

## Honduras

Exchange rate: US\$1.00 = 19.91 lempiras.

### Old Age, Disability, and Survivors

#### Regulatory Framework

**First and current law:** 1959 (social security), implemented in 1971.

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

#### Coverage

Salaried workers in public- and private-sector enterprises, civil servants, farmers, forestry workers, most agricultural workers, apprentices, and self-employed persons.

Voluntary coverage for household workers.

Special systems for military personnel, executive branch employees, teachers and professors, and employees of the National Autonomous University of Honduras.

Exclusions: Temporary workers and some groups of agricultural workers.

#### Source of Funds

**Insured person:** 1% of covered earnings.

The minimum monthly earnings used to calculate contributions are the legal monthly minimum wage, which varies according to the industry and the size of the company.

The maximum monthly earnings used to calculate contributions are 7,000 lempiras.

**Self-employed person:** 4% of estimated earnings.

The minimum monthly earnings used to calculate contributions are the legal monthly minimum wage, which varies according to the industry and the size of the company.

**Employer:** 2% of covered payroll.

The minimum monthly earnings used to calculate contributions are the legal monthly minimum wage, which varies according to the industry and the size of the company.

The maximum monthly earnings used to calculate contributions are 7,000 lempiras.

**Government:** 0.5% of covered payroll; contributes as an employer.

The minimum monthly earnings used to calculate contributions are the legal monthly minimum wage, which varies according to the industry and the size of the company.

The maximum monthly earnings used to calculate contributions are 7,000 lempiras.

#### Qualifying Conditions

**Old-age pension:** Age 65 (men) or age 60 (women) with at least 180 months of contributions. Employment must cease.

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

**Old-age settlement:** Age 65 (men) or age 60 (women) with less than 180 months of contributions.

**Disability pension:** Assessed with at least a 65% loss of earning capacity for the usual occupation with at least 36 months of contributions in the last six years; eight months of contributions in the last 24 months for a nonoccupational accident.

Constant-attendance supplement: Assessed with a disability of more than 50% and requires the constant attendance of others to perform daily functions.

**Disability settlement:** Assessed with a disability but does not meet the contribution requirements for the disability pension.

**Survivor pension:** For a death resulting from an illness, the deceased must have had at least 36 months of contributions in the last six years; for a nonoccupational accident-related death, eight months of contributions in the 24 months before the death.

Eligible survivors include a widow(er) or partner aged 65 or older or disabled and orphans younger than age 14 (age 18 if a student, no limit if disabled); if there is no widow(er), partner, or orphan, a mother of any age and a father older than age 65 or disabled.

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

#### Old-Age Benefits

**Old-age pension:** 40% of the insured's basic monthly earnings plus 1% of earnings for each 12-month period of contributions exceeding 60 months is paid.

Basic monthly earnings used to calculate the pension are 0.028% or 0.017% of insured earnings in the last three or five years, respectively, before the month of entitlement (whichever is greater).

Deferred pension: An additional 3% of basic monthly earnings is paid for each year of contributions after age 65 (men) or age 60 (women).

The minimum pension is 50% of basic monthly earnings.

The maximum pension is 80% of basic monthly earnings.

Constant-attendance supplement: Up to 50% of the pension is paid.

**Old-age settlement:** The insured person's contributions are refunded as a lump sum.

### Permanent Disability Benefits

**Disability pension:** For a total (100%) disability, 40% of the insured's basic monthly earnings plus 1% of earnings for each 12-month period of contributions exceeding 60 months is paid.

Basic monthly earnings used to calculate the pension are 0.028% or 0.017% of insured earnings in the last three or five years, respectively, before the month of entitlement (whichever is greater).

The minimum pension is 50% of covered earnings.

The maximum pension is 80% of covered earnings.

Constant-attendance supplement: Up to 50% of the pension is paid.

Partial disability: For an assessed degree of disability of less than 100%, the benefit is calculated in the same way as the total disability pension and then is multiplied by the assessed degree of disability.

