least 243 days of contributions, 60% is paid for the first six months and 50% from the 7th to the 8th month. If the insured person has at least 243 days of contributions and is older than age 50, 40% of the insured's average earnings in the 4 months before unemployment is paid from the 9th to the 12th month of unemployment.

**Special economic benefit:** With at least 216 days of work with the same employer, 70% of the insured's earnings is paid for up to 6 months; thereafter, 65% of earnings for up to 6 months. With 162 to 215 days of work with the same employer, 60% of the insured's earnings is paid for up to 6 months; thereafter, 50% of earnings for up to 6 months.

**Temporary unemployment benefit:** 72% to 82% of the insured's earnings are paid for up to 9 months, depending on the reason for unemployment.

### ***Administrative Organization***

National Social Security Institute (<http://www.iss.sm>) administers the program.

### ***Family Allowances***

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#### ***Regulatory Framework***

Under a 1946 law, family benefits are provided through an employment-related program.