

Uruguay

Exchange rate: US\$1.00 equals
23.07 new pesos.

Old Age, Disability, and Survivors

Regulatory Framework

First laws: Various laws for specified groups of workers from 1829 to 1934.

Current laws: 1995 (social insurance and individual accounts), implemented in 1996; and 2009 (social security).

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 19,805 pesos and voluntary for those with monthly income of 19,805 pesos or less. All others are covered only by the social insurance system.

Coverage

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

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

Individual account: Employed and self-employed persons with monthly earnings greater than 19,805 pesos.

Voluntary coverage under the individual accounts system for employed and self-employed persons with monthly earnings of 19,805 pesos or less.

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

Social assistance: Needy elderly or disabled persons.

Source of Funds

Insured person

With gross monthly earnings of 19,805 pesos or less, a mandatory contribution of 15% of earnings is paid to social insurance only. (Voluntary contributors to the individual account with gross monthly earnings of 19,805 pesos 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 19,805 pesos, 15% of 19,805 pesos is paid to social insurance and 15% of the earnings above 19,805 pesos is paid to the individual account.

The insured's contribution for the individual account includes an average 0.97% of covered earnings for

disability and survivor insurance and an average 1.86% of covered earnings for administrative fees.

The maximum monthly earnings for contribution calculation purposes are 59,414 pesos.

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

Self-employed person: With gross monthly earnings of 19,805 pesos or less, a mandatory contribution of 15% of earnings is paid to social insurance only. (Voluntary contributors to the individual account with gross monthly earnings of 19,805 pesos 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 19,805 pesos, 15% of 19,805 pesos is paid to social insurance and 15% of the earnings above 19,805 pesos is paid to the individual account.

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

The maximum monthly earnings for contribution calculation purposes are 59,414 pesos.

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

Employer: 7.5% of covered payroll for social insurance only.

The maximum monthly earnings for contribution calculation purposes are 59,414 pesos.

Government: Finances pension deficits; 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 30 years of coverage. Women are credited with one year of coverage for each biological or adopted child, up to 5 years. Additional years of coverage are credited to workers in 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 30 years of coverage; age 65 with no coverage requirement.

Advanced-age pension (social insurance and individual account): Age 70 (men and women) with at least 15 years of coverage. Age requirements are reduced according to the number of years worked, from age 69 with at least 17 years of coverage to age 65 with at least 25 years of coverage. Retirement from the current place of employment is necessary.

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

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, workers aged 26 or older must have at least 2 years of recognized service before the disability began and workers younger than age 26 must have at least 6 months. Coverage is extended 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, workers aged 26 or older must have at least 2 years of recognized service before the disability began and workers younger than age 26 must have at least 6 months. 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 with a total and permanent disability, assessed as needy, and a resident of Uruguay for at least 15 years.

Survivor pension

Survivor pension (social insurance and individual account): The deceased was working; a pensioner; a partial disability, sickness, maternity, or work injury beneficiary; 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), divorced spouse, unmarried orphans up to age 21 (no limit if disabled), and dependent, disabled parents. A widow(er) must have average monthly earnings in the 12 months before the insured's death of no more than 45,562 pesos; 26,198 pesos for a divorced spouse.

Funeral grant: The grant is paid to the person who paid for the funeral.

Old-Age Benefits

Old-age pension

Old-age pension (social insurance): With at least 35 years of coverage, the monthly benefit is 45% of the insured's

monthly average earnings in the last 10 years or 45% of 105% of the insured's monthly average earnings in the best 20 years of earnings (whichever amount is lower). The pension is increased by 1% for each year of work from 30 to 35 years; 0.5% for each year of work exceeding 35 years, up to 2.5%; and 2% for each year of work after age 60 if the contribution conditions were not met, up to age 70 or until contribution conditions are met.

Deferred pension: The pension is increased by 3% for each year of work after age 60 with at least 35 years of work, up to 30%; 2% if the insured has less than 35 years of work, up to age 70 or until contribution conditions are met.

The minimum monthly pension is 2,221 pesos; an additional 2,916 pesos is paid for insured persons without any other source of income or support.

The maximum monthly pension is 16,339 pesos (for insured persons in the mixed social insurance and individual accounts scheme) or 24,162 pesos (for insured persons in the social insurance scheme only).

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 50% of the insured's monthly average earnings in the last 10 years or 50% of 105% of the insured's monthly average earnings in the best 20 years of earnings (whichever amount is lower) plus 1% for each year of work exceeding the respective minimum years of service (from 15 to 25 minimum years, up to 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): At retirement, the insured uses the accumulated capital (contributions plus interest) 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. 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): 2,916 pesos 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 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 1,128 pesos is paid for transportation costs and 2,511 pesos is paid for rehabilitation costs.

Partial disability benefit (social insurance): The monthly benefit is 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 3,821 pesos.

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 45% of the insured's average indexed earnings in the 10 years before the disability began. The accumulated capital in the individual account (contributions plus accrued interest) is transferred to an insurance company, which pays the pension.