**Disability settlement:** The insured person's contributions are refunded as a lump sum.

### Survivor Benefits

**Spouse's pension:** 40% of the old-age or disability pension the deceased received or was entitled to receive is paid to an eligible widow(er) or partner.

Remarriage settlement: A lump sum of 12 months of pension is paid to an eligible widow(er) or partner.

**Orphan's pension:** 20% of the old-age or disability pension the deceased received or was entitled to receive is paid to each orphan; 40% for a full orphan.

**Dependent parent's pension:** If there is no eligible widow(er), partner, or orphan, 20% of the old-age or disability pension the deceased received or was entitled to receive is paid to each eligible parent.

All survivor benefits combined must not exceed 100% of the old-age or disability pension the deceased received or was entitled to receive.

**Funeral grant:** 50% of the deceased's basic monthly earnings is paid. The minimum funeral grant is 250 lempiras if the deceased made at least one contribution in the last six months; 100 lempiras if the beneficiary is not a member of the deceased's family.

### Administrative Organization

Secretariat of Labor and Social Security (<http://www.trabajo.gob.hn/>) provides general supervision.

Social Security Institute (<http://www.ihss.hn>), managed by a board of directors and director general, administers the program.

## Sickness and Maternity

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### Regulatory Framework

**First and current law:** 1959 (social security), implemented in 1962.

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

### Coverage

**Cash sickness benefits:** Public-sector employees and employees of firms in industry and commerce with one or more workers; old-age and disability pensioners; and unemployed persons.

**Exclusions:** Self-employed persons; and household, agricultural, family, and temporary workers.

**Cash maternity benefits:** Public-sector employees and employees of firms in industry and commerce with one or more workers; self-employed persons; and disability pensioners.

Exclusions: Unemployed persons, agricultural, family, and temporary workers.

**Medical benefits:** Public-sector employees and employees of firms in industry and commerce with one or more workers; old-age and disability pensioners; unemployed persons; self-employed persons; and household workers.

Exclusions: Agricultural, family, and temporary workers.

Coverage is limited to certain regions and is being gradually extended to additional regions. The Honduran Social Security Institute subcontracts private health services in cities without public facilities. The labor code is still in force in regions where social insurance has not yet been extended.

### Source of Funds

**Insured person:** 2.5% of covered earnings.

The minimum monthly earnings used to calculate contributions are the legal monthly minimum wage, which varies according to the industry and the size of the company.

The maximum monthly earnings used to calculate contributions are 7,000 lempiras.

The insured's contributions also finance work injury benefits.

**Self-employed person:** 8.5% of estimated earnings.

The minimum monthly earnings used to calculate contributions are the legal monthly minimum wage, which varies according to the industry and the size of the company.

**Employer:** 5% of covered payroll.

The minimum monthly earnings used to calculate contributions are the legal monthly minimum wage, which varies according to the industry and the size of the company.

The maximum monthly earnings used to calculate contributions are 7,000 lempiras.

The employer's contributions also finance work injury benefits.

**Government:** 0.5% of total covered earnings; contributes as an employer.

The minimum monthly earnings used to calculate contributions are the legal monthly minimum wage, which varies according to the industry and the size of the company.

The maximum monthly earnings used to calculate contributions are 7,000 lempiras.

### **Qualifying Conditions**

**Cash sickness benefits:** Must have at least two months of contributions in the four months before the incapacity began. (Unemployed persons must have at least 35 days of coverage in the three months before unemployment.)

**Cash maternity benefits:** Must have at least 75 days of contributions in the last 10 months.

**Medical benefits:** Must be in insured employment or unemployed with at least 35 days of coverage in the three months before unemployment. For maternity medical benefits, must have at least 10 months of contributions immediately before the expected date of childbirth or at least 12 months of contributions in the last 18 months. For children's benefits, the insured must have at least 35 days of contributions in the three months before the incapacity began.

### **Sickness and Maternity Benefits**

**Sickness benefit:** 66% of the insured's earnings in the last three months (50% if hospitalized and without dependents) is paid after a three-day waiting period for up to 26 weeks; may be extended to 52 weeks.

