

## Colombia

Exchange rate: US\$1.00 = 3,047.30 pesos.

### Old Age, Disability, and Survivors

#### Regulatory Framework

**First law:** 1946, implemented in 1965.

**Current laws:** 1993 (social insurance), implemented in 1994; 2005 (means-tested individual account (BEPS)), implemented in 2014; 2007 (national development; 2012 (family pensions), implemented in 2014; 2013 (social pension); 2013 (self-employed workers); and 2016 (pension system).

**Type of program:** Social insurance, mandatory and voluntary individual account, and social assistance system.

Note: The insured must choose between the social insurance and mandatory individual account programs and may switch membership every five years up to 10 years before the normal retirement age.

The Beneficios Económicos Periódicos (BEPS) individual account program was introduced in 2014 to allow low-income individuals without mandatory coverage to contribute voluntarily to the general pension system. Participating individuals receive a 20% match of lifetime contributions from the government upon reaching the normal retirement age.

#### Coverage

**Social insurance and mandatory individual account:** Public- and private-sector employees, including household, short-term (less than one month of consecutive work), and daily workers; foreign employees not covered by any other pension program; and employees of the state oil company (Ecopetrol) hired on or after January 29, 2003; and self-employed persons.

Before January 1, 2015, insured persons aged 40 or older (men) or aged 35 or older (women) and workers with at least 15 years of contributions were only covered by the social insurance program.

Voluntary coverage is available for residents of Colombia, citizens residing abroad, and foreign employees covered through another pension program.

Special systems for Ecopetrol employees hired before January 30, 2003, teachers, and military and police personnel.

**Voluntary individual account (Beneficios Económicos Periódicos, BEPS):** Needy citizens of Colombia.

**Social assistance (Colombia Mayor):** Needy citizens of Colombia.

### Source of Funds

#### Insured person

**Social insurance, mandatory individual account, and social assistance:** 4% of covered earnings. An additional contribution that ranges from 1% of covered earnings with income from four to 16 times the legal monthly minimum wage up to 2% of covered earnings with income above 20 times the legal monthly minimum wage finances the Pension Solidarity Fund and Guarantee (the first 0.5% finances contribution subsidies for certain self-employed persons; the rest subsidizes the BEPS voluntary individual account and the Colombia Mayor social pension).

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

The maximum monthly earnings used to calculate contributions are 25 times the legal monthly minimum wage.

The legal monthly minimum wage is 737,717 pesos.

Of the combined insured person and employer social insurance contributions, 13% is allocated to old-age benefits, 1.81% to disability and survivor benefits, and 1.09% to administrative fees.

Of the combined insured person and employer individual account contributions, 11.5% is allocated to old-age benefits, 3.0% to disability and survivor benefits and administrative fees, and 1.5% to the guaranteed minimum pension.

**Voluntary individual account (BEPS):** See source of funds for Social insurance, individual account and social assistance above. Voluntary contributions are also possible.

The minimum annual voluntary contribution is 5,000 pesos.

The maximum annual voluntary contribution is 990,000 pesos.

Contributions do not have to be made regularly.

Contributions are paid monthly (weekly for short-term or daily workers).

#### Self-employed person

**Social insurance:** 13% of covered declared earnings (old age); 1.81% (disability and survivors), and 1.09% (administrative fees).

Certain vulnerable self-employed persons may receive a subsidy of 70% to 95% of their required contributions for 500 to 750 weeks.

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

The legal monthly minimum wage is 737,717 pesos.

**Mandatory individual account:** 11.5% of declared earnings (old age); 1.5% (disability and survivors); 1.5% (administrative fees); and 1.5% (minimum guaranteed pension).

**Voluntary individual account (BEPS):** Voluntary contributions.

The minimum annual voluntary contribution is 5,000 pesos.

The maximum annual voluntary contribution is 990,000 pesos.

Contributions do not have to be made regularly.

**Social assistance:** None with income less than four times the legal monthly minimum wage; 1% of covered earnings with income from four to 16 times the legal monthly minimum wage; up to 2% of covered earnings with income above 20 times the legal monthly minimum wage.

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

The maximum monthly earnings used to calculate contributions are 20 times the legal monthly minimum wage.

The legal monthly minimum wage is 737,717 pesos.

Contributions are paid monthly (weekly for short-term or daily workers).

### Employer

**Social insurance and mandatory individual account:** 12% of covered payroll.

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

The maximum monthly earnings used to calculate contributions are 25 times the legal monthly minimum wage.

The legal monthly minimum wage is 737,717 pesos.

