

Cabo Verde

Exchange rate: US\$1.00 = 94.88 escudos.

Old Age, Disability, and Survivors

Regulatory Framework

First laws: 1957 (maritime and transport workers) and 1982 (social insurance for employees).

Current laws: 2001 (organization of the system), 2003 (self-employed persons), 2004 (employed persons), 2006 (civil servants), 2006 (social pensions), 2006 (cooperatives), 2007 (municipal agents), 2007 (labor code), 2009 (self-employed persons), 2009 (household workers), 2010 (social pensions), and 2013 (social pensions).

Type of program: Social insurance and social assistance system.

Coverage

Social insurance: Public- and private-sector employees, including civil servants of the central government first employed after December 31, 2005, and civil servants of local governments after December 31, 2007; self-employed persons; household workers; and certain business owners and cooperative employees.

Special system for civil servants of the central government employed before December 31, 2005, and civil servants of local governments employed before December 31, 2007.

Social assistance: Needy residents of Cabo Verde not covered by social insurance, including certain noncitizens who have resided in Cabo Verde for at least 10 years.

Source of Funds

Insured person

Social insurance: 3% of gross monthly covered earnings plus 1% for administrative fees.

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

The legal monthly minimum wage is 13,000 escudos.

There are no maximum earnings used to calculate contributions.

The insured person's administrative fees also finance administrative fees for cash sickness and maternity benefits and medical benefits.

Social assistance: None; see source of funds under Sickness and Maternity for the funeral grant.

Self-employed person

Social insurance: 10% of gross monthly covered declared reference earnings plus 1.5% for administrative fees.

The self-employed person chooses the monthly reference earnings used to calculate contributions in multiples of 15,000 escudos.

The maximum monthly reference earnings used to calculate contributions vary depending on the self-employed person's occupation.

The self-employed person's administrative fees also finance administrative fees for cash sickness and maternity benefits and medical benefits.

Social assistance: None.

Employer

Social insurance: 7% of gross monthly covered payroll plus 1% for administrative fees; for micro and small enterprises, 2.8% of annual sales (for all branches; the contribution includes administrative fees). See source of funds under Family Allowances for the funeral grant.

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

The legal monthly minimum wage is 13,000 escudos.

There are no maximum earnings used to calculate contributions.

The employer's administrative fees also finance administrative fees for cash sickness and maternity benefits and medical benefits.

Social assistance: None.

Government

Social insurance: None; contributes as an employer.

Social assistance: The total cost.

Qualifying Conditions

Old-age pension (Pensão de velhice, social insurance):

Age 65 (men) or age 60 (women) with at least 11 years of contributions (rising to 12 years in 2020 and to 15 years in 2023).

The old-age pension is payable abroad.

Old-age social pension (Pensão básica, social assistance, income tested):

Age 60.

Income test: Monthly household income must be below the extreme poverty threshold set by the national statistics institute.

The old-age social pension is payable abroad under reciprocal agreement.

Disability pension (Pensão de invalidez, social insurance):

Must have at least a 66.7% assessed degree of disability or at least a 33.3% assessed loss of earning capacity, and have at least five years of contributions.

The disability pension is payable abroad.

Disability social pension (Pensão social por invalidez, social assistance, income tested): Must be aged 18 to 60 with an assessed degree of permanent disability greater than 75%.

Income test: Monthly household income must be below the extreme poverty threshold set by the national statistics institute.

The disability social pension is payable abroad under reciprocal agreement.

Survivor pension (Pensão de sobrevivência, social insurance): The deceased received or was entitled to receive a social insurance old-age or disability pension or had at least 36 months of contributions at the time of death.

Eligible survivors include a widow(er) and orphans younger than age 18 (up to age 25 depending on the type of continuing education; no limit if disabled).

The widow(er)'s pension ceases upon remarriage.

The survivor pension is payable abroad.

Survivor social pension (Pensão social de sobrevivência, social assistance, income tested): The deceased received or was entitled to receive an old-age or disability social pension.

Eligible survivors include a widow(er) who was living with the deceased, or any legal heir aged 18 to 60.

The survivor social pension is payable abroad under reciprocal agreement.

Funeral grant (Subsídio de funeral, social insurance): Paid when an insured person or one of his or her dependents dies.

