

## Venezuela

Exchange rate: US\$1.00 = 6.30 new bolivares

### Old Age, Disability, and Survivors

#### Regulatory Framework

**First law:** 1940.

**Current law:** 2011 (social assistance), 2012 (social security), and 2012 (social insurance).

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

#### Coverage

**Social insurance:** Public- and private-sector employees; members of cooperatives; and household, seasonal, and casual workers.

Voluntary coverage for self-employed persons and unemployed pregnant women.

Special system for military personnel.

**Social assistance:** Residents of Venezuela.

#### Source of Funds

##### Insured person

**Social insurance:** 4% of monthly covered earnings for private-sector workers; 2% for public-sector workers.

The maximum monthly earnings used to calculate contributions are 10 times the legal monthly minimum wage.

The legal monthly minimum wage is 2,702.73 bolivares a month (September 2013).

The insured's contributions also finance sickness and maternity benefits and the marriage grant (see Family Allowances).

**Social assistance:** None.

##### Self-employed person

**Social insurance:** 13% of declared income.

**Social assistance:** None.

##### Employer

**Social insurance:** From 9% to 11% of covered payroll for private-sector workers; 4% of covered payroll for public-sector workers.

The maximum monthly earnings used to calculate contributions are 10 times the legal monthly minimum wage.

The legal monthly minimum wage is 2,702.73 bolivares a month (September 2013).

The employer's contributions also finance sickness and maternity benefits and the marriage grant (see Family Allowances).

**Social assistance:** None.

#### Government

**Social insurance:** At least 1.5% of total covered earnings for administrative costs.

**Social assistance:** The total cost.

#### Qualifying Conditions

##### Old-age pension

**Old-age pension (social insurance):** Age 60 (men) or age 55 (women) with at least 750 weeks of contributions (250 weeks in the last 10 years for the voluntarily insured); if less than 750 weeks of contributions, the insured may continue to contribute until reaching 750 weeks. The pensionable age is lower for those in unhealthy and arduous work.

Retirement is not necessary.

The pension is payable abroad.

**Subsidized pension (social insurance):** Age 60 (men) or age 55 (women) with less than 700 weeks of contributions and total household income at least equal to the legal monthly minimum wage; unable to make additional contributions to be eligible for the old-age pension.

The legal monthly minimum wage is 2,702.73 bolivares a month (September 2013).

**Old-age grant (social insurance):** Older than age 60 (men) or age 55 (women) with less than 750 weeks of contributions.

**Gran Misión En Amor Mayor pension (social assistance):** Age 60 (men) or age 55 (women). Must live in households with income below the legal monthly minimum wage and have resided in Venezuela for the last 10 years.

The legal monthly minimum wage is 2,702.73 bolivares a month (September 2013).

##### Disability pension

**Disability pension:** Assessed with a permanent or prolonged loss of more than 66.7% of working capacity with at least 250 weeks of contributions (reduced by 20 weeks of contributions for each year the insured is younger than age 35), including at least 100 weeks in the last three years before the disability began. There is no qualifying period for a disability caused by an accident.

**Partial disability pension:** Assessed with a 25% to 66.6% degree of disability.

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

**Disability grant:** Assessed with a permanent or prolonged loss of more than 66.7% of working capacity with at least

100 weeks of contributions in the last four years before the disability began, but does not meet the contribution requirements for a disability pension.

### **Survivor pension**

*Survivor pension:* The deceased received or was entitled to receive an old-age or disability pension or was a pensioner at the time of death. There is no qualifying period if the death is caused by an accident.

Eligible survivors include a widow older than age 45; a partner who cohabited with the deceased for at least two years and is older than age 45; a widow or partner with dependent children; a dependent widower aged 60 or older or with a disability; and unmarried children younger than age 14 (age 18 if a student, no limit if disabled). A widow or partner younger than age 45 is eligible for limited benefits. If there are no other survivors, siblings younger than age 14 and dependent parents are eligible.

*Survivor grant:* The deceased did not meet the contribution requirements for an old-age or disability pension but had at least 100 weeks of contributions in the last four years.

### **Old-Age Benefits**

**Old-age pension (social insurance):** A basic amount of 3,000 bolivares a month plus 30% of the insured's reference salary and 1% of earnings for each 50-week period of contributions exceeding 750 weeks is paid.

The reference salary is 20% of covered earnings in the last five years or 10% in the last 10 years, whichever is greater. The minimum pension is equal to the legal monthly minimum wage.

The legal monthly minimum wage is 2,702.73 bolivares a month (September 2013).

*Deferred pension:* An additional 5% of the pension is paid for each year the pension is deferred after the pensionable age.

*Subsidized pension (social insurance):* A monthly benefit equal to the legal monthly minimum wage is paid. (203.40 pesos a month is deducted from the pension until the insured reaches the number of weeks of contributions required for an old-age pension.)