Of the combined insured person and employer social insurance contributions, 13% is allocated to old-age benefits, 1.81% to disability and survivor benefits, and 1.09% to administrative fees.

Of the combined insured person and employer individual account contributions, 11.5% is allocated to old-age benefits, 3.0% to disability and survivor benefits and administrative fees, and 1.5% to the guaranteed minimum pension.

The employer pays an additional 10% of covered payroll for workers engaged in certain forms of hazardous employment to finance the special pension.

Contributions are paid monthly (weekly for short-term or daily workers).

**Voluntary individual account (BEPS):** Voluntary contributions.

**Social assistance:** None.

### Government

**Social insurance and mandatory individual account:** None; contributes as an employer.

**Voluntary individual account (BEPS):** Partially subsidizes the Pension Solidarity Fund, which directs 20% of its account balance to BEPS voluntary individual accounts; also pays 20% of balances transferred from the social insurance or mandatory individual account programs to the BEPS individual account program.

**Social assistance:** Partially finances contribution subsidies for certain self-employed persons and the Colombia Mayor social pension.

### Qualifying Conditions

**Old-age pension (social insurance):** Age 62 (men) or age 57 (women) with at least 1,300 weeks of contributions.

**Old-age family pension (social insurance, means tested):** Paid to a couple of pensionable age (married or domestic partners) who lived together for at least five years before reaching age 55, and individually do not meet the contribution requirements for a social insurance old-age pension but together have at least 1,300 weeks of contributions. Each member of the couple must have paid 25% of the required weeks of contributions to qualify (at least 325 weeks) and be classified as SISBEN I or II. If one member of the couple is covered by the social insurance program and the other by the mandatory individual account program, the member in the mandatory individual account program must first transfer to the social insurance program (only permitted if the member had fewer than 10 years before retirement on October 1, 2012).

SISBEN is a targeting system used to identify poor and vulnerable households, families, and individuals.

The old-age family pension ceases upon divorce or separation.

**Special pension (social insurance):** Aged 50 to 55 with 1,300 weeks of contributions, including at least 700 weeks of contributions made while in certain forms of hazardous employment, according to specified qualifying conditions.

**Old-age settlement (social insurance):** Must be of pensionable age but not meet the contribution requirements for a social insurance old-age pension and cannot continue to work to reach the minimum contribution period (1,300 weeks).

**Old-age pension (mandatory individual account):** The accumulated capital in the individual account is sufficient to purchase an annuity greater than 110% of the legal monthly minimum wage. Must have at least 1,150 weeks of contributions.

**Guaranteed minimum pension:** Age 62 (men) or age 57 (women) with at least 1,150 weeks of contributions and the individual account balance is insufficient to finance the minimum pension set by law.

The minimum pension set by law is the legal monthly minimum wage.

The legal monthly minimum wage is 737,717 pesos.

**Old-age family pension (mandatory individual account):** Paid to a couple of pensionable age (married or domestic partners) who have lived together for at least five years before reaching age 55; individually each person does not have enough funds in his or her mandatory individual

account to finance an old-age pension but the combined account balances are sufficient for an old-age pension. Both members of the couple must be enrolled in the same pension fund management company (SAFP); if they are enrolled in different SAFPs, the member with the lower account balance must switch to the other's company. If one member of the couple is covered by the social insurance program and the other is covered by the mandatory individual account program, the member covered by social insurance program must first transfer to the mandatory individual account program and enroll in the same SAFP as the other member (only permitted if on October 1, 2012, the member had fewer than 10 years before retirement).

**Guaranteed minimum family pension:** Paid to a couple of pensionable age who lived together for at least five years before reaching age 55; individually each person does not have enough funds in his or her individual account to finance the minimum pension set by law; must have at least a combined 1,150 total weeks of contributions.

The minimum pension set by law is the legal monthly minimum wage.

The legal monthly minimum wage is 737,717 pesos.

**Old-age benefit (BEPS, voluntary individual account, means tested):** Age 62 (men) or age 57 (women); the combined balance of all individual accounts is insufficient to finance the minimum pension set by law. The amount saved a year is less than the minimum annual contribution for old-age pensions. Must be classified as SISBEN I, II, or III.

The minimum pension set by law is the legal monthly minimum wage.

The legal monthly minimum wage is 737,717 pesos.

SISBEN is a targeting system used to identify poor and vulnerable households, families, and individuals.

BEPS account balances (including accrued interest) can be transferred to the social insurance or mandatory individual account programs and are credited as additional contribution periods.

The BEPS benefit can be combined with the old-age social pension but not a guaranteed minimum pension.