Eligible survivors include a widow(er), orphans, parents, descendants, or the person who paid for the funeral.

Funeral grant (Subsídio de funeral, social assistance, income tested): The beneficiary received an old-age or disability social pension for at least six months.

Old-Age Benefits

Old-age pension (Pensão de velhice, social insurance): 2% of the insured's average monthly earnings for each year of contributions is paid.

The average monthly earnings used to calculate benefits are based on the insured's highest six years of earnings in the last 11 years of contributions (starting in 2020, the highest seven years of earnings in the last 12 years of contributions). Past earnings are adjusted using the consumer price index.

The minimum monthly old-age pension is 6,000 escudos.

The maximum monthly old-age pension is 80% of the insured's average monthly earnings.

Benefit adjustment: Benefits are adjusted periodically based on changes in the average salary of civil servants.

Old-age social pension (Pensão básica, social assistance, income tested): 6,000 escudos a month is paid.

Permanent Disability Benefits

Disability pension (Pensão de invalidez, social insurance): 2% of the insured's average monthly earnings for each year of contributions is paid.

The average monthly earnings used to calculate benefits are based on the insured's six highest years of earnings in the last 10 years of contributions (starting in 2020, the highest seven years of earnings in the last 12 years of contributions). Past earnings are adjusted using the consumer price index.

The minimum monthly disability pension is 6,000 escudos.

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

Benefit adjustment: Benefits are adjusted periodically based on changes in the average salary of civil servants.

Disability social pension (Pensão social por invalidez, social assistance, income tested): 6,000 escudos a month is paid.

Survivor Benefits

Survivor pension (Pensão de sobrevivência, social insurance)

Spouse's pension: 50% of the social insurance old-age or disability pension the deceased received or was entitled to receive is paid to the widow(er).

The pension is paid for five years to a widow younger than 50 and a widower younger than age 55; for life if the widow(er) is assessed with a total permanent disability, the widow is aged 50 or older, or the widower is aged 55 or older.

Orphan's pension: 25% of the social insurance old-age or disability pension the deceased received or was entitled to receive is paid for each eligible orphan; 50% for each full orphan.

The orphan's pension is paid for five years; for life to an orphan with a disability.

The maximum combined survivor pension is 100% of the social insurance old-age or disability pension the deceased received or was entitled to receive.

Benefit adjustment: Benefits are adjusted periodically based on changes in the average salary of civil servants.

Survivor social pension (Pensão social de sobrevivência, social assistance, income tested): 5,000 escudos a month is paid for 12 months if the eligible survivor is aged 18 to 45; for life if the eligible survivor is older than age 45.

Funeral grant (Subsídio de funeral, social insurance):

The cost of the funeral, up to 30,000 escudos, is paid when the insured, the insured's spouse, or the insured's child older than age 14 dies; 20,000 escudos for a child aged 5 to 14; 12,000 escudos for a child younger than age 5.

Benefit adjustment: Benefits are adjusted periodically. (The last adjustment occurred in January 2011.)

Funeral grant (Subsídio de funeral, social assistance, income tested): A lump sum of 7,000 escudos is paid.

Administrative Organization

Ministry of Health and Social Security (<http://www.minsaude.gov.cv/>) provides general supervision of the social insurance program.

Ministry of Finance and Planning (<https://mf.gov.cv/>) provides financial supervision for the social insurance program.

National Social Insurance Institute (INPS) (<http://www.inps.cv/>) administers the social insurance program and collects contributions.

Ministry of Education, Family, and Social Inclusion (<http://www.minedu.gov.cv/>) provides general supervision of the social assistance program.

National Centre of Social Pensions (<http://www.cnps.cv/>) administers the social assistance program.

Sickness and Maternity

Regulatory Framework

First laws: 1976 (maritime and transport workers) and 1982 (social insurance for salaried employees).

Current laws: 2001 (organization of the system), 2003 (self-employed persons), 2004 (employed persons), 2006 (civil servants), 2006 (cooperatives), 2006 (community-based social insurance for social pensioners), 2007 (municipal agents), 2007 (labor code), 2009 (self-employed persons), and 2009 (household workers).

Type of program: Social insurance and community-based social insurance system.

