San Marino

Exchange rate: US$1.00 = 0.83 euro (€).

Old Age, Disability, and Survivors

Regulatory Framework

First and current laws: 1955 (social security system); 2011 (mandatory individual account), implemented in 2012; and 2017 (early retirement).

Type of program: Social insurance and mandatory individual account system.

Coverage

Social insurance: Employed and self-employed persons.

Mandatory individual account: Employed and self-employed persons covered by social insurance younger than age 50 in 2012.

Voluntary coverage for employed and self-employed persons aged 50 or older in 2012.

Source of Funds

Insured person

Social insurance: 5.4% of gross earnings.

The insured person's contributions also finance work injury benefits.

Mandatory individual account: 2% of gross earnings.

Self-employed person

Social insurance: 15% to 22% of gross income from €15,000 to €28,000 a year, depending on the category of self-employment.

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

Mandatory individual account: 4% of income.

Employer

Social insurance: 16.10% of payroll.

The employer's contributions also finance work injury benefits.

Mandatory individual account: 2% of payroll.

Government

Social insurance: 5% of total contributions (higher contributions are made for agricultural workers) or up to 25% to cover any deficit; contributes as an employer.

Government contributions also finance work injury benefits.

Mandatory individual account: Provides subsidies as needed; contributes as an employer.

Qualifying Conditions

Old-age pension (social insurance): Age 65 (gradually rising to age 66 from 2019 to 2021) with at least 20 years of contributions; age 60 with at least 40 years of contributions. For insured persons with at least 216 days of contributions before January 1, 2006, transitional provisions apply.

Partial pension: Age 60 with 35 to 39 years of contributions.

Early pension: Age 57 to the normal retirement age if the sum of the insured's age plus the insured's years of contributions is at least 100; age 59 years and 6 months with at least 35 years of contributions if the insured has exhausted all unemployment benefits, the place of employment has closed, or in the event of mass unemployment.

Deferred pension: The pension may be deferred. There is no age limit.

Old-age pension (mandatory individual account): Age 65 (gradually rising to age 66 from 2019 to 2021) with at least 20 years of contributions.

Early withdrawals: Funds can be withdrawn before the normal retirement age to pay for health care costs, the purchase and renovation of a first home for the insured or the insured's children, or college expenses for the insured and his or her family members.

Early pension: Age 60 to the normal retirement age if the sum of the insured's age plus the insured's years of contributions is at least 100.

Disability pension (social insurance): Must have an assessed loss of working capacity of at least 65% and at least seven years of contributions, including at least two years in the last three years before the disability began. For insured persons with at least 216 days of contributions before January 1, 2006, transitional provisions apply.

A medical board of the National Social Security Institute assesses the loss of working capacity.

Disability pension (mandatory individual account): Must have an assessed loss of working capacity of at least 65%.

A medical board of the National Social Security Institute assesses the loss of working capacity.

Survivor pension (social insurance): The deceased had at least seven years of contributions, including at least one year of contributions in the five years before death; or a total of at least 15 years of contributions.

Eligible survivors include a widow, an unemployed widower with a disability, 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 upon remarriage.

Survivor pension (mandatory individual account): Paid on the death of the insured.

Eligible survivors include a widow, an unemployed widower with a disability, and children younger than age 18 (age 26 if a student or disabled). A widow(er) must have been married and living with the deceased at the time of death; a surviving partner must have lived with the deceased for at least 15 years.

Old-Age Benefits

Old-age pension (social insurance): The pension is 2% of half of the legally fixed amount for each year of contributions plus 0.75% of the portion of reference earnings that exceeds the legally fixed amount (1.5% for coverage periods completed before January 1, 2012). For insured persons with at least 216 days of contributions before January 1, 2006, transitional provisions apply.

The legally fixed amount is €45,501.63.

Reference earnings used to calculate benefits are the insured's average daily earnings in the last 20 years (10 years for coverage periods completed before January 1, 2012) before retirement, multiplied by 16.615.