**Old-age social pension (Colombia Mayor, social assistance, means tested):** Must be at least three years younger than the normal retirement age, have resided in Colombia for the last 10 years, and be classified as SISBEN I or II.

SISBEN is a targeting system used to identify poor and vulnerable households, families, and individuals.

The old-age social pension can be combined with the BEPS voluntary individual account.

**Disability pension (social insurance and mandatory individual account):** Must have at least a 50% assessed loss of working capacity and: be younger than age 20 and have at least 26 weeks of contributions in the year before the disability began; be aged 20 or older and have at least

50 weeks of contributions in the three years before the disability began; or be any age and have at least 975 weeks of contributions, including 25 weeks of contributions in the three years before the disability began.

The degree of disability may be reviewed every three years.

**Disability settlement (social insurance and mandatory individual account):** Must meet the age and disability requirements for a social insurance disability pension but not meet the contribution requirements.

**Disability benefit (BEPS, voluntary individual account, means tested):** Must have made at least six contributions or contributions equal to six times the legal daily minimum wage in the last 12 months. Must be classified as SISBEN I, II, or III.

SISBEN is a targeting system used to identify poor and vulnerable households, families, and individuals.

**Survivor pension (social insurance and mandatory individual account):** The deceased received or was entitled to receive an old-age or disability pension at the time of death; had at least 50 weeks of contributions in the last three years, and contributed for at least 25% of the time from age 20 to the date of death if the death was the result of an illness (20% of the time if the death was the result of an accident).

Eligible survivors include a widow(er) or partner who lived with the deceased for at least five years or who had children with the deceased; dependent children younger than age 18 (age 25 if a student, no limit if disabled); dependent parents; and a dependent sibling with a disability.

**Survivor settlement (social insurance and mandatory individual account):** The deceased did not meet the contribution requirements for an old-age or disability pension or had lived with the deceased for less than five years in the case of a widow(er) or partner.

Eligible survivors include a widow or partner who lived with the deceased for at least five years or who had children with the deceased; a dependent, a disabled widower; children younger than age 18 (age 25 if a student, no limit if disabled); dependent parents; or a sibling with a disability.

**Survivor benefit (BEPS, voluntary individual account, means tested):** The deceased must have made at least six contributions or contributions equal to six times the legal daily minimum wage in the last 12 months and was not receiving a BEPS pension.

**Funeral grant (social insurance and mandatory individual account):** Paid when an insured person or old-age pensioner dies.

**Funeral grant (BEPS, voluntary individual account, means tested):** Age 62 (men) or 57 (women); the combined balance of all individual accounts is insufficient to finance the minimum pension set by law. The amount saved a year is less than the minimum annual contribution for old-age pensions.

The minimum pension set by law is the legal monthly minimum wage.

The legal monthly minimum wage is 737,717 pesos.

### **Old-Age Benefits**

**Old-age pension (social insurance):** 55% to 65% of the basic monthly wage (the lower the salary, the higher the replacement rate) plus 1.5% for each 50-week period of contributions is paid, up to 80% of the basic monthly wage.

The basic monthly wage is the insured's average earnings in the last 10 years.

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

The maximum monthly earnings used to calculate benefits are 25 times the legal monthly minimum wage.

The minimum monthly social insurance old-age pension is the legal monthly minimum wage.

The legal monthly minimum wage is 737,717 pesos.

**Old-age family pension (social insurance, means tested):** The legal monthly minimum wage is split equally between the spouses or domestic partners.

**Special pension (social insurance):** The pension is calculated in the same way as the social insurance old-age pension.

Schedule of payments: 13 payments a year; 14 payments if the old-age pension was less than three times the minimum wage and the insured retired before July 31, 2011.

Benefit adjustment: Benefits are adjusted annually according to changes in the consumer price index or the minimum wage.

**Old-age settlement (social insurance):** A portion of the insured's average weekly wage on which the insured made contributions multiplied by the number of weeks of contributions is paid as a lump sum.

**Old-age pension (mandatory individual account):** The insured has three different payment options: receive programmed withdrawals, purchase an annuity, or use a combination of these two options.

Guaranteed minimum pension: The difference between the individual account balance and the minimum pension set by law is paid.

The minimum pension set by law is the legal monthly minimum wage.

The legal monthly minimum wage is 737,717 pesos.

With less than 1,150 weeks of contributions, a lump sum of the individual account balance is paid.

**Old-age family pension (mandatory individual account):** The mandatory individual account old-age pension is split equally between the spouses or domestic partners.

Guaranteed minimum family pension: The pension is calculated in the same way as the guaranteed minimum pension for the mandatory individual account old-age pension.

