

Honduras

Exchange rate: US\$1.00 = 22.00 lempiras.

Old Age, Disability, and Survivors

Regulatory Framework

First and current laws: 1959 (social security), implemented in 1971; and 2015 (social protection system).

Type of program: Social insurance system.

Note: Certain provisions of the 2015 social protection law relating to old-age, disability, and survivors have not been fully implemented, including mandatory individual accounts for persons with earnings above 8,882.30 lempiras a month. (Persons with earnings up to 8,882.30 lempiras a month may make voluntary contributions to individual accounts.)

Coverage

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

Voluntary coverage is available.

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

Source of Funds

Insured person: 2.5% of covered earnings.

The monthly earnings used to calculate contributions are subject to a minimum.

The maximum monthly earnings used to calculate contributions are 8,882 lempiras.

Self-employed person: 4% of estimated earnings.

The monthly earnings used to calculate contributions are subject to a minimum and a maximum.

Employer: 3.5% of covered payroll.

The minimum monthly earnings used to calculate contributions are subject to a minimum.

The maximum monthly earnings used to calculate contributions are 8,882 lempiras.

Government: At least 0.5% of the total insured and employer contributions; contributes as an employer.

The minimum monthly earnings used to calculate contributions are subject to a minimum.

The maximum monthly earnings used to calculate contributions are 8,882 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.

Remarriage settlement: Paid when the widow(er) or partner remarries.

Funeral grant: Paid to the person who paid for the funeral.

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 are the insured's average monthly earnings in the last three or five years (whichever is greater) before the month of entitlement.

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 monthly pension is 50% of the insured's basic monthly earnings.

The maximum monthly pension is 80% of the insured's basic monthly earnings.

Constant-attendance supplement: Up to 50% of the insured's old-age 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 are the insured's average monthly earnings in the last three or five years (whichever is greater) before the month of entitlement.

The minimum monthly pension is 50% of the insured's basic monthly earnings.

The maximum monthly pension is 80% of the insured's basic monthly earnings.

Constant-attendance supplement: Up to 50% of the insured's disability 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 the spouse's 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: A lump sum of 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

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; and 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 gradually being extended to all regions of the country.

Source of Funds

Insured person: 2.5% of covered earnings.

The monthly earnings used to calculate contributions are subject to a minimum.

The maximum monthly earnings used to calculate contributions are 8,882 lempiras.

The insured's contributions also finance work injury benefits.

Self-employed person: 7% of estimated earnings; 2% of estimated earnings for persons assessed as needy.

The monthly earnings used to calculate contributions are subject to a minimum and a maximum.

Employer: 5% of covered payroll.

The monthly earnings used to calculate contributions are subject to a minimum.

The maximum monthly earnings used to calculate contributions are 8,882 lempiras.

The employer's contributions also finance work injury benefits.

Government: 0.5% of the total insured and employer contributions from the previous year; contributes as an employer; subsidizes contributions for needy self-employed persons.

The monthly earnings used to calculate contributions are subject to a minimum.

The maximum monthly earnings used to calculate contributions are 8,882 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 medical 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 or partner, including postpartum care for up to 45 days; pediatric care for the insured's children up to age 11 or for children of unemployed persons if the illness occurs in the two months immediately after the unemployment began.

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 with private clinics, including in cities without public facilities.

Work Injury

Regulatory Framework

First and current laws: 1959 (social security), implemented in 1971; and 2015 (social protection system).

Type of program: Employer-liability system through a public or private carrier.

Coverage

Public-sector employees and employees of firms in industry and commerce with one or more workers in specified regions; and certain self-employed persons.

Voluntary coverage is available.

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

Source of Funds

Insured person: None.

Self-employed person: Pays insurance premiums.

Employer: The total cost (pays insurance premiums).

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 ceased.

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 are the insured's average monthly earnings in the last three or five years (whichever is greater) before the month of entitlement.

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 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 permanent 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 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).

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 outpatient clinics and hospitals.

Unemployment

Regulatory Framework

First and current law: 2015 (social protection system).

Type of program: Mandatory individual severance account (employer liability) system.

Note: Certain provisions of the 2015 social protection law relating to unemployment coverage are being phased in. In 2018, employers with less than 10 employees must participate.

Coverage

Persons employed in firms with at least 10 employees.

Exclusions: Self-employed persons.

Source of Funds

Insured person: None.

Self-employed person: Not applicable.

Employer: 4% of the insured's covered earnings.

The monthly earnings used to calculate contributions are subject to a minimum.

The maximum monthly earnings used to calculate contributions are three times the highest legal monthly minimum wage for the industry.

The legal monthly minimum wage varies according to the industry and the size of the company.

The employer's contributions cease when the individual account balance reaches 50% of the maximum severance payable (25 months of the insured's salary).

Government: None.

Qualifying Conditions

Severance benefits (mandatory employer-liability individual account): Must have at least three months of service.

Unemployment Benefits

Severance benefit (mandatory employer-liability individual account): The labor code requires employers to provide severance in cases of unfair dismissal. The benefit is 10 days' pay with three to six months of service; 20 days' pay with at least six but less than 12 months of service; and one month's pay with at least one year of service and for each 12-month period of service exceeding one year, up to 25 years.

The individual account balance finances 50% of the severance benefit. (The insured may make authorized withdrawals from the mandatory individual severance account for housing and certain other debts.)

Administrative Organization

National Commission of Banks and Insurance provides general supervision.

Individual pension and severance fund administrators administer individual accounts.

Family Allowances

Regulatory Framework

Certain provisions of the 2015 social protection law relating to family allowances have not yet been implemented. To date, a statutory financing framework for social assistance benefits has been established.