The legal monthly minimum wage is 2,702.73 bolivares a month (September 2013).

**Old-age grant (social insurance):** A lump sum of 10% of the insured's total covered earnings is paid.

*Benefit adjustment:* Benefits are adjusted periodically according to changes in prices and wages.

**Gran Misión En Amor Mayor pension (social assistance):** A monthly pension equal to the legal monthly minimum wage is paid.

The legal monthly minimum wage is 2,702.73 bolivares a month (September 2013).

### **Permanent Disability Benefits**

**Disability pension:** A basic amount of 3,000 bolivares a month plus 30% of the insured's reference salary and 1% of earnings for each 50-week period of contributions exceeding 750 weeks is paid.

The reference salary is 20% of covered earnings in the last five years or 10% in the last 10 years, whichever is greater.

The minimum pension is 40% of the insured's reference salary.

*Constant-attendance supplement:* Up to 50% of the disability 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 25% to 66.6%, a percentage of the total disability pension is paid according to the assessed degree of disability.

**Disability grant:** A lump sum of 10% of the deceased's total covered earnings is paid.

*Benefit adjustment:* Benefits are adjusted periodically according to changes in prices and wages.

### **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. (A widow or female partner younger than age 45 receives a lump sum of two years of the survivor pension.)

The minimum spouse's pension is the legal monthly minimum wage.

The legal monthly minimum wage is 2,702.73 bolivares a month (September 2013).

**Orphan's pension:** 20% of the old-age or 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 one full orphan; and 20% each for two full orphans.

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

**Other eligible survivors:** If there is no eligible widow(er), partner, or orphan, 10% of the deceased's total covered earnings may be paid to eligible siblings and parents.

The amount paid is recalculated if the number of eligible survivors changes.

*Benefit adjustment:* Pensions are adjusted periodically according to changes in prices and wages.

**Survivor grant:** A lump sum of 10% of the deceased's total covered earnings is paid.

**Funeral grant:** A lump sum of 5,000 bolivares is paid.

*Benefit adjustment:* Benefits are adjusted periodically according to changes in prices and wages.

### **Administrative Organization**

Ministry of the People's Power for Labor and Social Security (<http://www.minpptrass.gob.ve>) provides general supervision.

Social Insurance Institute (<http://www.ivss.gov.ve>), managed by a tripartite board and director general, administers the program.

### **Sickness and Maternity**

#### **Regulatory Framework**

**First law:** 1940.

**Current law:** 1998 (health care), 2007 (protection of children and adolescents), 2007 (family, maternity, and paternity protection), 2012 (social insurance), 2012 (labor law), and 2012 (social security).

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

#### **Coverage**

Public- and private-sector employees; members of cooperatives; household, seasonal, and casual workers; persons receiving old-age, disability, or survivor benefits; and certain dependents.

Exclusions: Self-employed persons and nonworking women.

Voluntary insurance is possible.

#### **Source of Funds**

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

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

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

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

#### **Qualifying Conditions**

**Cash sickness, maternity, and paternity benefits:** Must be currently insured.

**Medical benefits:** Must be currently insured.

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

**Sickness benefit:** 66.7% of average daily earnings is paid after a three-day waiting period for up to 52 weeks; may be extended under certain conditions. The benefit is reduced by 50% if the insured is hospitalized.

**Maternity benefit:** 100% of earnings is paid for up to six weeks before and 20 weeks after the date of childbirth (may be extended under certain conditions) or for 26 weeks from the date of placement for the adoption of a child younger than age 3.

**Paternity benefit:** 100% of earnings is paid for 14 days immediately following the date of childbirth or the date of placement for the adoption of a child younger than age 3.

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

The Social Security Institute's medical facilities normally provide free medical services directly to patients for up to 52 weeks; may be extended for another 52 weeks for convalescent care. Benefits include general and specialist care, hospitalization, laboratory services, medicine, dental care, maternity care, appliances, and transportation.

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

Medical benefits for dependents (and survivors) are the same as those for the insured. Pensioners' dependents receive medical benefits for a maximum of 26 weeks.

#### **Administrative Organization**

Ministry of the People's Power for Labor and Social Security (<http://www.minpptrass.gob.ve>) provides general supervision.

Social Insurance Institute (<http://www.ivss.gov.ve>) managed by a tripartite board and director general, administers the program.

### **Work Injury**

#### **Regulatory Framework**

**First law:** 1923.

**Current law:** 1991 (social insurance), 2005 (prevention and working conditions), and 2012 (social security).

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

#### **Coverage**

Public- and private-sector employees; members of cooperatives; and household and custodial workers.

Exclusions: Members of the military and self-employed persons.