Benefit adjustment: Benefits are adjusted annually according to changes in the consumer price index or the minimum wage.

**Old-age benefit (BEPS, voluntary individual account, means tested):** The account balance plus a 20% subsidy is paid; if the old-age settlement or the mandatory individual account balance is transferred to the BEPS voluntary individual account, an additional 20% subsidy of the transferred amount is paid, up to 85% of the legal monthly minimum wage.

The legal monthly minimum wage is 737,717 pesos.

**Old-age social pension (Colombia Mayor, social assistance, means tested):** 40,000 to 75,000 pesos a month is paid. The maximum benefit is paid if the insured contributed to the BEPS voluntary individual account.

Local governments may cofinance the program to increase the benefit levels in their jurisdictions.

### **Permanent Disability Benefits**

**Disability pension (social insurance and mandatory individual account):** For an assessed degree of disability greater than 66%, 54% of the basic monthly wage plus 2% for each 50-week period of contributions exceeding 800 weeks is paid, up to 75%. For an assessed degree of disability of 50% to 66%, 45% of the basic monthly wage plus 1.5% for each 50-week period of contributions exceeding 500 weeks is paid.

The basic monthly wage is the insured's average earnings in the last 10 years before receiving the pension.

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

The maximum monthly earnings used to calculate benefits are 25 times the legal monthly minimum wage.

The minimum monthly disability pension is the legal monthly minimum wage.

The legal monthly minimum wage is 737,717 pesos.

Schedule of payments: 13 payments a year; 14 payments if the old-age pension was less than three times the minimum wage and the insured retired before July 31, 2011.

Benefit adjustment: Benefits are adjusted annually according to changes in the consumer price.

**Disability settlement (mandatory individual account):** A lump sum of the individual account balance may be paid or the insured may continue to make contributions to qualify for an old-age pension.

**Disability benefit (BEPS, voluntary individual account, means tested):** A lump sum of 10 to 15 times the account balance for annual savings from 100,001 to

990,000 pesos; up to 1,000,000 pesos for annual savings up to 100,000 pesos.

### **Survivor Benefits**

**Survivor pension (social insurance and mandatory individual account):** 100% of the old-age or disability pension the deceased received, or 45% of the deceased's monthly earnings plus 2% for each 50-week period of contributions exceeding 500 weeks, is paid, up to 75% of the deceased's monthly earnings.

The pension is paid for life if the widow(er) or partner was aged 30 or older at the time of the insured's death or if the couple had a common child; up to 20 years if the widow(er) or partner was younger than age 30 and did not have a child with the deceased.

The basic monthly wage is the deceased's average earnings in the last 10 years.

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

The maximum monthly earnings used to calculate benefits are 25 times the legal monthly minimum wage.

The minimum combined survivor pension is the legal monthly minimum wage.

The legal monthly minimum wage is 737,717 pesos.

If the deceased received an old-age family pension, 100% of the deceased's old-age family pension is paid to the widow(er) in the absence of dependent children; if there are dependent children, the deceased's old-age family pension is split between the widow(er) and children without any change to the widow(er)'s old-age family pension.

Schedule of payments: 13 payments a year; 14 payments if the old-age pension was less than three times the minimum wage and the insured retired before July 31, 2011.

Benefit adjustment: Benefits are adjusted annually according to changes in the consumer price index or the minimum wage.

**Survivor settlement (social insurance):** The old-age settlement the deceased was entitled to receive at the time of death is paid.

**Survivor settlement (mandatory individual account):** A lump sum of the account balance is paid.

**Survivor benefit (BEPS, voluntary individual account, means tested):** A lump sum of the account balance plus accrued interest is paid.

**Funeral grant (social insurance and mandatory individual account):** One month of the deceased's old-age or disability pension or last wage is paid to cover the cost of the funeral.

The minimum funeral grant is five times the legal monthly minimum wage.

The maximum funeral grant is 10 times the legal monthly minimum wage.

The legal monthly minimum wage is 737,717 pesos.

**Funeral grant (BEPS, voluntary individual account, means tested):** A lump sum of 1.5 times the legal monthly minimum wage is paid to cover the cost of the funeral.

The legal monthly minimum wage is 737,717 pesos.

### **Administrative Organization**

Ministry of Labor (<http://www.mintrabajo.gov.co/>) provides general supervision.

Financial Superintendence of Colombia (<https://www.superfinanciera.gov.co/>) provides general financial supervision.

Colpensiones (<https://www.colpensiones.gov.co/>) administers the social insurance and BEPS programs nationally.

Pension and Severance Pay Fund management companies (SAFPCs) administer individual accounts.