A minimum old-age pension is paid if the insured satisfies a means test.

The maximum monthly old-age pension is 100% of the insured's last monthly earnings before retirement.

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.

Early pension: The pension is reduced by 20% if the insured retires at age 57, by 15% at age 58, or by 10% at age 59.

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

Benefit adjustment: Benefits are adjusted based on changes in the cost-of-living index.

Old-age pension (mandatory individual account): An annuity is paid based on the account balance.

Early withdrawals: Up to 30% of the account balance may be withdrawn.

Early pension: The pension is reduced by 10%.

Permanent Disability Benefits

Disability pension (social insurance): The pension is 2% of half of the legally fixed amount for each year of contributions plus 0.75% of the portion of reference earnings that exceeds the legally fixed amount (1.5% for coverage periods completed before January 1, 2012). For insured persons with at least 216 days of contributions before January 1, 2006, transitional provisions apply.

The legally fixed amount is €45,501.63.

Reference earnings used to calculate benefits are the insured's average daily earnings in the last 20 years (10 years for coverage periods completed before January 1, 2012) before retirement, multiplied by 16.615.

A minimum old-age pension is paid if the insured satisfies a means test.

The maximum disability pension is 100% of the insured's last monthly earnings before the disability began.

Benefit adjustment: Benefits are adjusted based on changes in the cost-of-living index.

Disability pension (mandatory individual account): An annuity is paid based on the account balance.

Survivor Benefits

Survivor pension (social insurance): 65% to 100% of the social insurance old-age or disability pension the deceased received or was entitled to receive is paid to the widow(er) and children, depending on the number of survivors.

Survivor pension (mandatory individual account): A benefit is paid.

Administrative Organization

National Social Security Institute (http://www.iss.sm/) administers the social insurance program and collects contributions.

Complementary Social Security Fund of the National Social Security Institute administers the mandatory individual account program.

Sickness and Maternity

Regulatory Framework

First law: 1955 (medical benefits).

Current laws: 1974 (temporary incapacity), 1977 (cash benefits), and 1990 (social security).

Type of program: Universal (medical benefits) and social insurance (cash benefits) system.

Coverage

Universal (medical benefits): Residents of San Marino.

Social insurance (cash benefits): Employed and self-employed persons.

Source of Funds

Insured person: None.

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

Employer: 5% of payroll.

Government: 50% of direct taxes (medical benefits) contributes as an employer (cash benefits).

Qualifying Conditions

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

Medical benefits: There is no minimum qualifying period.

Sickness and Maternity Benefits

Sickness benefit (social insurance): 86% of the insured's monthly earnings is paid for the first 15 days, 100% until the end of the sixth 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 (social insurance): 100% of the insured's monthly earnings is paid for five months (two months before and three months after the expected date of childbirth); thereafter, mothers can remain on leave and receive a benefit of 30% of monthly earnings for one year and 20% for an additional six months, or they can return to work and take up to two hours of leave a day with full pay until the child is age 1.

Workers' Medical Benefits

Doctors of the National Social Security Institute and state hospitals provide medical services. Benefits include all medical services, hospitalization, maternity care, and medications.

There is no cost sharing.

There is no limit to duration.

Dependents' Medical Benefits

Medical benefits for dependents are the same as those for the insured. Dental services are free for children up to age 14.

Administrative Organization

National Social Security Institute (http://www.iss.sm/) administers the program and collects contributions.

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

Must be assessed with a work injury or occupational disease.

Temporary Disability Benefits

100% of the insured's average daily earnings in the month before the disability began is paid.

Permanent Disability Benefits

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

Partial disability: For an assessed degree of disability of at least 15% but less than a total disability, a percentage of the full permanent disability pension is paid depending on the assessed degree of disability.

Benefit adjustment: Benefits are adjusted based on 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 old-age or disability pension the deceased received or was entitled to receive is paid to the surviving spouse and children, depending on the number of survivors.

The pension ceases if a widow(er) remarries.