#### **Source of Funds**

**Insured person:** None.

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

**Employer:** 0.75% to 10% of covered payroll, according to the assessed degree of risk.

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

### **Qualifying Conditions**

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

### **Temporary Disability Benefits**

100% of the insured's earnings is paid after a three-day waiting period until the insured is rehabilitated, recovered, or certified with a permanent disability.

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

### **Permanent Disability Benefits**

**Permanent disability pension:** 100% of the insured's last covered earnings is paid. If the insured person has an assessed degree of disability of at least 67%, is unable to continue in the same job, and is subsequently rehabilitated and reinserted into the workforce, the pension will be reduced based on the percentage of the reassessed degree of disability.

Constant-attendance supplement: Up to 50% of the disability 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 greater than 25% but less than 67%, a percentage of the full pension is paid according to the assessed degree of disability. For an assessed degree of disability of 5% to 25%, a lump sum of three times the insured's last covered earnings multiplied by the percentage of disability is paid.

Schedule of payments: Fourteen payments a year.

### **Workers' Medical Benefits**

**Medical benefits:** Benefits include free general, specialist, and dental care; hospitalization; medicine; laboratory services; appliances; and rehabilitation services.

### **Survivor Benefits**

**Spouse's pension:** 60% of the deceased's last covered earnings is paid to a widow(er) or partner.

**Orphan's pension:** If there is an eligible widow(er) or partner, 20% of the deceased's last covered earnings is paid to each orphan younger than age 18 (age 25 is a student, any age if disabled or financially dependent on the deceased), up to 40%. If there is no eligible widow(er) or partner, 60% of the deceased's last covered earnings is divided equally among eligible orphans.

**Other eligible survivors:** 20% of the deceased's last covered earnings may be paid to each dependent family member, up to 60%.

Schedule of payments: Fourteen payments a year.

**Funeral grant:** A lump sum of 5,000 bolivares is paid.

### **Administrative Organization**

Ministry of the People's Power for Labor and Social Security (<http://www.minprrtrass.gob.ve>) provides general supervision.

National Institute for Prevention, Health, and Security at Work (<http://www.inpsasel.gob.ve>) manages and administers the program.

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## **Unemployment**

### **Regulatory Framework**

**First law:** 1940.

**Current law:** 2005 (unemployment) and 2012 (social security).

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

### **Coverage**

Public- and private-sector employees, members of cooperatives, household and custodial workers, self-employed persons, and apprentices.

### **Source of Funds**

**Insured:** 0.5% of covered earnings.

The minimum monthly earnings used to calculate contributions are the legal monthly minimum wage.

The maximum monthly earnings used to calculate contributions are 10 ten times the legal monthly minimum wage.

The legal monthly minimum wage is 2,702.73 bolivares a month (September 2013).

The insured's contributions also finance health insurance for unemployed persons.

**Self-employed person:** 2.5% of covered earnings.

The minimum monthly earnings used to calculate contributions are the minimum urban wage.

The maximum monthly earnings used to calculate contributions are 10 times the legal monthly minimum wage.

The legal monthly minimum wage is 2,702.73 bolivares a month (September 2013).

The self-employed person's contributions also finance health insurance for unemployed persons.

**Employer:** 2% of payroll.

The minimum monthly earnings used to calculate contributions are the legal monthly minimum wage.

The maximum monthly earnings used to calculate contributions are 10 times the legal monthly minimum wage.

The legal monthly minimum wage is 2,702.73 bolivares a month (September 2013).

The employer's contributions also finance health insurance for unemployed persons.

**Government:** Contributes as necessary; may subsidize up to 50% of contributions for low-income insured persons.

### **Qualifying Conditions**

**Unemployment benefits:** Must have at least 12 months of contributions in the 24 months before unemployment began and must be available for training or suitable employment. Self-employed persons must have involuntarily lost their income.

### **Unemployment Benefits**

60% of the insured's average monthly earnings in the last 12 months is paid for up to five months.

### **Workers' Medical Benefits**

Unemployed insured persons and their dependents are covered for medical benefits for up to 52 weeks; may be extended for another 52 weeks. Benefits include general and specialist care, hospitalization, laboratory services, medicine, dental care, maternity care, appliances, and transportation.

### **Administrative Organization**

Ministry of the People's Power for Labor and Social Security (<http://www.minpptrass.gob.ve>) provides general supervision.

Employment services administer training and guidance.

Social Insurance Institute (<http://www.ivss.gov.ve>), managed by a tripartite board and director general, administers the program.

### **Family Allowances**

#### **Regulatory Framework**

**Marriage grant:** A lump sum of 7,000 bolivares is paid with at least 100 weeks of contributions in the three years before marriage. (The grant is provided under Old Age, Disability, and Survivors.)