

Venezuela

Exchange rate: U.S.\$1.00 equals 1,600 bolivares.

Old Age, Disability, and Survivors

Regulatory Framework

First law: 1940.

Current laws: 1966, 1991, and 2001.

Type of program: Social insurance system.

Note: The 1990 labor code established supplementary pension funds financed by employer contributions only.

Coverage

Employees in the private and public sectors.

Voluntary coverage is possible under certain conditions for persons who were previously covered.

Source of Funds

Insured person: An average of 1.93% of earnings.

Employer: An average of 4.82% of payroll.

Government: At least 1.5% of total taxable earnings to cover the cost of administration. Contributes as an employer.

The maximum monthly earnings for contribution and benefit purposes are 375,000 bolivares.

Qualifying Conditions

Old-age pension: Age 60 (men) or age 55 (women) with 750 weeks of contributions. The pensionable age is lower for those in unhealthy and arduous occupations. Retirement is not necessary. The pension is payable abroad.

Old-age grant: The insured was not eligible for a pension but has at least 100 weeks of contributions during the last 4 years.

Disability pension: The permanent or prolonged loss of over 2/3 of working capacity with 250 weeks of contributions (reduced by 20 contributions for every year under age 35), including 100 weeks in the last 3 years before the onset of disability. There is no qualifying period if the disability was caused by an accident that occurred while covered.

Partial disability pension: The loss of between 25% and 66.6% of working capacity.

Disability grant: For an assessed degree of disability of between 5% and 25%.

Survivor pension: The insured met the qualifying conditions for a pension or was a pensioner at the time of death. There is no qualifying period if the death is due to an accident that occurred while covered.

Survivor grant: The insured did not meet the qualifying period for a pension but had at least 100 weeks of contributions during the last 4 years. The grant is payable to an eligible widow(er), a common-law wife, or to orphans.

Old-Age Benefits

Old-age pension: 9,000 bolivares a month, plus 30% of average earnings during the last 5 years or the average of the best 5 years in the last 10 years (whichever is higher), plus an increment of 1% of earnings for every 50-week period of contributions beyond 750 weeks.

The minimum pension is 40% of earnings.

Deferred pension: An increment of 5% of the pension for every year that the pension is deferred after the pensionable age.

Benefit adjustment: Periodic adjustments of benefits for changes in prices and wages.

Old-age grant: An amount equal to 10% of total covered earnings if the insured is not eligible for a pension but has at least 100 weeks of contributions during the last 4 years.

Benefit adjustment: Periodic adjustments of benefits for changes in prices and wages.

Permanent Disability Benefits

Disability pension: 9,000 bolivares a month plus 30% of average earnings (payable after 6 months of disability), plus an increment of 1% of earnings for every 50-week period of contributions beyond 750 weeks.

The minimum pension is 40% of earnings.

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

Partial disability: For an assessed degree of disability of between 25% and 66.6%, a percentage of the full pension proportional to the assessed degree of disability (if the disability is the result of a nonoccupational accident).

Disability grant: Thirty-six months' disability pension.

Benefit adjustment: Periodic adjustment of benefits for changes in prices and wages.

Survivor Benefits

Survivor pension: 40% of the pension paid or accrued to the insured is payable to a widow aged 45 or older or caring for a child. Other widows receive a lump sum of 2 years' widow's pension. A pension is also payable to a dependent widower aged 60 or disabled. In the absence of a widow, the pension may be paid to a surviving common-law wife.

Orphan's pension: 20% of the insured's pension for each orphan under age 14 (age 18 if a student, no limit if disabled).

Full orphans: The first full orphan receives 40% of pension; other full orphans, 20%.

The maximum survivor pension is 100% of the insured's pension.

Benefit adjustment: Periodic adjustment of benefits for changes in prices and wages.

Other eligible survivors (in the absence of the above): An amount equal to 10% of the insured's total covered earnings is payable to brothers, sisters, and parents.

Survivor grant: An amount equal to 10% of the insured's total covered earnings.

Funeral grant: The grant must not be more than five times the insured's monthly salary.

Benefit adjustment: Periodic adjustment of benefits for changes in prices and wages.

Administrative Organization

Ministry of Labor provides general supervision.

Managed by a tripartite board and a director general, the Social Insurance Institute administers the program.

Sickness and Maternity

Regulatory Framework

First law: 1940.

Current laws: 1966, 1991, and 2001.

Type of program: Social insurance system. Cash and medical benefits.

Coverage

Employees in the private and public sectors.

Source of Funds

Insured person: An average of 1.79% of earnings.

Employer: An average of 3.46% of payroll.

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

All of the above contributions also finance work injury benefits.

Qualifying Conditions

Cash and medical benefits: Current coverage is necessary.