Coverage

Social insurance: Public- and private-sector employees, self-employed persons, and household workers.

Business owners, cooperative employees, pensioners, and social insurance beneficiaries are covered for medical benefits only.

Community-based social insurance: Old-age and disability social pensioners.

Source of Funds

Insured person

Social insurance: 4% of gross monthly earnings plus administrative fees (see Old Age, Disability, and Survivors).

Community-based social insurance: 2% of the monthly old-age or disability social pension.

The insured person's contributions also finance the social assistance funeral grant.

Self-employed person

Social insurance: 8% of gross monthly earnings plus administrative fees (see Old Age, Disability, and Survivors).

Community-based social insurance: None.

Employer

Social insurance: 4% of gross monthly payroll plus administrative fees (see Old Age, Disability, and Survivors).

Community-based social insurance: None.

Government

Social insurance: None; contributes as an employer.

Community-based social insurance: None.

Qualifying Conditions

Cash sickness benefit (Subsídio de doença, social insurance): Must have at least four months of contributions, including 30 days in the last three months.

Cash maternity benefit (Subsídios de maternidade, paternidade e adoção; social insurance): Must have at least four months of contributions, including 30 days in the last three months.

Medical benefits (social insurance): Must have at least four months of contributions, including 30 days in the last three months.

Eligible dependents include children up to age 18 or receiving family allowances, a spouse or legal partner who is not employed, dependent parents, and dependent grandparents.

Medical benefits (community-based social insurance): Must have at least six months of contributions.

Sickness and Maternity Benefits

Sickness benefit (Subsídio de doença, social insurance): 70% of the insured's average daily earnings in the last four months is paid after a three-day waiting period for up to 1,095 days. The employer pays 100% of earnings for the first three days; thereafter, the difference between the sickness benefit and the insured's net earnings before the incapacity began for up to 90 days. If the sickness lasts longer than 30 days, a medical board must evaluate the insured's health status.

Maternity benefit (Subsídios de maternidade, paternidade e adoção; social insurance): 90% of the insured's average daily earnings in the last four months is paid for up to 60 days. The employer pays the difference between the

maternity benefit and the insured's net earnings before the leave began.

A nursing allowance is paid under Family Allowances.

Schedule of payments: The maternity benefit is paid as a lump sum.

Workers' Medical Benefits

Medical benefits (social insurance): Benefits include consultations, general and specialist care, surgery, hospitalization, laboratory services, doctor's home visits, medicine, prostheses, and dental care.

The Ministry of Health provides medical care directly through public clinics and hospitals. The National Social Insurance Institute reimburses certain treatments not available in public clinics and hospitals.

Cost sharing: The insured pays 15%, 25%, 45%, or 50% of the cost of medicine, according to a schedule in law; 5%, 15%, 40%, or 45% of the cost if the insured is a pensioner. Medicine is free for low-income pensioners. The insured pays 30% to 50% of the cost of dental care and 20%, 25%, 30%, or 40% of the cost of prostheses and appliances; low-income pensioners pay 15% less for dental care, prostheses, and appliances.

1,300 escudos (1,700 escudos for low-income pensioners) a day is paid if domestic travel is required; 2,300 escudos (3,200 escudos for low-income pensioners) a day when a pensioner is accompanied by an authorized person.

2,000 escudos (3,200 escudos for low-income pensioners) a day is paid if foreign travel is required (must be authorized by the Ministry of Health); 3,200 escudos (5,000 escudos for low-income pensioners) a day when a pensioner is accompanied by an authorized person.

Low-income pensioners are pensioners with monthly income less than 2.5 times the legal monthly minimum wage.

The legal monthly minimum wage is 13,000 escudos.

Medical benefits (community-based social insurance): Up to 3,750 escudos a year is reimbursed for medicine.

Dependents' Medical Benefits

Medical benefits (social insurance): Benefits for dependents are the same as those for the insured.

Medical benefits (community-based social insurance): Information not available.

Administrative Organization

Ministry of Health and Social Security (<http://www.minsaude.gov.cv/>) provides general supervision of the social insurance program.

Ministry of Education, Family, and Social Inclusion (<http://www.minedu.gov.cv/>) provides general supervision of the community-based social insurance program.