The labor code requires employers to provide sick leave to employees not covered by social insurance.

**Maternity benefit:** 66% of the insured's earnings in the last three months is paid for six weeks before and six weeks after the expected date of childbirth.

The labor code requires employers to provide maternity leave to employees not covered by social insurance.

### **Workers' Medical Benefits**

Social Security Institute health facilities provide medical services directly to patients. Benefits include general and specialist care, surgery, hospitalization, necessary medicine, laboratory services, appliances, dental care, and maternity care including postpartum care for up to 45 days; may be extended up to a total of 26 weeks.

The duration of benefits is dependent on continuing to meet the contribution requirements. If the insured is unemployed, benefits are limited to 30 days.

### **Dependents' Medical Benefits**

Benefits include maternity care for the insured's wife, including postpartum care for up to 45 days; pediatric care for the insured's children up to age 5, one month after reaching age 5, or up to 26 weeks after insured's death.

### **Administrative Organization**

Secretariat of Labor and Social Security (<http://www.trabajo.gob.hn/>) provides general supervision.

Social Security Institute (<http://www.ihss.hn/>), managed by a board of directors and director general, administers the program.

Social Security Institute operates its own hospitals and outpatient clinics and contracts the services of private clinics.

### **Work Injury**

#### **Regulatory Framework**

**First and current law:** 1959 (social security), implemented in 1971.

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

#### **Coverage**

Public-sector employees and employees of firms in industry and commerce with one or more workers in specified regions.

Coverage is being gradually extended to additional regions. The labor code is still in force in regions where social insurance has not yet been extended.

Exclusions: Self-employed persons and agricultural, household, family, and temporary workers.

#### **Source of Funds**

**Insured person:** None.

**Self-employed person:** Not applicable.

**Employer:** 0.2% of payroll.

The maximum monthly earnings used to calculate contributions are 7,000 lempiras.

**Government:** None.

#### **Qualifying Conditions**

**Work injury benefits:** There is no minimum qualifying period. An insured person who becomes unemployed must prove that the illness or incapacity is work-related and began no more than two months after employment ceases.

**Survivor benefits:** The deceased must have worked for at least a month in insured employment.

### **Temporary Disability Benefits**

For an assessed disability of 15% or less, 100% of the insured's daily wage is paid after a three-day waiting period until recovery, certification of permanent disability, or death.

The daily wage used to calculate benefits is subject to a maximum.

### **Permanent Disability Benefits**

**Permanent disability pension:** For an assessed degree of disability of greater than 65%, 70% of the insured's basic monthly earnings is paid.

Basic monthly earnings used to calculate the pension are 0.028% or 0.017% of insured earnings in the last three or five years, respectively, before the month of entitlement (whichever is greater).

Constant-attendance supplement: Up to 50% of the insured's pension is paid if the insured requires the constant attendance of others to perform daily functions.

Partial disability: For an assessed degree of disability of 16% to 65%, a percentage of the full pension is paid according to the assessed degree of disability.

### **Workers' Medical Benefits**

Benefits include medical, surgical, and hospital care; medicine; and appliances.

### **Survivor Benefits**

**Survivor pension:** 40% of the permanent disability pension the deceased received or was entitled to receive is paid to a widow(er) older than age 65 or disabled.

**Orphan's pension:** 20% of the pension the permanent disability pension the deceased received or was entitled to receive is paid to each orphan younger than age 14 (age 18 if a student, no limit if disabled); 40% for a full orphan.

**Dependent parent's pension:** If there is no eligible widow(er) or orphan, 20% of the permanent disability pension the deceased received or was entitled to receive is paid to a mother of any age or a father older than age 65 or disabled.

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

**Funeral grant:** 50% of the deceased's basic monthly earnings is paid. The minimum funeral grant is 125 lempiras if the deceased had made at least one contribution in the last six months.

Basic monthly earnings used to calculate the pension are 0.028% or 0.017% of insured earnings in the last three or five years, respectively, before the month of entitlement (whichever is greater).

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