Sickness and Maternity Benefits

Sickness benefit: 66.6% of earnings, payable after a 3-day waiting period for up to 52 weeks; may be extended under certain conditions. The benefit is reduced by 50% when the patient is hospitalized.

Maternity benefit: 66.6% of earnings is payable for up to 6 months.

Workers' Medical Benefits

Free medical services are normally provided directly to patients by the medical facilities of the Social Security Institute for up to a maximum of 52 weeks; may be extended for another 52 weeks for convalescent care. Benefits include general and specialist care, hospitalization, laboratory services, medicines, dental care, maternity care, appliances, and transportation.

Dependents' Medical Benefits

Free medical services are normally provided directly to patients by the medical facilities of the Social Security Institute. Benefits include general and specialist care, hospitalization, laboratory services, medicines, dental care, maternity care, appliances, and transportation. The maximum duration of medical benefits for dependents of pensioners is 26 weeks; survivors of pensioners are entitled to medical service benefits for up to 52 weeks.

Administrative Organization

Ministry of Labor provides general supervision.

Social Insurance Institute administers the program.

Social Insurance Institute operates its own clinics and hospitals and contracts for other facilities.

Work Injury

Regulatory Framework

First law: 1923.

Current laws: 1966, 1991, and 2001.

Type of program: Social insurance system.

Coverage

Employees in the private and public sectors.

Source of Funds

Insured person: See source of funds under Sickness and Maternity, above.

Employer: See source of funds under Sickness and Maternity, above.

Government: See source of funds under Sickness and Maternity, above.

Qualifying Conditions

Work injury benefits: There is no minimum qualifying period.

Temporary Disability Benefits

66.6% of earnings. The benefit is payable after a 3-day waiting period for up to 52 weeks (may be extended for an additional 52 weeks if recovery is likely.)

Permanent Disability Benefits

Permanent disability pension: 66.6% of earnings, if totally disabled.

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

Partial disability: For an assessed degree of disability of between 25% and 66.6%, a percentage of the full pension in proportion to the assessed degree of disability. For an assessed degree of disability of between 6% and 24%, a lump sum equal to 3 years' pension.

Workers' Medical Benefits

Benefits include free general and specialist care, hospitalization, medicines, laboratory services, appliances, and rehabilitation services.

Survivor Benefits

Survivor pension: 40% of the insured's total disability pension, payable to a widow aged 45 or caring for a child. Other widows receive a lump sum of 2 years' widow's pension. A pension is also payable to a dependent widower aged 60 or older or disabled and a common-law wife (in the absence of a widow).

Orphan's pension: 20% of the insured's pension for each orphan under age 14 (age 18 if a student, no limit if disabled).

Full orphans: The first full orphan receives 40% of the insured's pension; other full orphans, 20%.

Other eligible survivors (in the absence of the above): Brothers, sisters, and parents may receive an amount equal to 10% of the insured's total covered earnings.

Survivor settlement: An amount equal to 10% of the insured's total covered earnings. The settlement is payable if the insured did not meet the qualifying period for a pension but had at least 100 weeks of contributions during the last 4 years.

Funeral grant: 5,000 bolivares.

Administrative Organization

Ministry of Labor provides general supervision.

Social Insurance Institute administers contributions and benefits.

Social Insurance Institute provides medical benefits through its own clinics and hospitals.

Unemployment

Regulatory Framework

First law: 1940.

Current laws: 1966, 1991, and 2001.

Type of program: Social insurance system.

Labor law requires that employers provide a severance payment for dismissal without due notice, for unjustified dismissal, or involuntary retirement.

Coverage

Employees in the private and public sectors.

Source of Funds

Insured: 0.5% of earnings.

Employer: 1.7% of payroll.

Government: None.

The maximum monthly earnings for contribution and benefit purposes are 375,000 bolivares.

The above contributions also help finance health insurance for the unemployed.

Qualifying Conditions

Unemployment benefit: Fifty-two weeks of contributions during the 18 months preceding the date unemployment began. The insured must be available for training or suitable employment.

Unemployment Benefits

60% of the average weekly salary during the last 50 weeks. The benefit is paid for up to 18 weeks; may be extended to 26 weeks. Unemployed persons are entitled to a transportation bonus, employment training, and guidance services.

Transportation grant: 200 bolivares.

Workers' Medical Benefits

Unemployed insured persons and family members are covered for health insurance for 26 weeks.

Administrative Organization

Ministry of Labor provides general supervision.

Employment services administer training and guidance.

Venezuelan Social Insurance Institute administers the program.

Family Allowances

Regulatory Framework

Marriage grant: A lump sum of 7,000 bolivares with 100 weekly contributions paid in the 3 years before marriage. (The grant is provided under Old Age, Disability, and Survivors.)