National Social Insurance Institute (INPS) (<http://www.inps.cv/>) administers the cash sickness and maternity benefits and collects contributions.

National Health Service administers the social insurance medical benefits.

National Centre of Social Pensions (<http://www.cnps.cv/>) administers the community-based social insurance program.

Work Injury

Regulatory Framework

First law: 1960.

Current laws: 1978 (compulsory insurance) and 1991 (administration).

Type of program: Social insurance system.

Coverage

Employed persons, tenant farmers and sharecroppers, members of cooperative enterprises, apprentices and trainees, certain categories of volunteer workers, and certain categories of self-employed persons and family members employed by them.

Exclusions: Company managers, owners, and shareholders. Special system for civil servants.

Source of Funds

Insured person: None.

Self-employed person: 6% of monthly covered earnings.

The maximum daily earnings used to calculate contributions are 300 escudos.

Employer: 2% of monthly covered payroll for salaried employees or 6% of monthly covered payroll for all other workers; for household workers, 50 escudos a month (full time) or 30 escudos a month (part time).

The maximum daily earnings used to calculate contributions are 300 escudos.

Government: None.

Qualifying Conditions

Must be assessed with a work injury or occupational disease. There is no minimum qualifying period. Accidents that occur while commuting to and from work are covered.

Temporary Disability Benefits

If the insured is assessed with a total disability, 40% of the insured's earnings on the day the injury occurred (40% of average earnings in the last six months if those earnings differ from the insured's normal earnings) is paid for the first 14 days; thereafter, 70%. For hospitalization, the

benefit is 40% of the insured's earnings; 70% with dependents. The benefit is paid for up to 1,095 days.

The maximum daily earnings used to calculate benefits are 300 escudos.

Partial disability: 25% of the insured's earnings on the day the disability began is paid (25% of the insured's average earnings in the last six months if those earnings differ from the insured's normal earnings).

Permanent Disability Benefits

Permanent disability pension (Pensão de incapacidade total): For a total (100%) disability, 70% of the insured's earnings on the day the disability began is paid from the day after the disability began (70% of average earnings in the last six months if those earnings differ from the insured's normal earnings). The employer pays the insured's earnings for the day of disability.

The maximum daily earnings used to calculate benefits are 300 escudos.

Constant-attendance allowance: 30% of the insured's earnings is paid if the insured requires the constant attendance of others to perform daily functions.

Partial disability (Pensão de incapacidade parcial): For an assessed degree of disability of 10% to 99%, a percentage of the full permanent disability pension is paid based on the assessed degree of disability.

The degree of disability is assessed according to a schedule in law.

The insured may be required to undergo medical examinations every six months during the first two years; thereafter, every year.

Benefit adjustment: Benefits are adjusted based on changes in the cost of living, depending on the financial resources of the system.

Workers' Medical Benefits

Benefits include medical treatment, surgery, hospitalization, prostheses, appliances, and transportation.

Survivor Benefits

Survivor pension (Pensão de sobrevivência)

Spouse's pension: 30% of the deceased's earnings on the day the injury or illness occurred (30% of the deceased's average earnings in the last six months if those earnings differ from normal earnings) is paid.

Eligible survivors include a dependent widow, a dependent widower older than age 64 or disabled, and a divorced spouse receiving alimony. If there is more than one eligible divorced spouse, the pension is split equally.

The maximum daily earnings used to calculate benefits are 300 escudos.

The spouse's pension ceases upon remarriage or cohabitation.

Remarriage settlement: A lump sum of one year of the spouse's pension is paid upon remarriage or cohabitation.

Orphan's pension: 15% of the deceased's earnings on the day the injury or illness occurred (15% of the deceased's average earnings in the last six months if those earnings differ from normal earnings) is paid for each dependent child up to age 18 (age 24 if a student, no limit if disabled); 45% for each full orphan.

Other eligible survivors: 10% of the deceased's earnings on the day the injury or illness occurred (10% of the deceased's average earnings in the last six months if those earnings differ from normal earnings) is paid to each dependent parent, dependent grandparent, and dependent brother and sister up to age 16.

The maximum combined monthly survivor pension for other eligible survivors is 30% of the deceased's monthly earnings.

The maximum combined survivor pension is 70% of the deceased's monthly earnings.