Administrative Organization

National Social Security Institute (http://www.iss.sm/) administers the program and collects contributions.

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

Unemployment

Regulatory Framework

First law: 1967 (unemployment).

Current laws: 2010 and 2017 (unemployment).

Type of program: Social insurance system.

Coverage

General unemployment benefits: Employed persons.

Exclusions: Self-employed persons and public-sector workers.

Temporary unemployment benefit: Employed persons in most sectors of work.

Exclusions: Self-employed persons and public-sector workers.

Source of Funds

Insured person

General unemployment benefits: 0.5% of gross earnings.

Temporary unemployment benefit: None.

Self-employed person

General unemployment benefits: Not applicable.

Temporary unemployment benefit: Not applicable.

Employer

General unemployment benefits: 1.9% of payroll.

Temporary unemployment benefit: 7% of payroll.

Government

General unemployment benefits: None.

Temporary unemployment benefit: None.

Qualifying Conditions

General unemployment benefits

Unemployment benefit (Indennità di disoccupazione): Must have worked at least 121 days in the last two years.

Special economic benefit (Indennità Economica Speciale per mobilità, IES): Paid in the event of mass unemployment or the closure of the place of employment.

Extraordinary unemployment benefit: Must have received the special economic benefit, be involuntarily unemployed, and have at least six months of contributions in the last two years.

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

Unemployment Benefits

General unemployment benefits

Unemployment benefit (Indennità di disoccupazione): The benefit varies depending on the insured's days of contributions. With 121 to 242 days, 30% of the insured's average earnings in the four months before unemployment is paid for up to 90 days; with at least 243 days and aged 50 or younger, 60% is paid for the first six months and 50% from the seventh to the eight month; with at least 243 days of contributions and older than age 50, 40% of the insured's average earnings in the four months before unemployment is paid from the ninth to the 12th month of unemployment.

Special economic benefit (Indennità Economica Speciale per mobilità, IES): With at least 216 days of work with the same employer, 70% of the insured's earnings is paid for up to six months; thereafter, 65% of earnings for up to six months. With 162 to 215 days of work with the same employer, 60% of the insured's earnings is paid for up to six months; thereafter, 50% of earnings for up to six months.

Extraordinary unemployment benefit: The benefit varies depending on the insured's months of contributions in the last two years. With 6 months (121 days) to 12 months (242 days) of contributions, 40% of the insured's average earnings in the four months before unemployment is paid for up to 6 months; with more than 12 months (243 days) of contributions, 40% of the insured's average earnings in the four months before unemployment is paid for up to 9 months.

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

Administrative Organization

National Social Security Institute (http://www.iss.sm/) administers the program and collects contributions.

Family Allowances

Regulatory Framework

First and current law: 1976 (family allowances) and 2009 (supplementary family allowance).

Type of program: Social insurance system.

Coverage

Employed persons, pensioners, and certain self-employed persons.

Source of Funds

Insured person: None.

Self-employed person: None.

Employer: 2.8% of payroll.

Government: None.

Qualifying Conditions

Family allowance: Must reside in San Marino.

Eligible dependents include a spouse, children younger than age 16 (age 19 if a full-time student), and parents.

Family allowance supplement (dell'assegno familiare integrative, means tested): Must reside in San Marino and have annual household per capita income of up to €8,500.

Family Allowance Benefits

Family allowance: €69.50 a month is paid for the first dependent; €90.50 a month for the second; €112.50 a month for the third; €133.50 a month for the fourth; €160.50 a month for the fifth.

Family allowance supplement (dell'assegno familiare integrative, means tested): €69.50 a month is paid for the first dependent; €90.50 a month for the second; €112.50 a month for the third; €133.50 a month for the fourth; €160.50 a month for the fifth. For each child older than age 16 and in secondary education, the monthly benefit is increased by 5% to 10%.

Administrative Organization

National Social Security Institute (http://www.iss.sm/) administers the program and collects contributions.