Colombia Mayor Consortium (<https://colombiamayor.co/>) manages the social assistance program.

Administrator of the Integrated Platform for Payment of Contributions (PILA, <https://www.minsalud.gov.co/proteccionsocial/Paginas/pila.aspx/>) collects contributions.

Banks pay benefits.

### **Sickness and Maternity**

#### **Regulatory Framework**

**First law:** 1938.

**Current laws:** 1993 (social insurance and social assistance), implemented in 1994; 2002 (parental leave); and 2011 (labor code).

**Type of program:** Social insurance and social assistance system.

#### **Coverage**

**Social insurance:** Residents of Colombia who are employees, pensioners, students, apprentices, or unemployed persons.

Coverage is being gradually extended to all citizens of Colombia regardless of their ability to contribute.

**Social assistance:** Needy residents of Colombia. Special systems for military and police personnel.

#### **Source of Funds**

##### **Insured person**

**Social insurance:** 4% of earnings; pensioners contribute 12% of their monthly pensions for medical benefits.

**Social assistance:** None.

### Self-employed person

**Social insurance:** 12.5% of declared earnings, 1.5% of which finances the social assistance program (solidarity contributions).

Declared earnings used to calculate contributions are 1.5 or two times the legal monthly minimum wage, depending on trade union affiliation.

The legal monthly minimum wage is 737,717 pesos.

**Social assistance:** None.

### Employer

**Social insurance:** 8.5% of covered payroll, 1.5% of which finances the social assistance program (solidarity contributions).

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

The legal monthly minimum wage is 737,717 pesos.

**Social assistance:** None.

### Government

**Social insurance:** None; contributes as an employer.

**Social assistance:** Subsidies as needed.

### Qualifying Conditions

**Cash sickness and medical benefits (social insurance):** Must have at least four weeks of contributions immediately before the claim is made, except for emergencies.

**Cash maternity benefit (social insurance):** Must have at least nine months of contributions before the expected date of childbirth or adoption.

**Paternity leave (social insurance):** Must have at least 100 weeks of contributions before the expected date of childbirth or adoption.

**Medical benefits (social assistance):** Provided to vulnerable persons, including persons classified as SISBEN I or II (or SISBEN III for persons covered by the program before January 9, 2007); indigenous and internally displaced persons; children under the custody of ICBF; prisoners; and former rebels.

SISBEN is a targeting system used to identify poor and vulnerable households, families, and individuals.

### Sickness and Maternity Benefits

**Sickness benefit (social insurance):** 66.6% of the insured's earnings in the month before the incapacity began (the average monthly earnings in the year before the incapacity began or during the total employment period, whichever is greater, for casual workers) is paid after a two-day waiting period for up to 180 days. (The employer pays the first two days.)

**Maternity benefit (social insurance):** 100% of the insured's last earnings before the maternity leave is paid for 18 weeks (20 weeks for multiple births). In case of premature birth, the difference (number of days) between the actual and the expected date of childbirth is added.

**Paternity leave (social insurance):** 100% of the insured's earnings is paid for eight days.

### Workers' Medical Benefits

**Social insurance:** The insured may choose between public and private health care. Benefits include medical, surgical, hospital, pharmaceutical, maternity, and dental care; and related services. Pre-existing conditions are covered but may be subject to a waiting period; no waiting period for pregnant women.

**Cost sharing:** A copayment is required, depending on the insured person's income for certain services.

**Social assistance:** Benefits are the same as under the social insurance program.

**Cost sharing:** A copayment is required for certain services (except for persons classified as SISBEN I and persons living in equivalent situations of poverty).

### Dependents' Medical Benefits

Medical benefits for dependents (social insurance and social assistance) are the same as those for the insured person or main beneficiary. There is no waiting period for pregnant women or children younger than age 1.

**Cost sharing:** A copayment plus additional fees for dependents are required.

### Administrative Organization

National Superintendent of Health (<https://www.supersalud.gov.co/>) provides general supervision.

Ministry of Health (<https://www.minsalud.gov.co/>) administers the program.

Administrator of the Integrated Platform for Payment of Contributions (PILA, <https://www.minsalud.gov.co/proteccionsocial/Paginas/pila.aspx/>) collects contributions.

State Social Enterprises and private health institutions provide health services.

### Work Injury

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#### Regulatory Framework

**First law:** 1915.

**Current laws:** 1993 (social insurance), implemented in 1994; 2002 (work injury organization); 2012 (work injury); and 2016 (self-employed workers).

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

## Coverage

Employed persons; pensioners who re-enter the workforce; certain students; and self-employed persons in high-risk occupations.