Benefit adjustment: Benefits are adjusted based on changes in the cost of living, depending on the financial resources of the system.

Funeral grant (Despesas de funeral): The cost of the funeral, up to 7,500 escudos, is paid.

Administrative Organization

Ministry of Health and Social Security (<http://www.minsaude.gov.cv/>) provides general supervision of the program.

Private insurance companies administer the program.

Unemployment

Regulatory Framework

First and current law: 2016 (unemployment).

Type of program: Social insurance system.

Coverage

Employed persons.

Exclusions: Self-employed persons.

Special systems for employees of micro and small enterprises, civil servants, and household workers.

Source of Funds

Insured person: 0.5% of gross monthly earnings.

Self-employed person: Not applicable.

Employer: 2.5% of gross monthly payroll.

Government: 1.5% of insured's gross monthly earnings; contributes as an employer.

Qualifying Conditions

Must have at least 180 days of contributions, be involuntarily unemployed, and be registered as searching for work in the local job center.

Unemployment Benefits

65% of the insured's reference salary (disability pension if the insured ceased work due to a disability) is paid for up to two months (up to three months for those with more than 24 months of contributions). An additional month of the unemployment benefit is paid if aged 35 or older (two months if aged 50 or older).

The reference salary is the insured's average monthly salary in the six months before unemployment.

The minimum monthly unemployment benefit is the legal monthly minimum wage.

The maximum monthly unemployment benefit is 2.5 times the legal monthly minimum wage.

The legal monthly minimum wage is 13,000 escudos.

Administrative Organization

Ministry of Health and Social Security (<http://www.minsaude.gov.cv/>) provides general supervision.

National Social Insurance Institute (INPS) (<http://www.inps.cv/>) administers the program and collects contributions.

Employment and Professional Education Institute (IEFP) (<https://iefp.cv/home>) assesses the ability and availability for work, and monitors and evaluates unemployment beneficiaries.

Family Allowances

Regulatory Framework

First law: 1957.

Current laws: 2001 (organization of the system), 2004 (employed persons), 2006 (civil servants), 2006 (cooperatives), 2007 (municipal agents), 2007 (labor code), and 2009 (household workers).

Type of program: Social insurance system.

Coverage

Public- and private-sector employees, including civil servants of the central government first employed after December 31, 2005, and civil servants of the local governments after December 31, 2007; household workers; and old-age and disability pensioners and their dependents.

Exclusions: Self-employed persons.

Special system for civil servants of the central government employed before December 31, 2005, and civil servants of local governments employed before December 31, 2007.

Source of Funds

Insured person: None.

Self-employed person: Not applicable.

Employer: 1.5% of gross monthly payroll; 3% for civil servants of the central government first employed after December 31, 2005, and civil servants of the local governments after December 31, 2007; or 3% for household workers.

The employer's contributions also finance the social insurance funeral grant (see Old Age, Disability, and Survivors).

Government: None; contributes as an employer.

Qualifying Conditions

Family allowance (Abono de família): Paid for children younger than age 15 (age 25 if a student; no limit if disabled) and for the insured's parents if each parent's income is less than the legal monthly minimum wage for public-sector workers.

The legal monthly minimum wage for public-sector workers is 15,000 escudos.

Disabled child allowance (Subsídio por deficiência): Paid for children up to age 18 (no limit if assessed as permanently incapable of any work) with at least a 66% assessed degree of disability.

A medical commission assesses the degree of disability.

Nursing allowance (Subsídio de aleitação): Paid upon the birth of a child.

Family Allowance Benefits

Family allowance (Abono de família): 500 escudos a month is paid for each eligible dependent. The allowance is paid for up to four children; the limit on the number of children is waived if the insured is deceased and the mother is an unemployed widow.

Disabled child allowance (Subsídio por deficiência): 2,000 escudos a month is paid for each eligible child younger than age 14; 3,000 escudos a month for each eligible child aged 14 or older.

Nursing allowance (Subsídio de aleitação): 1,500 escudos a month is paid for six months after childbirth.

Administrative Organization

Ministry of Health and Social Security (<http://www.minsaude.gov.cv/>) provides general supervision.

National Social Insurance Institute (<http://www.inps.cv/>) administers the program and collects contributions.