

## Paraguay

Exchange rate: US\$1.00 = 3,996 guaraníes.

### Old Age, Disability, and Survivors

#### Regulatory Framework

**First law:** 1943.

**Current laws:** 1992 (unified pension scheme); 2005 (retirement); 2011 (reduced proportional pension); and 2013 (self-employed).

**Type of program:** Social insurance system.

#### Coverage

Employed persons, including employees of decentralized state entities and enterprises partially owned by the state, municipal workers, and apprentices.

Voluntary coverage for self-employed persons, household workers, and housewives.

Special systems for public-sector employees, teachers, police and military personnel, railroad employees, and bank employees.

#### Source of Funds

**Insured person:** 9% of gross earnings.

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

The legal monthly minimum wage is 1,658,232 guaraníes.

There are no maximum earnings used to calculate contributions.

The insured person's contributions also finance sickness, maternity, and work injury benefits.

**Self-employed person:** 12.5% of the legal monthly minimum wage plus 0.5% for administrative fees.

The legal monthly minimum wage is 1,658,232 guaraníes.

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

**Employer:** 14% of gross payroll.

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

The legal monthly minimum wage is 1,658,232 guaraníes.

There are no maximum earnings used to calculate contributions.

The employer's contributions also finance sickness, maternity, and work injury benefits.

**Government:** 1.5% of gross earnings; contributes as an employer.

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

The legal monthly minimum wage is 1,658,232 guaraníes.

There are no maximum earnings used to calculate contributions.

Government contributions also finance sickness, maternity, and work injury benefits.

#### Qualifying Conditions

**Old-age pension:** Age 60 with at least 1,250 weeks of contributions. Employment must cease.

Early pension: Age 55 with at least 1,500 weeks of contributions. Employment must cease.

Reduced proportional pension: Age 65 with at least 750 weeks of contributions. Employment must cease.

**Disability pension:** Must be assessed with at least a 30% loss of earning capacity and have at least 150 weeks of contributions if younger than age 55; 150 weeks to 250 weeks if aged 55 to 59; or 250 weeks to 400 weeks if aged 60 to 65.

A medical commission of three Social Security Institute doctors assesses the degree of disability. The degree of disability is reviewed at least once every five years.

**Survivor pension:** The deceased received or was entitled to receive an old-age or disability pension at the time of death or had at least 750 weeks of contributions.

Eligible survivors include a widow(er) or a partner who lived with the deceased for at least five years (two years if they had children); a child younger than age 18 (no limit if disabled); and dependent parents if there are no other eligible survivors.

**Survivor grant:** The deceased had less than 750 weeks of contributions.

**Funeral grant:** Paid to the person who pays for the funeral if there are no eligible survivors.

#### Old-Age Benefits

**Old-age pension:** 100% of the insured's average earnings is paid.

Early pension: The monthly pension is 80% of the insured's average earnings plus 4% of average earnings for each year the insured is older than age 55, up to age 59.

Reduced proportional pension: 60% of the insured's average earnings in the last 36 months is paid.

Average earnings for employed persons are based on earnings in the last 36 months (excluding the last month) before retirement; last 120 months for self-employed persons.

The minimum monthly old-age pension is 33% of the legal monthly minimum wage.

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The legal monthly minimum wage is 1,658,232 guaraníes.

The maximum monthly old-age pension is 300 times the minimum daily wage.

The legal daily minimum wage is 63,778 guaraníes.

The pension is paid monthly plus a December bonus of one month of pension.

Old-age benefits are payable abroad under bilateral or multilateral agreement.

Benefit adjustment: Benefits are adjusted annually according to changes in the cost of living, depending on available funds.

### **Permanent Disability Benefits**

**Disability pension:** 50% of the insured's average earnings in the last 36 months before the disability began plus 1.5% of average earnings for each 50-week period of contributions exceeding 150 weeks, up to 100%, is paid.

The minimum monthly disability pension is 33% of the legal monthly minimum wage.

The legal monthly minimum wage is 1,658,232 guaraníes.

The maximum disability pension is 300 times the minimum daily wage.

The legal daily minimum wage is 63,778 guaraníes.

The pension is paid monthly plus a December bonus of one month of pension.

Disability benefits are payable abroad under bilateral or multilateral agreement.

Benefit adjustment: Benefits are adjusted annually according to changes in the cost of living, depending on the availability of funds.

### **Survivor Benefits**

**Survivor pension:** 60% of the old-age or disability pension the deceased received or was entitled to receive is split equally among a widow(er) or partner older than age 40 and children younger than age 18.

A lump sum of three times the annual old-age or disability pension the deceased received or was entitled to receive is paid to a widow(er) or partner younger than age 40.

Remarriage and cohabitation settlement: A lump sum of twice the annual old-age or disability pension the deceased received or was entitled to receive is paid.

The pension is paid monthly plus a December bonus of one month of pension.

**Other eligible survivors:** If there is no eligible widow(er), partner, or child, the pension is paid to the deceased's parents.

**Survivor grant:** A lump sum of one month of the legal monthly minimum wage is paid for each year of contributions.

The legal monthly minimum wage is 1,658,232 guaraníes.

Survivor benefits are payable abroad under bilateral or multilateral agreement.

Benefit adjustment: Benefits are adjusted annually according to changes in the cost of living.

**Funeral grant:** A lump sum of 75 times the legal daily minimum wage is paid.

The legal daily minimum wage is 63,778 guaraníes.

### **Administrative Organization**

Social Insurance Institute (<http://www.ips.gov.py>) administers the program.