Voluntary coverage for certain self-employed persons and informal-sector workers.

## Source of Funds

**Insured person:** None.

**Self-employed person:** 0.348% to 4.089% of covered declared earnings, according to the assessed degree of risk.

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

The maximum monthly earnings used to calculate contributions are 25 times the legal monthly minimum wage.

The legal monthly minimum wage is 737,717 pesos.

**Employer:** 0.348% to 8.7% of covered payroll, according to the assessed degree of risk. (Up to 3% of the employer's contribution finances the work injury fund, which promotes health and safety for workers.)

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

The maximum monthly earnings used to calculate contributions are 25 times the legal monthly minimum wage.

The legal monthly minimum wage is 737,717 pesos.

**Government:** Contributes to the work injury fund from general revenue; contributes as an employer.

## Qualifying Conditions

Must be assessed with a work injury or occupational disease. A medical board assesses the level of disability, and reassesses permanent disabilities every three years.

## Temporary Disability Benefits

100% of the insured's covered earnings is paid from the day after the work injury occurred or the occupational disease was diagnosed until rehabilitation or certification of permanent disability, up to 180 days (may be extended under certain circumstances for up to 180 days).

## Permanent Disability Benefits

**Permanent disability pension:** For an assessed degree of disability of more than 66%, 75% of base earnings is paid; for an assessed degree of disability of 50% to 66%, 60% of base earnings is paid.

Base earnings are the insured's average earnings in the last six months for a work accident benefit or in the last 12 months for an occupational disease benefit.

Constant-attendance allowance: 15% of the permanent 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 5% to 49%, a lump sum of two to 24 times the base earnings is paid.

Base earnings are the insured's average earnings in the last six months for a work accident benefit or in the last 12 months for an occupational disease benefit.

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

The maximum monthly earnings used to calculate benefits are 25 times the legal monthly minimum wage.

The minimum monthly permanent disability pension is the legal monthly minimum wage.

The maximum monthly permanent disability pension is 20 times the legal monthly minimum wage.

The legal monthly minimum wage is 737,717 pesos.

Benefit adjustment: Benefits are adjusted annually according to changes in the consumer price index.

## Workers' Medical Benefits

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

## Survivor Benefits

**Survivor pension:** 75% of the deceased's monthly earnings is paid to eligible survivors if the deceased was employed at the time of death; 100% of the deceased's permanent disability pension if the deceased was a pensioner at the time of death. If the pensioner received a constant-attendance allowance, the survivor pension is reduced by 15% of the permanent disability pension.

Eligible survivors include a widow(er) or partner who lived with the deceased for at least five years or who had children with the deceased; children younger than age 18 (age 25 if a student, no limit if disabled), or dependent parents or siblings.

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

The maximum monthly earnings used to calculate benefits are 25 times the legal monthly minimum wage.

The legal monthly minimum wage is 737,717 pesos.

Schedule of payments: 13 payments a year; 14 payments if the old-age pension was less than three times the minimum wage and the insured retired before July 31, 2011.

**Funeral grant:** One month of the deceased's old-age or disability pension or last wage is paid to cover the cost of the funeral.

The minimum funeral grant is five times the legal monthly minimum wage.

The maximum funeral grant is 10 times the legal monthly minimum wage.

The legal monthly minimum wage is 737,717 pesos.

### Administrative Organization

Ministry of Labor (<http://www.mintrabajo.gov.co/>), Financial Superintendence of Colombia (<https://www.superfinanciera.gov.co/>), and the National Superintendent of Health (<http://www.supersalud.gov.co/>) provide general supervision.

Labor Risk Administrators (ARLs) authorized by the Financial Superintendence of Colombia administer temporary disability benefits and partial disability pensions.

Colpensiones (<https://www.colpensiones.gov.co/>) administers permanent disability and survivor pensions for persons insured in the social insurance system.

Pension and Severance Fund management companies (SAF-PCs) administer permanent disability and survivor pensions for persons insured in the individual account system.

Administrator of the Integrated Platform for Payment of Contributions (PILA, <https://www.minsalud.gov.co/proteccionsocial/Paginas/pila.aspx/>) collects contributions.

### Unemployment

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#### Regulatory Framework

**First and current laws:** 1990 (severance) and 2013 (unemployment protection).

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

#### Coverage

Employed persons.

Voluntary coverage for self-employed persons.

#### Source of Funds

##### Insured person

*Social insurance:* None.

*Mandatory individual account:* None.

*Voluntary individual account:* Employed persons may choose to allocate a portion of their contribution to the mandatory individual account to their supplemental individual account.

##### Self-employed person

*Social insurance:* See source of funds under Family Allowances.