Partial disability benefit (individual account): The monthly pension is 45% of the insured's average indexed earnings in the 10 years before the disability began and is paid by disability insurance for up to 3 years.

Noncontributory means-tested pension (social assistance): 3,821 pesos 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 between 66% and 75% of the pension the deceased received or was entitled to receive is paid, depending on the number of survivors.

Widow(er)s, divorced spouses, and partners with at least 5 years of cohabitation with the insured share 100% of the pension if there are no other eligible survivors; 70% of the 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), divorced spouse, or eligible partner remarries.

For the survivors of a member of an individual account scheme, the accumulated capital in the individual account (contributions plus accrued interest) 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 pesos.

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), 2007 (national health fund); and 2009 (national integrated health system).

Type of program: Social insurance system.

Coverage

Sickness benefits: Employed persons in the private sector and their children younger than age 18 (no limit if disabled), self-employed persons, persons receiving unemployment benefits, employers with one employee, and pensioners.

Exclusions: Workers with less than 13 days a month of covered work or who earn less than 2,430 pesos a month.

Special systems for armed forces and police force personnel.

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: Finances maternity benefits and any deficits for sickness benefits.

Qualifying Conditions

Cash sickness benefits: The insured must have at least 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 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 pesos; 1,145 pesos 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 is 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 cash 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 full-time employees, the work injury benefit is 66% of earnings before the disability began; for occasional workers, 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 100% of earnings before the disease was diagnosed. There is no waiting period.

An additional benefit of 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 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 of 36 times the monthly loss of earnings is paid; 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; medicine; and appliances.

There is no limit to duration.

Survivor Benefits

Survivor pension: A monthly benefit of 75% of the deceased's earnings is paid to a widow(er), divorced spouse, or partner with 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 5 years. If the only eligible survivors are the divorced spouse or dependent parents of the deceased, the benefit is 50% of the deceased earnings.

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

For survivors of a member of an individual account scheme, the accumulated capital in the individual account (contributions plus accrued interest) is transferred to an insurance company, which pays the pension.

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), with amendments in 2009; 2001 (rural workers); 2002 (term contracts); and 2006 (household workers).

Type of program: Social assistance system.

Coverage

Private-sector employees in industry and commerce, rural workers, and household workers.

Exclusions: Self-employed persons.

Source of Funds

Insured person: None.

Self-employed person: Not applicable.

Employer: None.

Government: The total cost.

Qualifying Conditions

Unemployment benefits: The insured must have at least 6 months of work in the 12-month period before unemployment; workers who are paid at irregular intervals must have at least 5 months of work and have earned at least 8,892 pesos in the 12-month period before unemployment began.

Rural workers who are paid monthly must have at least 12 months of work in the 24-month period before unemployment; rural workers who are paid at irregular intervals must have at least 250 days of work and have earned at least 23,328 pesos in the 24-month period before unemployment began.

Household workers must be registered; household workers who are paid monthly must have at least 6 months of work in the 12-month period before unemployment; household workers who are paid at irregular intervals must have at least 12 months in the 24-month period before unemployment began; workers who are paid daily or weekly must have at least 150 days in the 12 months or 250 days in the 24 months of work before unemployment began.

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

For full unemployment, workers who are paid monthly or at irregular intervals receive a monthly benefit of 50% of average earnings in the 6 months before unemployment; a monthly benefit of 12 days of earnings before unemployment for workers who are paid daily.

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

Dependent's supplement: 20% of the benefit.

The monthly minimum unemployment benefit is 1,944 pesos.

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The monthly maximum unemployment benefit is 21,384 pesos.

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 unemployment insurance program.

Family Allowances

Regulatory Framework

First law: 1943.

Current laws: 1995 (social security), 2002 (multiple pregnancy), and 2008 (equality in family allowances).

Type of program: Social assistance system.

Coverage

Needy private-sector employees, household 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: The total cost.

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 pesos or more and employees with earnings of 16,360 pesos or more do not receive family allowances. (For employees with earnings of 16,360 pesos or more and with three or more dependents, the earnings limit is increased by 1,568 pesos 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 from the birth of the child until age 14 if in primary school, age 16 if the child could not finish primary school for justified reasons, or age 18 if in higher education (no limit if disabled).

Family Allowance Benefits

Family allowances: The allowance is 710 pesos for covered families with income up to 11,664 pesos; 355 pesos with income between 11,665 pesos and 19,440 pesos; for income over 19,440 pesos, the allowance depends on the number of children. In the case of a child with a disability, the allowance is doubled.

For a family with children resulting from a multiple birth, 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 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 of cash maternity benefit.

Low-income family allowance: The benefit is based on the number of beneficiaries in the family, the number of family members with disabilities, and their level of education. The benefit is 746 pesos for a child in primary school and 1,092 pesos for a child in secondary school or disabled.

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 medicine for children are free.

The benefit is paid monthly.

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.

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