### **Sickness and Maternity**

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#### **Regulatory Framework**

**First law:** 1943.

**Current laws:** 1992 (unified pension scheme); and 1996 (medical benefits).

**Type of program:** Social insurance system.

#### **Coverage**

Employed persons, including employees of decentralized state entities and enterprises partially owned by the state, and teachers.

Exclusions: Self-employed persons, public-sector employees, police and military personnel, railroad employees and bank employees.

Special systems for household workers, pensioners, and war veterans.

#### **Source of Funds**

**Insured person:** See source of funds under Old Age, Disability, and Survivors. (Pensioners contribute 6% of pensions.)

**Self-employed person:** Not applicable.

**Employer:** See source of funds under Old Age, Disability, and Survivors.

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

#### **Qualifying Conditions**

**Cash sickness and maternity benefits:** At least six weeks of contributions in the last four months. (Insured women cannot receive cash maternity benefits and cash sickness benefits at the same time.)

**Medical benefits:** Must be currently insured. The number of contributions required depends on the procedure or service.

## Sickness and Maternity Benefits

**Sickness benefit:** 50% of the insured's average earnings in the four months immediately before the incapacity began is paid from the day after the incapacity began for up to 26 weeks; may be extended an additional 24 weeks in special cases. The benefit is reduced by half during periods of hospitalization if there are no dependents.

**Maternity benefit:** 50% of the insured's average earnings in the four months immediately before the maternity leave is paid for three weeks before and six weeks after the expected date of childbirth.

Benefits in kind: Milk vouchers are provided for up to eight months if the mother is unable to nurse the child.

## Workers' Medical Benefits

The Social Insurance Institute provides medical services directly to patients. Benefits include general and specialist care, hospitalization, laboratory services, medicine, prostheses, dental care, and maternity care.

Benefits are paid for 26 weeks for any one illness; may be extended to up to 52 weeks in special cases.

## Dependents' Medical Benefits

Medical benefits for dependents are the same as those for the insured.

Eligible dependents include the wife of the insured or pensioner (or a partner who has lived with him for at least two years before the sickness began); unemployed husband; unmarried children younger than age 18 (no limit if disabled); and the insured's dependent parents older than age 60.

## Administrative Organization

Social Insurance Institute (<http://www.ips.gov.py>) administers the program.

Social Insurance Institute operates its own clinics and hospitals.

## Work Injury

### Regulatory Framework

**First laws:** 1927 and 1943.

**Current law:** 1992 (unified pension scheme) and 2013 (self-employed).

**Type of program:** Social insurance system.

### Coverage

Employed persons, including employees of decentralized state entities and enterprises partially owned by the state, municipal workers, and apprentices.

Voluntary coverage for self-employed persons, household workers, and housewives.

Special systems for public-sector employees, teachers, police and military personnel, railroad employees, and bank employees.

### Source of Funds

**Insured person:** See source of funds under Old Age, Disability, and Survivors.

**Self-employed person:** See source of funds under Old Age, Disability, and Survivors.

**Employer:** See source of funds under Old Age, Disability, and Survivors.

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

### Qualifying Conditions

**Work injury benefits:** There is no minimum qualifying period.

### Temporary Disability Benefits

75% of the insured's average earnings in the last four months or the total contribution period, if shorter, is paid from the day after the disability began for up to 52 weeks.

A medical commission of three Social Security Institute doctors assess the degree of disability. The degree of disability is reviewed at least once every five years.

### Permanent Disability Benefits

**Permanent disability pension:** 30% to 100% of the insured's average earnings in the last 36 months before the disability began is paid, according to the number of contributions and the assessed degree of disability.

Partial disability: For an assessed degree of disability of more than 30%, 60% of lost earnings is paid, according to a schedule in law. If the value of the partial disability pension is less than 30% of the total disability pension, a lump sum of five years of pension is paid.

A medical commission of three Social Security Institute doctors assesses the degree of disability. The degree of disability is reviewed at least once every five years.

### Workers' Medical Benefits

Benefits include general and specialist care, hospitalization, medicine, and prostheses.

### Survivor Benefits

**Spouse's pension:** 40% of the permanent disability pension the deceased received or was entitled to receive is paid to a widow(er) or partner aged 40 or older.

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If the widow(er) or partner remarries or cohabits, the benefit ceases and a lump sum of twice the annual pension the deceased received or was entitled to receive is paid.

A lump sum of three times the annual pension the deceased received or was entitled to receive is paid to widow(er) or partner younger than age 40.

**Orphan's pension:** 20% of the permanent disability pension the deceased received or was entitled to receive is paid to each child younger than age 16 (no limit if disabled).

**Other eligible survivors:** If there is no eligible widow(er), partner, or child, the pension is paid to the deceased's parents.

All survivor benefits combined must not exceed 100% of the pension the deceased received or was entitled to receive.

Survivor benefits are payable abroad under bilateral or multilateral agreement.

**Survivor grant:** If the deceased had less than 750 weeks of contributions at the time of death, a lump sum of one month of the legal monthly minimum wage for each year of contributions is paid.

The legal monthly minimum wage is 1,658,232 guaraníes.

Survivor benefits are payable abroad under bilateral or multilateral agreement.

Benefit adjustment: Benefits are adjusted annually according to changes in the cost of living.

**Funeral grant:** A lump sum of 75 times the legal daily minimum wage is paid.

The legal daily minimum wage is 63,788 guaraníes.

### **Administrative Organization**

Social Insurance Institute (<http://www.ips.gov.py>) administers the program.

Social Insurance Institute operates its own clinics and hospitals.

### **Family Allowances**

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#### **Regulatory Framework**

No statutory benefits are provided.

The 1993 labor code requires employers to provide specified maternity benefits and family allowance benefits based on the number of children.