*Mandatory individual account:* One month of the insured's annual salary is paid a year.

*Voluntary individual account:* Self-employed persons may choose to allocate a portion of their contribution to the mandatory individual account to their supplemental individual account.

##### Employer

*Social insurance:* See source of funds under Family Allowances.

*Mandatory individual account:* One month of the insured's annual salary, except salaried person under certain types of contract (integral salary; earning more than 10 times the legal monthly minimum wage) is paid a year.

*Voluntary individual account:* None.

##### Government

*Social insurance:* See source of funds under Family Allowances.

*Mandatory individual account:* None; contributes as an employer.

*Voluntary individual account:* None.

#### Qualifying Conditions

**Unemployment benefit (social insurance):** Must have been enrolled in a family allowances fund for at least one year (at least two years for self-employed persons) in the three years before becoming unemployed, register with an employment service, and participate in training and vocational rehabilitation programs. Previously employed persons must provide a certificate of employment termination.

Must be actively seeking employment, be available to receive training, and accept job interviews and job offers, in agreement with the public employment service.

**Severance benefit (mandatory individual account):** Must be unemployed or retired.

**Other withdrawals:** Withdrawals are possible to finance family members' tertiary education, or to upgrade or purchase housing or property, independent of the employment status. Must provide proof of the amount due.

**Supplemental unemployment benefit (voluntary individual account):** Must have contributed at least 10% of the insured's average monthly wage in the last year (for those with earnings less than twice the legal monthly minimum wage) or at least 25% of the insured's average monthly wage in the last year (for those with earnings equal to at least twice the legal monthly minimum wage).

The legal monthly minimum wage is 737,717 pesos.

#### Unemployment Benefits

**Unemployment benefit (social insurance):** A monthly family benefit (which varies depending on the region) is paid for up to six months. A food voucher is paid for a six-month period worth, in total, 1.5 times the legal monthly



minimum wage. The Solidarity Fund for Employment Promotion and Protection against Unemployment pays the unemployed person's social security contributions for old-age, disability, survivors, and medical benefits for up to six months. The contribution is calculated based on the legal monthly minimum wage.

The legal monthly minimum wage is 737,717 pesos.

**Severance benefit (mandatory individual account):** One month of the insured's annual salary is paid for each year of employment; a reduced benefit is paid with less than a year of employment. (The insured may make authorized partial or total withdrawals from the mandatory individual severance account for education or housing.)

**Supplemental unemployment benefit (voluntary individual account):** A monthly benefit based on the account balance is paid for up to six months.

### Administrative Organization

Ministry of Labor (<http://www.mintrabajo.gov.co/>) and the Superintendent for Family Subsidies (<http://www.ssf.gov.co/>) provide general supervision.

Solidarity Fund for Employment Promotion and Protection against Unemployment (FOSFEC), administered by family allowance funds, pays social insurance unemployment benefits.

Pension and Severance Pay Fund management companies (SAFPCs) administer the individual accounts.

## Family Allowances

### Regulatory Framework

**First law:** 1957.

**Current laws:** 1982 (family allowances), 2012 (More Families in Action program), 2013 (Youth in Action program; household workers), and 2014 (migrant workers).

**Type of program:** Social insurance and social assistance system.

### Coverage

**Social insurance:** Public- and private-sector employees, including household and short-term (less than one month of continuous employment) and daily workers, and self-employed persons.

Voluntary coverage for pensioners, self-employed persons, Colombians residing abroad, Colombian residents, and unemployed persons.

Special systems for military and police personnel.

**Family cash transfer (Más Familias en Acción, social assistance):** Needy residents of Colombia.

**Student cash transfer (Jóvenes en Acción, social assistance):** Needy citizens of Colombia.

## Source of Funds

### Insured person

**Social insurance:** None. 2% of the legal monthly minimum wage or pension for the voluntarily insured (Colombians residing abroad pay 2% of their declared earnings, which must be at least two times the legal monthly minimum wage); 0.6% of the legal monthly minimum wage for reduced allowances.

The legal monthly minimum wage is 737,717 pesos.

**Social assistance:** None.

### Self-employed person

**Social insurance:** 2% of declared earnings; 0.6% of the legal monthly minimum wage for reduced allowances.

The legal monthly minimum wage is 737,717 pesos.

The self-employed person's contributions also finance the social insurance unemployment benefit under Unemployment.

**Social assistance:** None.

### Employer

**Social insurance:** 4% of payroll (weekly earnings for short-term or daily workers).

The minimum monthly earnings used to calculate contributions for household workers are the legal monthly minimum wage (a proportion of the legal monthly minimum wage for short-term or daily workers).

The legal monthly minimum wage is 737,717 pesos.

The employer's contributions also finance the social insurance unemployment benefit under Unemployment.

**Social assistance:** None.

### Government

**Social insurance:** None; contributes as an employer.

**Social assistance:** The total cost.

## Qualifying Conditions

**Family benefit (social insurance, income tested):** Paid for eligible dependents if the insured has completed at least 60 days of continuous employment with the same employer, 96 hours of which were credited during the last 25 working days.

Eligible dependents include children younger than age 18 (age 23 if a student, no limit if disabled); a dependent parent older than age 60; orphan siblings younger than 18 or dependent, disabled siblings (any age).

**Income test:** The insured's monthly income must not exceed four times the legal monthly minimum wage and the combined monthly earnings of either spouses or partners must not exceed six times the legal monthly minimum wage.

The legal monthly minimum wage is 737,717 pesos.

**Dependent's death allowance (Subsidio Extraordinario, social insurance, income tested):** Paid to an employee who qualifies for family benefits in the case of an eligible dependent.

Eligible dependents include children younger than age 18 (age 23 if a student, no limit if disabled); a dependent parent older than age 60; orphan siblings younger than 18 or dependent, disabled siblings (any age).

**Surviving spouse allowance (social insurance):** The deceased received the social insurance family benefit and leaves behind a dependent.

Eligible dependents include children younger than age 18 (age 23 if a student, no limit if disabled); a dependent parent older than 60; an orphan sibling younger than 18, or a dependent disabled sibling (any age).

**Family cash transfer (Más Familias en Acción, social assistance):** Paid to households with children younger than age 18 that are classified as SISBEN I, II, or III, registered in Red Unidos, or classified as internally displaced or indigenous.

SISBEN is a targeting system used to identify poor and vulnerable households, families, and individuals.

Red Unidos is a part of the government's national strategy for overcoming extreme poverty.

Families with children aged 0 to 7 must attend scheduled growth and development check-ups and follow the vaccination schedule. Children must enroll in school, attend at least 80% of monthly classes, and not miss more than two years of school.

**Student cash transfer (Jóvenes en Acción, social assistance):** Aged 16 to 24 and enrolled in higher education. Must be classified as SISBEN I, II, or III, registered in Red Unidos, registered with the Family Wellbeing Institute, or classified as internally displaced or indigenous.

SISBEN is a targeting system used to identify poor and vulnerable households, families, and individuals.

Red Unidos is a part of the government's national strategy for overcoming extreme poverty.

### **Family Allowance Benefits**

**Family benefit (social insurance, income tested):** Monthly benefit amounts vary from 16,293 to 45,955 pesos according to the fund and may be paid in cash or in kind. A double allowance is paid to a parent, an orphan sibling, or a child assessed with a disability of at least 60%.

**Dependent's death allowance (Subsidio Extraordinario, social insurance, income tested):** A lump sum of 12 times the monthly family benefit is paid for each surviving dependent.

**Surviving spouse allowance (social insurance):** Twelve times the monthly allowance is paid to a widow or the guardian for each eligible dependent.

**Family cash transfer (Más Familias en Acción, social assistance):** 68,150 to 79,500 pesos a month is paid for each child aged 0 to 7 (health benefit); an additional 11,375 to 62,475 pesos a month (depending on the region and education level) is paid for each child aged 5 to 18 (education benefit), up to three children (no limit for disabled children and children age 5).

The benefit is paid every two months to the head of the family.

Benefits are adjusted annually according to changes in the consumer price index.

**Student cash transfer (Jóvenes en Acción, social assistance):** 200,000 pesos a month is paid. The benefit is paid for six months for a vocational program, for 12 months for a technological program, and for 30 months for a university degree. University students with good results (3.5 out of 5 or better) receive a top up of 400,000 pesos after each semester; an additional premium of 200,000 pesos is paid after each semester to university students with excellent results (4.3 out of 5 or better).

The benefit is paid every two months to the student.

### **Administrative Organization**

Ministry of Labor (<http://www.mintrabajo.gov.co/>) provides general supervision.

Superintendent of Family Subsidies (<http://www.ssf.gov.co/>) supervises family allowance funds.

Individual family allowance funds provide benefits.

The Department for Social Prosperity (<http://www.prosperidadsocial.gov.co/Paginas/Inicio.aspx/>) supervises and manages social assistance schemes.

Administrator of the Integrated Platform for Payment of Contributions (PILA, <https://www.minsalud.gov.co/proteccionsocial/Paginas/pila.aspx/>) collects contributions.